

No. of company ~~246~~ 873179

23

CERTIFIED ACCOUNTS  
Signatures required indicating  
approval by —  
Directors, Secretary, Auditors

MAY GURNEY & CO. LIMITED

NORWICH

REPORT AND ACCOUNTS

1976

2



MAY GURNEY & CO. LIMITED

NOTICE IS HEREBY GIVEN that the ELEVENTH ANNUAL GENERAL MEETING of the members of MAY GURNEY & CO. LIMITED will be held at the offices of the company at Trowse Newton, Norwich on Thursday 6th April 1978 at 12.10 p.m. for the following business:

To receive and consider the accounts for the year ended 31st December 1976 and the reports of the directors and auditors thereon.

To re-appoint the auditors.

To transact the ordinary business of the company.

PLEASE SIGN HERE

BY ORDER OF THE BOARD

E.G. ADAMS

SECRETARY

9th MARCH 1978

NOTE: A member of the company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him and that proxy need not also be a member of the company.

MAY GURNEY & CO. LIMITEDDIRECTORS

S.F. Utting - Chairman & Managing Director  
E.G. Adams  
J.N. Holmes  
C.D. Utting

BANKERS

Barclays Bank Limited, Norwich

SECRETARY

E.G. Adams

REGISTERED OFFICE

Holland Court, The Close, Norwich, NR1 4DY.

AUDITORS

Peat, Marwick, Mitchell & Co.,  
Chartered Accountants, Norwich.

SUBSIDIARIES (Wholly Owned)

May Gurney (Colchester) Limited  
May Gurney (Dredging) Limited  
May Gurney (Fencing Services) Limited  
May Gurney (Plant Hire) Limited  
May Gurney (Surfacing & Sealing) Limited  
May Gurney (Technical Services) Limited  
May Gurney (Tunnelling) Limited

MAY GURNEY & CO. LIMITEDDIRECTORS' REPORT

The directors submit their annual report on the audited accounts for the year ended 31st December 1976.

1. PRINCIPAL ACTIVITIES

The principal activities of the group during the year were those of civil engineering contractors and trading in metals. There has been no change in these activities during the year.

2. PROFITS AND APPROPRIATIONS

The group profit for the year after taxation amounted to

Add: Unappropriated profits brought forward

Prior year adjustment

Less: Dividends on Participating preference shares

Leaving a balance to be carried forward of

Parent company  
Subsidiaries

£	£
	170,832
657,105	
138,739	795,844
	<u>966,676</u>
	50
576,193	
390,433	<u>£966,626</u>

3. DIRECTORATE

The directors during the year were:

Mr. S.F. Utting  
Mr. E.G. Adams  
Mr. J.N. Holmes  
Mr. C.D. Utting

The directors have interests in the company's redeemable participating preference shares and the parent company's preference and ordinary shares, as declared pursuant to their obligations under Section 27 and 31 of the Companies Act 1967, as follows:-

	At the end of the year	At the beginning of the year
The company's shares:-		
E.G. Adams	300	300
J.N. Holmes	300	300
C.D. Utting	300	300

MAY GURNEY & CO. LIMITEDDIRECTORS' REPORT (Cont'd.)3. DIRECTORATE (Cont'd.)

The parent company's shares:-	At the end of the year	At the beginning of the year
S.F. Utting:- Preference	100	100
Accumulating		
'A' ordinary	5,910	5,910
Accumulating		
'B' ordinary	5,052	3,875

4. FIXED ASSETS

An analysis of the fixed assets of the company is shown in Note 8 of the notes to the accounts.

5. EXPORTS

The company has not carried out any work abroad during the year.

6. CHARITABLE AND POLITICAL DONATIONS

During the year the company made charitable contributions totalling £2,825. No political contributions were made.

7. AUDITORS

A resolution for the re-appointment of Peat, Marwick, Mitchell & Co. as auditors of the company is to be proposed at the Annual General Meeting.

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BY ORDER OF THE BOARD

E.G. ADAMS

SECRETARY

Holland Court,  
The Close,  
Norwich, NR1 4DY.

9th MARCH 1978

MAY GURNEY & CO. LIMITED AND ITS SUBSIDIARIESCONSOLIDATED PROFIT AND LOSS ACCOUNTFor the year ended 31st December 1976

	<u>NOTES</u>	<u>1976</u>		<u>1975</u>	
		£	£	£	£
<u>TRADING PROFIT</u>	1		371,629		630,243
<u>TAXATION</u>	3		<u>200,797</u>		<u>331,035</u>
<u>PROFIT AFTER TAXATION</u>					
<u>AVAILABLE FOR APPROPRIATION</u> (of which £44,728 is dealt with in the accounts of May Gurney & Co. Limited)			170,832		299,208
<u>UNAPPROPRIATED PROFIT</u> brought forward		657,105			
<u>PRIOR YEAR ADJUSTMENT</u>	4	<u>138,739</u>	<u>795,844</u>		<u>358,256</u>
			966,676		657,464
<u>TRANSFER TO CAPITAL REDEMPTION</u>					
<u>RESERVE FUND</u>	7	-		300	
<u>DIVIDENDS</u>	5	<u>50</u>	<u>50</u>	<u>59</u>	<u>359</u>
<u>UNAPPROPRIATED PROFIT</u> carried forward					
May Gurney & Co. Ltd.		576,193		405,601	
Subsidiaries		<u>390,433</u>	<u>£966,626</u>	<u>251,504</u>	<u>£657,105</u>

MAY GURNEY & CO. LIMITED AND ITS SUBSIDIARIESCONSOLIDATED BALANCE SHEET - 31st December 1976

		<u>1976</u>		<u>1975</u>	
		£	£	£	£
<u>CAPITAL EMPLOYED</u>	<u>NOTES</u>	<u>Authorised</u>	<u>Issued and Fully Paid</u>	<u>Authorised</u>	<u>Issued and Fully Paid</u>
<u>SHARE CAPITAL</u>					
<u>PREFERENCE CAPITAL</u>					
5.6% (plus tax credit) Redeemable cumulative participating shares of £1 each	6	1,500	900	1,500	900
<u>ORDINARY CAPITAL</u>					
Shares of £1 each		3,500	3,500	3,500	3,500
		<u>£5,000</u>	<u>4,400</u>	<u>£5,000</u>	<u>4,400</u>
<u>CAPITAL RESERVES</u>	7		269,186		269,186
<u>REVENUE RESERVES</u>	7		1,216,626		907,105
			<u>1,490,212</u>		<u>1,180,691</u>
<u>DEFERRED TAXATION ACCOUNT</u>	3		984,399		759,091
			<u>£2,474,611</u>		<u>£1,939,782</u>
<u>FIXED ASSETS</u>	8		538,016		430,996
<u>CURRENT ASSETS</u>					
Stocks and work in progress	9	3,027,953		2,516,771	
Debtors		1,277,683		698,438	
Bank and cash balance		<u>4,665</u>	<u>4,310,301</u>	<u>13,873</u>	<u>3,229,082</u>
			<u>4,848,317</u>		<u>3,660,078</u>
<u>CURRENT LIABILITIES</u>					
Creditors		1,417,302		1,227,366	
Taxation	3	<u>300,627</u>	<u>1,717,929</u>	<u>102,516</u>	<u>1,329,882</u>
			<u>3,130,388</u>		<u>2,330,196</u>
<u>AMOUNTS DUE FROM GROUP COMPANIES</u>		70,686		38,242	
<u>AMOUNTS DUE TO GROUP COMPANIES</u>		<u>(726,463)</u>	<u>(655,777)</u>	<u>(428,656)</u>	<u>(390,414)</u>
			<u>£2,474,611</u>		<u>£1,939,782</u>

S.F. UTTING )

E.G. ADAMS )

DIRECTORS

## MAY GURNEY &amp; CO. LIMITED

## BALANCE SHEET - 31st December 1976

		£ 1976		£ 1975	
	NOTES	Authorised	Issued and Fully Paid	Authorised	Issued and Fully Paid
<u>CAPITAL EMPLOYED</u>					
<u>SHARE CAPITAL</u>					
<u>PREFERENCE CAPITAL</u>					
5.6% (plus tax credit) redeemable cumulative participating shares of £1 each	6	1,500	900	1,500	900
<u>ORDINARY CAPITAL</u>					
Shares of £1 each		3,500	3,500	3,500	3,500
		£5,000	4,400	£5,000	4,400
<u>CAPITAL RESERVES</u>	7		269,186		269,186
<u>REVENUE RESERVES</u>	7		826,193		655,601
			1,099,779		929,187
<u>DEFERRED TAXATION ACCOUNT</u>	3		745,890		574,689
			£1,845,669		£1,503,876
<u>FIXED ASSETS</u>	8		538,016		430,996
<u>SUBSIDIARY COMPANIES</u>					
Shares at cost	10	14,000		14,000	
Amounts owing by subsidiaries		533,175		488,477	
		547,175		502,477	
Amounts owing to subsidiaries		282,987	264,188	76,686	425,791
<u>CURRENT ASSETS</u>					
Stocks and work in progress	9	2,505,832		2,120,306	
Debtors		783,876		194,566	
Bank and cash balance		4,665	3,294,373	13,873	2,328,745
			4,096,577		3,185,532
<u>CURRENT LIABILITIES</u>					
Creditors		1,417,302		1,227,366	
Taxation	3	109,177	1,526,479	63,876	1,291,242
Carried forward			2,570,098		1,894,290



MAY GURNEY & CO. LIMITEDBALANCE SHEET - 31st December 1976 (Cont'd.)

	<u>1976</u>	<u>1975</u>
	£	£
Brought forward	2,570,098	1,894,290
<u>AMOUNTS DUE FROM GROUP COMPANIES</u>	2,034	38,242
<u>AMOUNTS DUE TO GROUP COMPANIES</u>	(726,463)	(390,414)
	<u>£1,845,669</u>	<u>£1,503,876</u>

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S.F. UTTING

E.G. ADAMS

DIRECTORS

MAY GURNEY & CO. LIMITED AND ITS SUBSIDIARIESSTATEMENT OF SOURCE AND APPLICATION OF FUNDS

	<u>1976</u>		<u>1975</u>	
	£	£	£	£
<u>SOURCE OF FUNDS</u>				
Profit before tax		371,629		630,243
Prior year adjustment		289,039		-
Adjustments for items not involving the movements of funds:				
Depreciation		189,697		158,665
<u>TOTAL GENERATED FROM OPERATIONS</u>		850,365		788,908
<u>FUNDS FROM OTHER SOURCES</u>				
Sale of fixed assets		28,834		17,073
		879,199		805,981
<u>APPLICATION OF FUNDS</u>				
Dividends paid	(50)		(59)	
Tax paid	(5,200)		(21,410)	
Purchase of fixed assets	(325,549)	(330,799)	(224,497)	(245,966)
		548,400		560,015
<u>INCREASE IN WORKING CAPITAL</u>				
Increase in stocks	511,182		1,204,384	
Increase/(Decrease) in debtors	466,388		(235,299)	
(Increase) in amounts due to group companies	(342,883)		(335,414)	
(Increase) in creditors	(77,079)		(106,721)	
Movements in net liquid funds:				
(Decrease)/Increase in bank and cash balances	(9,208)		33,065	
		548,400		560,015

MAY GURNEY & CO. LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTS

1.	(a) <u>TRADING PROFIT</u>	<u>1976</u>	<u>1975</u>
		£	£
	The trading profit is stated after charging the following items:-		
	Directors' remuneration (Note 2)	49,585	51,249
	Depreciation of fixed assets (Note 8)	189,697	158,665
2.	Hire of plant and machinery	567,803	489,108
	Auditors' remuneration	4,900	4,260
		<u>£49,585</u>	<u>£51,249</u>
	(b) <u>TURNOVER</u>		
	The turnover excluding inter-company sales amounted to £12,265,616 (1975 £7,095,264)		
3.	<u>DIRECTORS' REMUNERATION</u>	<u>1976</u>	<u>1975</u>
		£	£
	Fees	700	700
	Other remuneration (1975 - including £5,000 ex-gratia payment to former director)	47,980	49,269
		<u>48,680</u>	<u>49,969</u>
	Pension contributions	905	1,280
		<u>£49,585</u>	<u>£51,249</u>
	Remuneration (excluding pension contributions):-	£	£
	Chairman	8,000	8,000
	Highest paid directors (1976 2 directors, 1975 1 director)	13,155	12,171
	Other directors:-	<u>No.</u>	<u>No.</u>
	£2,501 - £5,000	-	1
	£10,001 - £12,500	-	2
	£12,501 - £15,000	1	-
	<u>TAXATION</u>	<u>1976</u>	<u>1975</u>
		£	£
	The charge in the profit and loss account for the year is:-		
	Corporation tax at 52%	227,834	-
	Group relief payable/(receivable)	3,420	(75,900)
	Transfer (from)/to deferred taxation	(34,049)	407,806
		<u>197,205</u>	<u>331,906</u>
	Deferred taxation adjustment in respect of previous years	109,057	(11,344)
	Corporation tax adjustment in respect of previous years	(105,465)	10,473
		<u>£200,797</u>	<u>£331,035</u>

MAY GURNEY & CO. LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS (Cont'd.)

3. TAXATION (Cont'd.)

In the balance sheet the tax payable is:-

	<u>1976</u>		<u>1975</u>	
	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
On demand	56,331	14,161	£102,516	£63,876
Due 1st October 1977	244,296	95,016		
	<u>£300,627</u>	<u>£109,177</u>		

Deferred taxation account

	<u>Group</u>	<u>Parent Company</u>	
	<u>Movement in the year</u>	<u>Balance 1st January 1976</u>	<u>Balance 31st December 1976</u>
Fixed Assets	66,157	162,205	228,362
Stock Relief	290,262	412,484	643,077
Other timing differences	(131,111)	-	(125,549)
Total	<u>£225,308</u>	<u>£574,689</u>	<u>£745,890</u>

The deferred taxation account represents:-

- (a) The excess in terms of corporation tax at 52% of the book values of plant, vehicles and craft over the tax written down value thereof.
- (b) The stock appreciation relief available to the group as at 31st December 1976.
- (c) Other timing differences which arise in respect of amounts charged in the accounts for which tax relief has not yet been given.

MAY GURNEY & CO. LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS (Cont'd.)

4. PRIOR YEAR ADJUSTMENT

The adjustment arises due to the restating of the opening stock and work-in-progress to comply with the statement of Standard Accounting Practice No. 9 (see note 9) and amounts to £289,039 from which taxation has been deducted of £150,300.

	<u>1976</u>	<u>1975</u>
<u>DIVIDENDS</u>		
Dividends paid and proposed on 5.6% cumulative participating preference shares	£50	£59
	<u>=====</u>	<u>=====</u>

6. PREFERENCE CAPITAL

The 5.6% (plus tax credit) redeemable cumulative participating preference shares of £1 each are redeemable at the company's option at a premium of 25p per share.

7. MOVEMENT IN RESERVES

	<u>GROUP</u>				<u>PARENT COMPANY</u>	
	<u>1975</u>	<u>Prior year adjustment</u>	<u>Movement this year</u>	<u>1976</u>	<u>Prior year adjustment</u>	<u>1976</u>
<u>Revenue Reserves</u>						
General reserve	150,000	-	-	150,000	-	150,000
Fixed asset replacement reserve	100,000	-	-	100,000	-	100,000
Unappropriated profit	657,105	138,739	170,782	966,626	129,025	576,193
	<u>£907,105</u>	<u>£138,739</u>	<u>£170,782</u>	<u>£1,216,626</u>	<u>£129,025</u>	<u>£826,193</u>
<u>Capital Reserves</u>						
Capital redemption reserve fund	600	-	-	600	-	600
Share premium	268,586	-	-	268,586	-	268,586
	<u>£269,186</u>	<u>£-</u>	<u>£-</u>	<u>£269,186</u>	<u>£-</u>	<u>£269,186</u>

## NOTES TO THE ACCOUNTS (Cont'd.)

8. <u>FIXED ASSETS</u>	<u>Franchise</u> £	<u>Plant, Vehicles and Craft</u> £	<u>1976 Total</u> £	<u>1975 Total</u> £
Cost at 31st December 1975	7,500	1,282,751	1,290,251	1,106,783
Additions at cost	-	325,549	325,549	224,497
	<u>7,500</u>	<u>1,608,300</u>	<u>1,615,800</u>	<u>1,331,280</u>
Sales at cost	-	76,118	76,118	41,029
Cost 31st December 1976	7,500	1,532,182	1,539,682	1,290,251
Aggregate depreciation	7,500	994,166	1,001,666	859,255
Book value 31st December 1976	<u>£ -</u>	<u>£538,016</u>	<u>£538,016</u>	<u>£430,996</u>

Depreciation policies adopted in these accounts are consistent with previous years, being such as to reduce to residual values the cost of the fixed assets over their estimated working life.

9. STOCKS AND WORK IN PROGRESS

	<u>Group 1976</u> £	<u>Parent 1976</u> £	<u>Group 1975</u> £	<u>Parent 1975</u> £
Stocks and work in progress	7,090,083	5,882,922	8,978,635	8,069,423
Less: Payments on account	<u>4,062,130</u>	<u>3,377,090</u>	<u>6,461,864</u>	<u>5,949,117</u>
	<u>£3,027,953</u>	<u>£2,505,832</u>	<u>£2,516,771</u>	<u>£2,120,306</u>

a) Stocks have been valued at the lower of cost or net realisable value.

b) Work-in-Progress

The company has revised its basis of valuing work-in-progress in order to comply with Statement of Standard Accounting Practice No.9. Work-in-progress has now been valued on the following bases:-

- i) Short-term contracts at the lower of cost or net realisable value.
- ii) Long-term contracts (of over one year's duration) at cost plus attributable profit less foreseeable losses.

Cost consists of direct costs plus overheads related thereto.

MAY GURNEY & CO. LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTS (Cont'd.)10. SHARES IN SUBSIDIARIESProportion of equity  
share capital heldThe subsidiary companies of May Gurney  
& Co. Limited are:-

May Gurney (Colchester) Limited	100%
May Gurney (Dredging) Limited	100%
May Gurney (Fencing Services) Limited	100%
May Gurney (Plant Hire) Limited	100%
May Gurney (Surfacing & Sealing) Limited	100%
May Gurney (Technical Services) Limited	100%
May Gurney (Tunnelling) Limited	100%

11. CAPITAL COMMITMENTS

Outstanding commitments for capital expenditure amounted to  
£NIL (1975 £27,818). Capital expenditure authorised by the  
board of directors, not contracted for at 31st December 1976  
£38,282 (1975 £9,544).

12. ULTIMATE HOLDING COMPANY

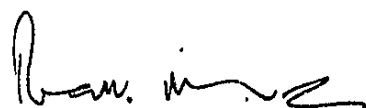
The ultimate holding company of May Gurney & Co. Limited  
is May Gurney Holdings Limited, which is incorporated in  
England.

13. CONTINGENT LIABILITIES

The company has entered into a guarantee to Barclays Bank Ltd.  
in respect of overdraft facilities available to the group in  
the name of the Parent Company. At 31st December 1976 the  
group consolidated overdraft amounted to £438,354 (1975  
£337,221). The company also has outstanding indemnities in  
respect of bonds issued by Barclays Bank Ltd. at 31st December  
1976 of £126,674.

AUDITORS' REPORTTO THE MEMBERS OF MAY GURNEY & CO. LIMITED

We have examined the accounts set out on pages 5 to 14 which have been prepared under the historical cost convention. In our opinion they give, under that convention, a true and fair view of the state of affairs of the company and of the group at 31st December 1976 and of the profit and source and application of funds of the group for the year to that date and comply with the Companies Acts 1948 and 1967.

  
PEAT, MARWICK, MITCHELL & CO.CHARTERED ACCOUNTANTSNORWICH9th MARCH 1978