

UNDERGROUND MOLING SERVICES LIMITED

No. SC158708

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

MONDAY



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COMPANIES HOUSE

UNDERGROUND MOLING SERVICES LIMITED

COMPANY INFORMATION

Directors	Donald William MacDiarmid	(Appointed 6 September 2012)
	Philip Fellowes-Pryne	(Appointed 20 January 2011, resigned 6 September 2012)
	Matthew Stevens	(Appointed 20 January 2011, resigned 13 March 2012)
	Mark Hazlewood	(Appointed 13 March 2012)
	John Graham	(Resigned 20 January 2011)
	James Morrison	(Resigned 20 January 2011)
	David Morrison	(Resigned 20 February 2011)
	Robert Ellis Duguid	(Resigned 20 January 2011)
Secretary	Simon Howell	(Appointed 20 January 2011)
	CLP Secretaries Limited	(Resigned 20 January 2011)
Company number	SC158708	
Registered office	3-5 Melville Street Edinburgh EH3 7PE	
Business address	Universal Road Middlefield Industrial Estate Falkirk FK2 9GA	
Auditors	Grant Thornton UK LLP Melton Street Euston Square London NW1 2EP	
Bankers	Bank of Scotland 15 High Street Turriff Aberdeenshire AB53 4ED	
Solicitors	Commercial Law Practice LLP Commercial House 2 Rubislaw Terrace Aberdeen AB10 1XE	

UNDERGROUND MOLING SERVICES LIMITED

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UNDERGROUND MOLING SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2012

The directors present their report and audited financial statements for the period ended 31 March 2012.

Principal activities

The principal activity of the company is that of drilling contractors and provision of suction excavation equipment to utility, construction, local authority and civil engineering markets. The company ceased to trade on 31 July 2011.

Directors

The following directors have held office since 1 January 2011:

Donald William MacDiarmid	(Appointed 6 September 2012)
Philip Fellowes-Prynn	(Appointed 20 January 2011, resigned 6 September 2012)
Matthew Stevens	(Appointed 20 January 2011, resigned 13 March 2012)
Mark Hazlewood	(Appointed 13 March 2012)
John Graham	(Resigned 20 January 2011)
James Morrison	(Resigned 20 January 2011)
David Morrison	(Resigned 20 February 2011)
Robert Ellis Duguid	(Resigned 20 January 2011)

Going concern

The Turriff Group (of which this company is a member) was acquired by May Gurney Limited on 20 January 2011. The trade and assets of the group were hived up into the books of May Gurney Limited on 31 July 2011.

Auditor

Pursuant to section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and Grant Thornton UK LLP will continue in office.

UNDERGROUND MOLING SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

Directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



Simon Howell

Company Secretary

18 December 2012

UNDERGROUND MOLING SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNDERGROUND MOLING SERVICES LIMITED

We have audited the financial statements of Underground Moling Services Limited for the period ended 31 March 2012 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement as set out in the Directors' report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

UNDERGROUND MOLING SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF UNDERGROUND MOLING SERVICES LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Philip Westerman BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
London
18 DECEMBER 2012

UNDERGROUND MOLING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2012

		Period ended 31 March 2012 £	Year ended 31 December 2010 £
	Notes		
Turnover	2		
Discontinued activities		1,735,901	2,377,520
Cost of sales		(1,048,160)	(1,478,918)
Gross profit		687,741	898,602
Administrative expenses		(283,149)	(544,964)
Other operating income		9,273	26,940
Operating profit	3		
Discontinued activities		413,865	380,578
Other interest receivable and similar income	4	1,334	9,354
Interest payable and similar charges	5	(11,574)	(33,936)
Profit on ordinary activities before taxation		403,625	355,996
Tax on profit on ordinary activities	6	(57,512)	(97,260)
Profit for the financial period/year	16	346,113	258,736

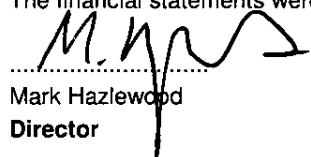
There are no recognised gains and losses other than those passing through the profit and loss account.

UNDERGROUND MOLING SERVICES LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

			31 March 2012 £	31 December 2010 £
	Notes	£	£	£
Fixed assets				
Tangible assets	8		-	1,150,119
Current assets				
Stocks	9	-		13,332
Debtors	10	1,311,290		427,042
Cash at bank and in hand		-		151,434
		<u>1,311,290</u>		<u>591,808</u>
Creditors: amounts falling due within one year	11	-		<u>(537,018)</u>
Net current assets			<u>1,311,290</u>	<u>54,790</u>
Total assets less current liabilities			<u>1,311,290</u>	<u>1,204,909</u>
Creditors: amounts falling due after more than one year	12	-		(174,661)
Provisions for liabilities and charges	13	-		(65,071)
Net assets			<u><u>1,311,290</u></u>	<u><u>965,177</u></u>
Capital and reserves				
Called up share capital	15		100	100
Profit and loss account	16		<u>1,311,190</u>	<u>965,077</u>
Equity shareholders' funds	17		<u><u>1,311,290</u></u>	<u><u>965,177</u></u>

The financial statements were authorised for issue and approved by the directors on 18 December 2012


Mark Hazlewood
Director

Company Registration No. SC158708

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in 'FRS 8 Related Party Disclosures' not to disclose transactions with other members of the May Gurney Integrated Services Plc Group (the 'Group'). The consolidated financial statements of May Gurney Integrated Services Plc can be obtained from the address given in note 20.

The company is exempt under the terms of 'FRS 1 (Revised 1996) Cash Flow Statements' from the requirement to publish its own cashflow statement, as its cashflows are included within the consolidated cashflow statement of the Group.

1.2 Revenue recognition

Turnover is stated net of VAT and trade discounts. Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	6 years straight line
Computer equipment	3 years straight line
Motor vehicles	5 to 8 years straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock and work in progress

Stock is valued at the lower of cost and net realisable value. Work in progress is stated at estimated sales value of work completed.

1.6 Pensions

The company operates various defined contribution pension schemes. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

1 Accounting policies (continued)

1.7 Deferred taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

1.8 Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. When recognising and measuring a provision, events occurring after the balance sheet date, and before authorisation for issue, are considered to determine whether such events provide additional evidence of conditions that existed at the balance sheet date and should therefore be adjusted for.

1.9 Dividends

Dividends are recognised in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recognised in the period in which they are approved and paid.

1.10 Classification of financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

3	Operating profit	Period ended	Year ended
		31 March 2012 £	31 December 2010 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	159,205	252,264
	Auditor's remuneration	3,500	7,500
		<u> </u>	<u> </u>
4	Investment income	Period ended	Year ended
		31 March 2012 £	31 December 2010 £
	Bank interest	1,334	9,354
		<u> </u>	<u> </u>
5	Interest payable	Period ended	Year ended
		31 March 2012 £	31 December 2010 £
	Hire purchase interest	11,574	33,936
		<u> </u>	<u> </u>

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

6	Taxation	Period ended 31 March 2012 £	Year ended 31 December 2010 £
	UK corporation tax		
	U.K. corporation tax	122,583	100,260
	Adjustment in respect of prior periods	-	(1,668)
	Total current tax	<u>122,583</u>	<u>98,592</u>
	Deferred tax		
	Deferred tax credit for current period/year	(65,071)	(532)
	Adjustment in respect of prior periods	-	(800)
		<u>(65,071)</u>	<u>(1,332)</u>
		<u>57,512</u>	<u>97,260</u>

Factors affecting the tax charge for the period/year

The rate of corporation tax in the UK was reduced from 28% to 26% effective 1 April 2011. The composite rate applied during the period ended 31 March 2012 is 26.8%.

Profit on ordinary activities before taxation	<u>403,625</u>	<u>355,996</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.8% (2010 - 28%)	<u>108,172</u>	<u>99,679</u>
Effects of:		
Non deductible expenses	11	12
Depreciation in excess of capital allowances	14,469	4,438
Adjustments to previous periods	-	(1,668)
Small companies relief	-	(280)
Other short term timing differences	(69)	(3,589)
	<u>14,411</u>	<u>(1,087)</u>
Current tax charge for the period/year	<u>122,583</u>	<u>98,592</u>

7	Dividends	Period ended 31 March 2012 £	Year ended 31 December 2010 £
	Ordinary interim paid	-	221,134

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

8 Tangible fixed assets

	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2011	852,775	13,065	1,308,047	2,173,887
Additions	3,712	-	18,520	22,232
Disposals	(856,487)	(13,065)	(1,326,567)	(2,196,119)
At 31 March 2012	-	-	-	-
Depreciation				
At 1 January 2011	608,084	11,017	404,667	1,023,768
Charge for the period	57,341	700	101,164	159,205
On disposals	(665,425)	(11,717)	(505,831)	(1,182,973)
At 31 March 2012	-	-	-	-
Net book value				
At 31 March 2012	-	-	-	-
At 31 December 2010	244,691	2,048	903,380	1,150,119

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 March 2012	-	-	-
At 31 December 2010	56,308	668,653	724,961
Depreciation charge for the period/year			
At 31 March 2012	-	-	-
At 31 December 2010	32,078	75,218	107,296

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE PERIOD ENDED 31 MARCH 2012**

9	Stocks	31 March	31 December
		2012	2010
		£	£
	Work in progress	-	13,332

10	Debtors	31 March	31 December
		2012	2010
		£	£
	Trade debtors	-	205,664
	Amounts owed by parent and fellow subsidiary undertakings	1,311,290	-
	Amounts owed by subsidiary undertakings	-	66,264
	Other debtors	-	152,026
	Prepayments and accrued income	-	3,088
		<u>1,311,290</u>	<u>427,042</u>

11	Creditors: amounts falling due within one year	31 March	31 December
		2012	2010
		£	£
	Net obligations under hire purchase contracts	-	228,743
	Trade creditors	-	68,541
	Amounts owed to parent and fellow subsidiary undertakings	-	33,389
	Corporation tax	-	80,963
	Other taxes and social security costs	-	72,170
	Other creditors	-	18,233
	Accruals and deferred income	-	34,979
		<u>-</u>	<u>537,018</u>

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

12 Creditors: amounts falling due after more than one year	31 March 2012 £	31 December 2010 £
Net obligations under hire purchase contracts	-	174,661
Net obligations under hire purchase contracts		
Repayable within one year	-	228,743
Repayable between one and five years	-	174,661
	-	403,404
Included in liabilities falling due within one year	-	(228,743)
	-	174,661

13 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 2011	65,071
Transfer to profit and loss	(65,071)
Balance at 31 March 2012	-

Deferred taxation provided in the financial statements is as follows:

	31 March 2012 £	31 December 2010 £
Accelerated capital allowances	-	65,366
Other timing differences	-	(295)
	-	65,071

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

14 Pension and other post-retirement benefit commitments Defined contribution

	31 March 2012 £	31 December 2010 £
Contributions payable by the company for the period/year	7,448	14,446
Contributions payable to the fund at the period/year end and included in creditors	-	1,094

15 Share capital

	31 March 2012 £	31 December 2010 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011	965,077
Profit for the financial period	346,113
Balance at 31 March 2012	1,311,190

17 Reconciliation of movements in shareholders' funds

	31 March 2012 £	31 December 2010 £
Profit for the financial period/year	346,113	258,736
Dividends	-	(221,134)
Net addition to shareholders' funds	346,113	37,602
Opening shareholders' funds	965,177	927,575
Closing shareholders' funds	1,311,290	965,177

18 Contingent liabilities

The bank held a Cross Corporate Guarantee between all group companies dated 16 June 2009. The amount outstanding at the year end was £nil (2010 - £6,420,780).

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

19 Directors' remuneration	Period ended 31 March 2012 £	Year ended 31 December 2010 £
Remuneration for qualifying services	36,309	90,083
Company pension contributions to defined contribution schemes	3,360	7,920
	<u>39,669</u>	<u>98,003</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil (2010 - 1).

20 Employees

Number of employees

The average monthly number of employees (including directors) during the period/year was:

	Period ended 31 March 2012 Number	Year ended 31 December 2010 Number
Office and management	4	4
Production	21	24
	<u>25</u>	<u>28</u>

The average number of employees disclosed for the current period is calculated over the period of trade to 31 July 2011 only.

Employment costs	Period ended 31 March 2012 £	Year ended 31 December 2010 £
Wages and salaries	528,634	788,315
Social security costs	50,485	75,889
Other pension costs	7,448	14,446
	<u>586,567</u>	<u>878,650</u>

UNDERGROUND MOLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

21 Ultimate controlling party

On 20 January 2011 the company's immediate parent company, Turriff Group Limited, was wholly acquired by May Gurney Limited. From this date the ultimate parent undertaking is May Gurney Integrated Services Plc, a company incorporated in England. Prior to 20 January 2011 the immediate parent company Turriff Group Limited, a company incorporated in Scotland, was controlled by the resigning director David Morrison.

The largest group in which the financial results of the company are consolidated is that headed by May Gurney Integrated Services Plc. No other financial statements include the results of the group. The consolidated financial statements are available to the public and may be obtained from May Gurney Integrated Services Plc, Trowse, Norwich, Norfolk, NR14 8SZ.

22 Transfer of trade

On 31 July 2011 the trade and assets of Underground Moling Services Limited were transferred to May Gurney Limited at book and fair value. Underground Moling Services Limited became dormant from that date.

The net assets transferred at book and fair value were as follows:

	Book and fair value £
Tangible fixed assets (note 8)	1,000,061
Stocks	36,264
Debtors	936,600
Cash at bank and in hand	27,310
Creditors	(246,106)
Corporation tax payable	(205,182)
Obligations under finance leases	(237,657)
Total net assets transferred (note 10)	1,311,290