

SIF Entreprise Bachy Limited

Directors' report and financial statements

31 December 1994

Registered number 2019020



SIF Entrepise Bachy Limited

Directors' report and financial statements

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SIF Entreprise Bachy Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Principal activities

The group's principal activities are within the Civil Engineering industry and consist of:

- foundation construction using a wide variety of piling and diaphragm walling techniques;
- basement construction using secant pile or diaphragm walls and ground anchors;
- classical and jet grouting;
- cut offs using classical slurry wall and vibrated diaphragm wall techniques; and
- geotechnical engineering for the repair and protection of the environment.

Business review

Due to successful participation in several Joint Ventures as well as the impact on the geotechnical market of the Jubilee Line Extension the group nearly doubled its turnover from £20.6 million to £38.1 million. The pressure on prices however, meant that the risks undertaken by the Group as geotechnical specialist were not reflected in realistic profit margins.

The Directors are, however, pleased to report operating profits for the year of some £344,000 (1993: £560,000) before interest and taxation.

The Group remains at the forefront of foundation engineering in the UK, Europe and the Middle East and successfully completed or undertook the following contracts during the year:

- A hard soft secant wall for the station box at North Greenwich Station on the Jubilee Line Extension as part of the McAlpine Wayss & Freytag Bachy Joint Venture;
- Piling for the various road crossing structures along the A50 extension in Stoke;
- Piling for the station box as well as tension piles for Canada Water Station on the Jubilee Line Extension;
- A secant wall for the enabling works of Herons Quay, the first contract to be let on the Jubilee Line Extension;
- A diaphragm wall for Canary Wharf Station as part of the Tarmac Bachy Joint Venture;
- Piling for Phase I of the extension of the M65 from Blackburn;
- Installation of a slurry wall and membrane at Derby Pride as part of the group's continued success in environmental engineering;

SIF Entreprise Bachy Limited

Directors' report *(continued)*

- Construction of a diaphragm wall shaft and associated civil works for North West Water Authority as part of the new Fleetwood sewage treatment plant;
- Diaphragm wall for an underpass at Iwade in Kent in joint venture with another specialist contractor; and
- Piling for the Chicago Beach Hotel resort in Dubai.

As opportunities for new work have arisen so has the pressure on cash. This has led to many of the group's clients delaying payment for whatever reason, as soon as a potential problem arises. In a period of rising activity this can only lead to a high level of outstanding claims which puts pressure on both cash and costs as the Group must meet its own expenditure as it arises. To this end the Directors actively support the recommendations of the Latham Report and look forward to many of them being introduced in the forthcoming Construction Contracts Bill.

The Group has enjoyed its first substantial exposure to main contracting both in Joint Venture and alone. The opportunity to be rewarded for solving clients problems with technical expertise is refreshing and the directors will be pursuing this form of relationship with project sponsors.

As supply continues to outweigh demand the directors expect the financial institutions to close out bad risks to free funds for new investment. Only then can the cash restraints on strong companies be lifted and help them to enjoy proper financial support. This can only lead to everyone spending more of their efforts on engineering rather than dispute resolution.

The Directors believe the current year will be similar to 1994 as the market stabilises but expect the end of 1995 to bring a more optimistic environment for construction.

Donations

The Group supports the work undertaken by several employees with their direct involvement in the charity Romania with Aid. The group contributed some £6,000 to charitable organisations during the year the majority of which was to help fund the work carried out at orphanages in Romania.

Employees

It is Group's policy to give full and fair consideration to the employment of disabled people wherever possible, in as much as their abilities allow. Efforts are and will continue to be made to retain employees who become disabled whilst in service, and to afford them whatever training they may need to take on new challenges in the Group.

The Group makes full use of regular News Flashes and an in-house magazine with contributions from all employees to communicate all matters of interest to as wide an audience as possible.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. The movement in reserves is shown in note 16.

SIF Entrepise Bachy Limited

Directors' report *(continued)*

Significant changes in fixed assets

These are disclosed under note 9 to the accounts.

Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings of the group exceeds the book values of these assets by £300,000. A potential tax liability of £20,000 in excess of that shown in note 15 would arise if these assets were sold at this amount.

Directors and directors' interests

The directors who held office during the period were as follows:

David E Sherwood	(Chairman and Managing Director)
Francois Baleyrier	
Jacques Benetar	
John EM Cockcroft	
Mark D Deary	
Michel Ferre	
Jean Gady	
Christopher N Harnan	

None of the directors who held office at the end of the period had any disclosable interest in the shares of the company or its subsidiary undertakings.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



MD Deary
Director

Foundation Court
Godalming Business Centre
Catteshall Lane
Godalming
Surrey
GU7 1XW

SIF Entrepise Bachy Limited

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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/group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and group and to prevent and detect fraud and other irregularities.



Richmond House
1 Rumford Place
Liverpool
L3 9QY

Report of the auditors to the members of SIF Enterprise Bachy Limited

We have audited the financial statements on pages 6 to 29

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1994 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

26 May 1995



SIF Entreprise Bachy Limited

Consolidated profit and loss account for the year ended 31 December 1994

	Note	1994 £	1993 £
Turnover	2	38,136,234	20,607,669
Cost of sales		(35,050,637)	(17,109,673)
Gross profit		3,085,597	3,497,996
Administrative expenses		(2,741,396)	(2,938,238)
Operating profit		344,201	559,758
Income from interests in associated undertakings	10	24,791	(96,762)
Other interest receivable and similar income	6	17,177	1,930
Amounts written off investments		-	(141,300)
Interest payable and similar charges	7	(345,353)	(243,213)
Profit on ordinary activities before taxation	2-5	40,816	80,413
Tax on profit on ordinary activities	8	223,909	(111,586)
Profit/(loss) on ordinary activities after taxation		264,725	(31,173)
Minority interests	17	(12,506)	(4,879)
Retained profit/(loss) for the year	16	252,219	(36,052)

Turnover and operating profits are derived from continuing operations in both the current and preceding period. A note of historical cost profits has not been prepared as the difference between the results as disclosed in the profit and loss account and the result as given by an unmodified historical cost basis is not material for either the current or preceding year.

SIF Entrepise Bachy Limited

Consolidated balance sheet at 31 December 1994

	Note	1994		As restated 1993	
		£	£	£	£
Fixed assets					
Tangible assets	9	1,820,213		2,341,129	
Investments	10	257,397		222,843	
Current assets		2,077,610		2,563,972	
Stocks	11	1,101,317		1,086,712	
Debtors	12	12,110,932		6,788,031	
Cash at bank and in hand		4,625,555		498,167	
		17,837,804		8,372,910	
Creditors: amounts falling due within one year	13	(15,744,616)		(5,267,098)	
Net current assets		2,093,188		3,105,812	
Debtors: amounts falling due after more than one year	12	2,026,761		313,078	
Total assets less current liabilities		6,197,559		5,982,862	
Creditors: amounts falling due after more than one year	14	(2,500,000)		(2,500,000)	
Provisions for liabilities and charges	15	(55,850)		(107,865)	
Net assets		3,641,709		3,374,997	
Capital and reserves					
Called up share capital	18	2,250,000		2,250,000	
Profit and loss account	16	966,674		712,468	
Shareholders' funds	19	3,216,674		2,962,468	
Minority interests	17	425,035		412,529	
		3,641,709		3,374,997	

These financial statements were approved by the board of directors on 14th 95 and were signed on its behalf by:


DE Sherwood
Director

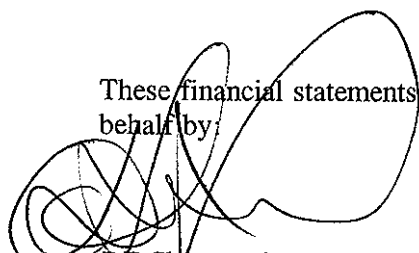

MD Deary
Director

SIF Entreprise Bachy Limited

Balance sheet
at 31 December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Tangible assets	9		-		4,088
Investments	10		<u>2,599,369</u>		<u>2,641,536</u>
Current assets			<u>2,599,369</u>		<u>2,645,624</u>
Debtors	12	5,022,610		4,484,712	
Creditors: amounts falling due within one year	13	<u>(2,134,567)</u>		<u>(1,642,924)</u>	
Net current assets			<u>2,888,043</u>		<u>2,841,788</u>
Total assets less current liabilities			<u>5,487,412</u>		<u>5,487,412</u>
Creditors: amounts falling due after more than one year	14		<u>(2,555,800)</u>		<u>(2,555,800)</u>
Net assets			<u>2,931,612</u>		<u>2,931,612</u>
Capital and reserves					
Called up share capital	18		2,250,000		2,250,000
Profit and loss account	16		<u>681,612</u>		<u>681,612</u>
Shareholders' funds	19		<u>2,931,612</u>		<u>2,931,612</u>

These financial statements were approved by the board of directors on 24 May 95 and were signed on its behalf by:


DE Sherwood
Director


MD Deary
Director

SIF Entrepriise Bachy Limited

Statement of total recognised gains and losses
for the year ended 31 December 1994

	1994 £	1993 £
Profit/(loss) for the financial year	252,219	(36,052)
Currency translation differences on foreign currency net investments	<u>1,987</u>	<u>(416)</u>
Total recognised gains and losses relating to the year	<u>254,206</u>	<u>(36,468)</u>

SIF Entreprise Bachy Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation

The Group's financial statements are prepared under the historical cost convention (incorporating the revaluation of certain freehold properties and plant and machinery) in accordance with applicable Accounting Standards.

Basis of consolidation

The group accounts consolidate the accounts of SIF Entreprise Bachy Limited and all its subsidiary undertakings. These accounts are made up to 31 December 1994. For associated undertakings the group includes its share of profits and losses in the consolidated profit and loss account and its share of post acquisition retained profits or accumulated deficits in the consolidated balance sheet. The consolidated accounts are based on accounts which are coterminous with those of the parent company.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation relating to subsidiary undertakings is written off against reserves on acquisition. Any excess of the aggregate of the fair value of the separable net assets acquired over the fair value of the consideration given (negative goodwill) is credited direct to reserves.

In the company's accounts, investments in subsidiary and associated undertakings are stated at cost.

In accordance with Section 230(4) of the Companies Act 1985 SIF Entreprise Bachy Limited is exempt from the requirement to present its own profit and loss account.

The amount of the profit for the year dealt with in the financial statements of SIF Entreprise Bachy Limited is disclosed in note 16 to these accounts.

Investment in joint ventures

The joint ventures detailed in note 10 have been proportionately consolidated with the appropriate share of joint venture income, expenditure, assets and liabilities included in the profit and loss account and balance sheet. The directors consider this accounting policy leads to a more appropriate presentation of the group's results. In the previous year the investment in joint ventures is shown under the equity accounting method of SSAP 1 as part of fixed asset investments. The profit and loss account included the appropriate share of joint venture turnover, cost of sales and profits less losses. The comparatives in the balance sheet have been restated to reflect the proportional consolidation of the joint ventures.

SIF Entrepise Bachy Limited

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover has been calculated on the basis of the value of work executed during the period including the settlement of monetary claims on contracts completed in previous years, and includes the group's share of joint venture turnover, net of VAT where appropriate.

Recognition of profits and losses on contracts

No distinction has been drawn between the accounting treatment of long and short term contract work in progress and profits and losses are recognised on long and short term contracts in progress at the period end. Profits so recognised do not exceed the projected percentage contract profit calculated by reference to the value of work done to the balance sheet date. Full provision is made for all foreseeable losses.

On contracts where insufficient work has been undertaken to allow a satisfactory contract profit or loss projection to be established, costs to date are included in work in progress and no profits are recognised.

Contract work in progress

Amounts recoverable on contracts, which include attributable profits determined on the basis of measured work to the balance sheet date, are included in debtors. Deductions are made for foreseeable losses.

Depreciation

The charge for depreciation of fixed assets is calculated as follows:-

Freehold properties

Costs and revaluations of freehold properties are allocated between land and buildings. The building values are depreciated over their estimated useful lives on a straight line basis. Anticipated useful lives are:

Plant department building	25 years
Offices	10 years

Other

The depreciation is calculated to write off the cost less anticipated residual value of the following assets on a straight line basis over the anticipated useful lives by equal instalments commencing in the month that the items are brought into use:-

Plant and machinery	3 to 5 years
Fixtures and fittings	4 years
Motor vehicles	5 years

Accelerated depreciation has been applied to certain specialist assets originally acquired for specific contracts. Also where certain major assets have not been used for all or part of a year, no depreciation is applied for the relevant period. In the opinion of the directors the residual value of these assets is now no greater than other comparable items of plant.

SIF Entrepise Bachy Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leases

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Exchange differences arising from the retranslation of the opening net investment in overseas companies, including overseas branches, are disclosed as movements on reserves.

Financial Reporting Standard number 1

In accordance with FRS1 the Company being a wholly owned subsidiary undertaking of SIF Entrepise Bachy SA, has not included a cashflow statement as part of these accounts.

2 Analysis of turnover and profit on ordinary activities before taxation

The group has only one class of business. While it operates in differing geographical segments the directors consider that a description of the geographical markets supplied would be seriously prejudicial to the interests of the group.

SIF Entrepise Bachy Limited

Notes (continued)

3 Profit on ordinary activities before taxation

	1994 £	1993 £
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	34,675	30,250
Non Audit	42,540	27,375
Depreciation and other amounts written off tangible fixed assets		
Owned	489,361	434,458
Hire of plant and machinery	7,391,674	3,471,980
Operating lease rentals		
Plant and machinery	325,607	360,390
Other assets	47,000	53,041
<i>after crediting</i>		
Profit on sale of fixed assets	(38,445)	(215,000)

4 Remuneration of directors

	1994 £	1993 £
Directors' emoluments:		
As directors	240,071	234,601
Remuneration as executives	-	-
	<u>240,071</u>	<u>234,601</u>

The emoluments, excluding pension contributions, of the chairman, who is also the highest paid director, were £61,589 (1993 : £57,631).

SIF Entrepise Bachy Limited

Notes (continued)

4 Remuneration of directors (continued)

The emoluments, excluding pension contributions, of the directors (excluding the chairman and highest paid directors) were within the following ranges:

		Number of directors	
		1994	1993
£0	- £ 5,000	4	4
£40,001	- £45,000	1	1
£45,001	- £50,000	1	1

During the year and the preceding year, one director performed his duties wholly outside the UK and his remuneration has not been disclosed above in accordance with the Companies Act 1985.

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

		Number of employees	
		1994	1993
Administration/Management		72	63
Site operatives		268	139
Plant department and factory		67	47
		<hr/>	<hr/>
		407	249
		<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

		1994	1993
		£	£
Wages and salaries		8,854,227	5,636,296
Social security costs		688,128	474,100
Other pension costs		148,583	238,385
		<hr/>	<hr/>
		9,690,938	6,348,781
		<hr/>	<hr/>

SIF Entrepise Bachy Limited

Notes (continued)

6 Other interest receivable and similar income

	1994 £	1993 £
Interest on corporation tax repayment	15,990	-
Bank interest receivable	1,187	1,930
	<u>17,177</u>	<u>1,930</u>

7 Interest payable and similar charges

	1994 £	1993 £
On bank loans, overdrafts and other loans wholly repayable within five years	342,135	236,354
Other	3,218	6,859
	<u>345,353</u>	<u>243,213</u>

8 Taxation

	1994 £	1993 £
UK corporation tax charge at 33% (1993 : 33%) on the profit for the year on ordinary activities	66,224	74,832
Deferred taxation (credit)/charge : timing differences	(52,015)	36,754
Adjustments relating to earlier years	(238,118)	-
	<u>(223,909)</u>	<u>111,586</u>

The adjustments relating to earlier years relate to corporation tax refunds arising from the agreement by the tax authorities of a number of open years' computations.

SIF Entreprise Bachy Limited

Notes (continued)

9 Tangible fixed assets

	Freehold Land and buildings	Plant and machinery	Fixtures fittings tools and equipment	Motor vehicles	Total
Group	£	£	£	£	£
<i>Cost</i>					
At beginning of year	787,968	5,123,533	329,106	100,340	6,340,947
Disposals	-	(125,000)	(12,217)	(100,340)	(237,557)
At end of year	787,968	4,998,533	316,889	-	6,103,390
<i>Depreciation and diminution in value</i>					
At beginning of year	200,228	3,408,580	290,670	100,340	3,999,818
Charge for year	12,480	453,204	23,677	-	489,361
On disposals	-	(93,445)	(12,217)	(100,340)	(206,002)
At end of year	212,708	3,768,339	302,130	-	4,283,177
<i>Net book value</i>					
At 31 December 1994	575,260	1,230,194	14,759	-	1,820,213
At 31 December 1993	587,740	1,714,953	38,436	-	2,341,129

Included in the above value of freehold land and buildings at 31 December 1994 is £195,752 (1993: £195,752) relating to freehold land which has not been depreciated.

SIF Entreprise Bachy Limited

Notes (continued)

9 Tangible fixed assets (continued)

Company	Fixtures fittings tools and equipment £
<i>Cost</i>	
At beginning of year	33,974
Additions	-
Disposals	-
	<hr/>
At end of year	33,974
	<hr/>
<i>Depreciation and diminution in value</i>	
At beginning of year	29,886
Charge for year	4,088
On disposals	-
	<hr/>
At end of year	33,974
	<hr/>
<i>Net book value</i>	
At 31 December 1994	-
	<hr/>
At 31 December 1993	4,088
	<hr/>

SIF Entreprise Bachy Limited

Notes (continued)

10 Fixed asset investments

Group	Interests in associated undertakings £	Loans to associated undertakings £	Total £
<i>Cost</i>			
At beginning of year	92,864	348,105	440,969
Utilisation of provision	(90,000)	-	(90,000)
Conversion to share capital	141,930	(141,930)	-
	<hr/>	<hr/>	<hr/>
At end of year	144,794	206,175	350,969
	<hr/>	<hr/>	<hr/>
<i>Share of post acquisition reserves</i>			
At beginning of year	(84,157)	(133,969)	(218,126)
Retained profits less losses	24,791	-	24,791
Utilisation of provision	-	90,000	90,000
Exchange difference on consolidation	-	9,763	9,763
	<hr/>	<hr/>	<hr/>
At end of year	(59,366)	(34,206)	(93,572)
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 1994	85,428	171,969	257,397
	<hr/>	<hr/>	<hr/>
At 31 December 1993	8,707	214,136	222,843
	<hr/>	<hr/>	<hr/>

SIF Entrepise Bachy Limited

Notes (continued)

10 Fixed asset investments (continued)

Company	Shares in Group undertakings £	Investments in associated undertakings £	Loans to Group undertakings £	Loans to associated undertakings £	Total £
<i>Cost</i>					
At beginning of year	1,177,400	-	1,250,000	214,136	2,641,536
Transfer of investments to Bachy Overseas Limited	-	(51,930)	-	-	(51,930)
Conversion to share capital	-	141,930	-	(141,930)	-
Exchange loss on conversion	-	-	-	9,763	9,763
Utilisation of provision	-	(90,000)	-	90,000	-
At end of year	<u>1,177,400</u>	<u>-</u>	<u>1,250,000</u>	<u>171,969</u>	<u>2,599,369</u>

Shares in group undertakings comprise £1,177,400 (1993 : £1,177,400) in respect of shares held in subsidiary undertakings.

SIF Entrepriise Bachy Limited

Notes (continued)

10 Fixed asset investments (continued)

The companies in which the group's interest is more than 10%, all of which have been included in the consolidated financial statements are as follows:

Subsidiary undertakings (% of ordinary shares)	Principal activities
Bachy Limited (100%)	Specialist geotechnical engineering and foundation and basement construction, including piling, diaphragm walls, and ground anchors within the Civil Engineering industry
Bachy Bauer Limited * (55%)	Specialist geotechnical engineering and foundation construction including secant walls, rock cutter concrete walls and jet grouting
Bachy Wayss & Freytag Ltd * (51%)	Tunnelling
Pigott Foundations Limited (100%)	Dormant from 31 December 1992
Bachy (UK) Limited (100%)	Dormant from 31 December 1992
Europile Limited (100%)	Dormant from 31 December 1992
Bachy Overseas Limited (100%)	Sub Holding company
Bachy Norge AS * (100% - Incorporated in Norway)	Geotechnical engineering and foundation construction within the Civil Engineering Industry
Europile AS * (100% - Incorporated in Norway)	Dormant
Bachy Sverige AB * (100% - Incorporated in Sweden)	Dormant
Associated undertakings	Principal activities
Europile AB (36.9% - Incorporated in Sweden)	Manufacture and installation of segmental precast concrete piles
Pierse Bachy Limited (50% - Incorporated in Ireland)	Contract management

Note: The companies are incorporated in England unless otherwise specified

SIF Entrepriise Bachy Limited

Notes (continued)

Fixed asset investments (continued)

Other investments

Principal place of business

Joint Ventures accounted for by proportional consolidation

Stent Bachy Soletanche * (40% of capital in joint venture)	Henderson House, Langley Place, Burscough, Lancashire
Bachy Cementation * (50% of capital in joint venture)	Henderson House, Langley Place, Burscough, Lancashire
Bachy Amec* (50% of capital in joint venture)	Henderson House, Langley Place Burscough, Lancashire
Tarmac Bachy* (40% of capital in joint venture)	Roadstone House, Wolverhampton
McAlpine, Wayss & Freytag Bachy* (20% of capital in joint venture)	Eaton Court, Maylands Avenue, Hemel Hempstead
Bachy Bauer Swiss Boring* (33% of capital in joint venture)	Chicago Beach Hotel Resort Dubai, United Arab Emirates

Joint ventures are controlled and managed by the respective joint venture boards. All partners to the joint venture have equal representation and voting power on the board, irrespective of their share in the profits or losses of the entity.

* investments held by subsidiary undertakings

11 Stocks

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Raw materials and consumables	980,255	964,809	-	-
Finished goods and goods for resale	121,062	121,903	-	-
	<u>1,101,317</u>	<u>1,086,712</u>	<u>-</u>	<u>-</u>

SIF Entreprise Bachy Limited

Notes (continued)

12 Debtors

	Group		Company	
	1994	As restated 1993	1994	1993
	£	£	£	£
Amounts falling due within one year				
Amounts recoverable on contracts	8,826,274	5,225,735	-	-
Corporation tax debtor	229,858	256,707	-	-
Amounts owed by subsidiary undertakings	-	-	5,022,610	4,483,238
Amounts owed by joint ventures	1,056,289	107,599	-	-
Amounts owed by holding and fellow subsidiary undertakings	121,966	-	-	-
Amounts owed by associated undertakings	238,926	284,880	-	-
Other debtors	974,360	707,444	-	916
Prepayments and accrued income	663,259	205,666	-	558
	<u>12,110,932</u>	<u>6,788,031</u>	<u>5,022,610</u>	<u>4,484,712</u>
Amounts falling due after more than one year				
Amounts recoverable on contracts	<u>2,026,761</u>	<u>313,078</u>	-	-

SIF Entrepise Bachy Limited

Notes (continued)

13 Creditors: amounts falling due within one year

	Group		Company	
	1994	As restated 1993	1994	1993
	£	£	£	£
Bank loans and overdrafts	2,094,261	2,295,021	2,075,563	1,576,059
Mortgage loans	-	25,000	-	25,000
Payments received on account	940,871	-	-	-
Trade creditors	5,362,327	984,124	1,577	41,865
Amounts owed to joint venture	130,899	35,212	-	-
Amounts owed to group undertakings	2,381,810	1,193,605	5,000	-
Amounts owed to associated undertakings	-	-	-	-
Other creditors including taxation and social security:				
Corporation tax	74,763	-	-	-
Other creditors (including other taxes and social security)	1,696,463	381,571	-	-
Accruals and deferred income	3,063,222	352,565	52,427	-
	<u>15,744,616</u>	<u>5,267,098</u>	<u>2,134,567</u>	<u>1,642,924</u>

The amounts owed to group undertakings comprise:

Parent and fellow subsidiary undertakings	2,381,810	1,193,605	-	-
Subsidiary undertakings	-	-	5,000	-
	<u>2,381,810</u>	<u>1,193,605</u>	<u>5,000</u>	<u>-</u>

SIF Entreprise Bachy Limited

Notes (continued)

14 Creditors: amounts falling due after more than one year

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans and overdrafts	2,000,000	2,000,000	2,000,000	2,000,000
Amounts owed to other group undertakings	500,000	500,000	555,800	555,800
	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,555,800</u>	<u>2,555,800</u>

Analysis

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Amounts repayable, other than by instalments, after more than five years	<u>500,000</u>	<u>500,000</u>	<u>555,800</u>	<u>555,800</u>

The amounts owed to group undertakings comprise:

Parent and fellow subsidiary undertakings	500,000	500,000	500,000	500,000
Subsidiary undertakings	-	-	55,800	55,800
	<u>500,000</u>	<u>500,000</u>	<u>555,800</u>	<u>555,800</u>

No interest is payable on amounts falling due after more than five years.

SIF Entrepise Bachy Limited

Notes (continued)

15 Provisions for liabilities and charges

	Taxation including deferred taxation £
Group	
At beginning of year	107,865
Credit for the year to the profit and loss account	(52,015)
	<hr/>
At end of year	55,850
	<hr/>
Company	
At beginning and end of year	-
	<hr/>

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1994		1993	
Group	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances	55,850	-	107,865	-
Other timing differences	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	55,850	-	107,865	-
	<hr/>	<hr/>	<hr/>	<hr/>
Company	-	-	-	-
At beginning and end of year	<hr/>	<hr/>	<hr/>	<hr/>

SIF Entrepise Bachy Limited

Notes (continued)

16 Reserves

Group

Profit and
loss
account
£

At beginning of year	712,468
Retained profit for year	252,219
Exchange differences on consolidation	1,987
At end of year	<u>966,674</u>

	1994 £	1993 £
Retained profit/(loss) for the year		
The company	-	(90,000)
Group undertakings	227,428	150,710
Associated undertakings	24,791	(96,762)
At end of year	<u>252,219</u>	<u>(36,052)</u>

The cumulative amount of goodwill resulting from acquisitions in earlier periods which has been written off is £8,687 (1993 : £8,687).

Company

Profit and
loss
account
£

At beginning of year	681,612
Result for the year	-
At end of year	<u>681,612</u>

SIF Entrepriise Bachy Limited

Notes (continued)

17 Minority interests

	1994 £	1993 £
At beginning of year	412,529	407,650
Share of profit for the year	12,506	4,879
	<hr/>	<hr/>
At end of year	425,035	412,529
	<hr/>	<hr/>

All minority interests are attributable to equity interests.

18 Called up share capital

	1994 £	1993 £
<i>Authorised</i>		
Ordinary shares of £1 each	1,500,000	1,500,000
Ordinary "B" shares of £1 each	750,000	750,000
	<hr/>	<hr/>
	2,250,000	2,250,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1,500,000	1,500,000
Ordinary "B" shares of £1 each	750,000	750,000
	<hr/>	<hr/>
	2,250,000	2,250,000
	<hr/>	<hr/>

The ordinary shares and ordinary "B" shares have equal rights.

SIF Entrepise Bachy Limited

Notes (continued)

19 Reconciliation of movement in shareholders' funds

Group	1994 £	1993 £
Retained profit/(loss) for the financial year	252,219	(36,052)
Exchange differences on consolidation	1,987	(416)
Opening shareholders' funds	2,962,468	2,998,936
Closing shareholders' funds	3,216,674	2,962,468
Company		
Result for the financial year	-	(90,000)
Opening shareholders' funds	2,931,612	3,021,612
Closing shareholders' funds	2,931,612	2,931,612

All shareholders' interests are attributable to equity interests

20 Commitments

- (i) Capital commitments at the end of the year for which no provision has been made.

	Group		Company	
	1994 £	1993 £	1994 £	1993 £
Contracted	-	-	-	-
Authorised but not contracted	-	-	-	-

- (ii) In addition to the commitments set out in (i), at the end of the year the group had entered into commitments amounting to £Nil (1993 : £Nil) in respect of finance leases and similar hire purchase contracts, the inception of which occurs after the year end.

- (iii) Annual commitments under non-cancellable operating leases are as follows:

Group	1994 Other £	1993 Other £
Operating leases which expire:		
Within one year	39,518	30,706
In the second to fifth years inclusive	261,592	185,241
	301,110	215,947
Company	Nil	Nil

SIF Entrepise Bachy Limited

Notes (continued)

21 Contingent liabilities

	1994	1993
	£	£
Group		
Indemnity issued for performance bonds	<u>1,942,778</u>	<u>889,922</u>
Company		
Guarantee in favour of subsidiary undertakings *	<u>-</u>	<u>-</u>

No valuable security has been given by either the company or the Group in respect of the above contingent liabilities.

* SIF Entrepise Bachy Limited has issued several guarantees and warranties for unspecified amounts in respect of work of its subsidiary undertakings.

22 Pension scheme

The group operates a defined contribution pension scheme. The pension cost for the period represents contributions payable by the group to the fund and amounted to £131,361 (1993: £107,364). There were no outstanding or prepaid contributions at the year end.

23 Ultimate parent company and parent undertaking of larger group

The company is a wholly owned subsidiary undertaking of SIF Entrepise Bachy SA which is the ultimate parent company incorporated in France.

The largest group in which the results of the company are consolidated is that headed by SIF Entrepise Bachy SA, incorporated in France. These accounts are available to the public and may be obtained from Mr MD Deary, SIF Entrepise Bachy Limited, Henderson House, Langley Place, Burscough, Lancashire.