

BIERRUM HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
30 APRIL 2001



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BIERRUM HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

President

N. R. Bierrum, MA

Directors

D. J. Taylor, FCA (Chairman)

W. J. Nye, BSc (Managing)

F. J. Dalton, ACMA (Finance)

A.M. Bierrum, MA CEng FCA MBCS MRCS MCI Arb

B. Petersen, MSc CEng MICE

Secretary

F. J. Dalton, ACMA

Registered Office

**Bierrum House, High Street, Houghton Regis, LU5 5BJ
Bedfordshire**

**BIERRUM HOLDINGS LIMITED
CHAIRMAN'S STATEMENT
FOR THE YEAR 30 ENDED APRIL 2001**

Operating Review

The year that ended on 30 April 2001 was one of the most satisfactory in the Group's recent history, and clearly demonstrates that the significant change programme implemented within the group over the last four years is now beginning to show tangible and sustainable results. Whilst the most notable feature is the achievement of almost £19 million turnover (more than double the preceding year), to have returned over £500,000 operating profit before exceptional administrative expense is a considerable milestone. Our order intake was a record £ 21 million and orders carried into the current year were a highly satisfactory £9 million: this value was increased by almost £4 million of new orders won in the first quarter of the current trading year.

U.K. Market

This market, particularly in our core business, continued to show surprising strength of demand enabling us to build our order book to unprecedented levels during the year. Alongside orders from the Power generating sector, continuing at very satisfactory levels, Bierrum broke into a brand new market in the summer of 2000, when we won a contract to slipform the building core of a high rise office development at Canary Wharf in the London docklands development. This job was successfully completed and we are currently engaged on the second such Contract. These developments represent a step forward for the business, and the achievement of a particular objective in the medium term strategy – to broaden the base of activity from its traditional Core Business.

Overseas Activity

Although the majority of the Group's limited resource has been applied responding to demand in the U.K. market, overseas activity has continued and we continue to tender for suitable work overseas where it can be profitably undertaken in the limited risk arrangements adopted in recent years by entering into joint venture arrangements. Work has recently commenced on the design and construct contract for cooling towers at a major power station development by the Turkish Energy Authority at Can, Turkey, which will continue until Summer 2002.

Pendrich

After streamlining and rationalising the senior management at our Steeplejacks subsidiary in Scotland, the business is beginning to perform very satisfactorily.

Operating profit for the year to 30 April 2001 was disappointing, but was partially due to redundancy costs of two directors who resigned in the year. The performance of the company in the first quarter of the financial year 2001/02 is very encouraging and vindicates the group's decision to replace senior management.

Other matters.

The Bierrum business was formally recognised as an "Investor in People" after a formal appraisal in May. This is reward for three years of consistent improvement in people management throughout the business, and means that Bierrum's employees are now amongst the only six per cent of people who are employed in the U.K.'s construction industry who work for an Investor in People. This award gives me considerable satisfaction and provides yet further evidence of our commitment to our staff and very important role they have in the future of our company.

At the end of February 2001 formal arrangements to conclude the installation of the share option scheme under the government's Enterprise Management Incentive (EMI) scheme were finalised.

**BIERRUM HOLDINGS LIMITED
CHAIRMAN'S STATEMENT
FOR THE YEAR 30 ENDED APRIL 2001 continued**

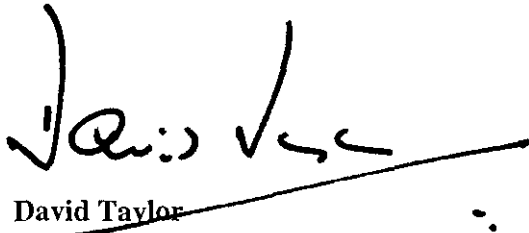
Members of the senior management team are now directly interested in the performance of the business and the value of the company's shares within an incentive scheme which rewards the achievement of target profits for the year to April 2001 and the year to April 2002. The EMI scheme runs alongside the Employee Share Ownership Trust that was set up in 1999, in which ordinary shares are held by the trustees for the benefit of the employees of the group generally.

Outlook

The business now has a management team of outstanding quality. There is a clear understanding and knowledge of the business's market place and opportunities. There is the recognition that the market place is international, not confined to the U.K. and there is the will and ability to compete and to succeed on the international stage. The pace at which the independent, family-owned business with access only to limited resources, can develop the global opportunities, is questionable. But the business is now placed once more on a firm footing, and with substantial opportunity ahead of it.

Thanks

I must again extend my heartfelt thanks to the entire management team and workforce in this group. The award of the Investors in People certification is a clear demonstration of the sheer excellence of quality of people without which these very encouraging results and continual progress of the development of the business would not have been possible.



David Taylor

Chairman

1 October 2001

**BIERRUM HOLDINGS LIMITED
DIRECTORS' REPORT**

FOR THE YEAR ENDED 30 APRIL 2001

The Directors present their Report together with the Financial Statements for the year ended 30 April 2001

Results and dividends

The Group profit for the year after taxation was £313,675.

In view of the need to conserve all available funds within the business for development purposes and to make good the effects of the substantial losses of recent years the Directors are unable to recommend the payment of a dividend.

Review of the business

The company is a holding company providing management, financial and administrative services to its subsidiary companies, which are engaged in engineering and contracting, specialising in reinforced concrete, tall structure and steeplejack work.

The year under review was a very successful one for each of the group subsidiaries. The group turnover increased over a 100% to just under £19 million, from £ 9 million in the previous year. Operating profits before exceptional administrative costs grew by over 500% to £ 504,422 compared to £ 83,331 in the previous year.

During the year the group's management team have continued the changes that have returned the group to profitability; new systems and controls were introduced which have allowed the company to reduce administrative costs while turnover has increased and improve the overall efficiency of the group.

In the year the company installed new plant management software to more effectively manage and report on the utilisation of the company's plant. As part of the exercise the company took the opportunity to appraise the value of its stock & tackle and plant. The directors have estimated that the current value of these items is higher than the book value of these assets. At this stage the directors have decided not to revalue the plant.

In the year the group received over £21 million of new orders, this compares very favourably to the previous year when the group received £13 million of new orders. The group closed this financial year with a very healthy order backlog of £ 9 million (2000: £ 7.4 million). This order backlog together with new orders secured in the 1st. quarter of the new financial year, will ensure that the turnover for the financial year 2001/2002 should be the region of £18 million.

The group's management team continues to pursue the strategic development of the business as laid out in the three-year business plan which involves:-

- energetic and committed pursuit of all opportunities in the group's core business within the UK;
- pursuit of core business opportunities in carefully selected overseas power generation markets, via carefully executed strategic alliances;
- continuing development of new products and services.

In an Extraordinary General Meeting on the 6th. September 2001 of both classes of shareholders, the members agreed that all the 193,500 "A" ordinary shares of £1 each in the capital of the Company whether issued or unissued were re-designated on a one for one basis as 193,500 ordinary shares of £1 each in the capital of the Company having the rights as set out in the articles of association of the Company.

BIERRUM HOLDINGS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 APRIL 2001

In the same meeting the members authorised that the share capital of the company be increased from £303,500 to £488,000 by the creation of 184,500 ordinary shares of £1 each ranking pari passu in all respects with the existing ordinary shares in the Company.

Directors

The constitution of the Board during the year and their interests in the capital of the Company at both 30 April 2001 and 30 April 2000 (or date of retirement if earlier) were as follows:

	Beneficial interest				As Trustees					
	Ord. Shares of £1 each		Ord. Share Options		'A' Ord. Shares of £1 each		Ord. Shares of £1 each		'A' Ord. Shares of £1 each	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
*AM Bierrum	8,895	8,895	-	-	22,450	8,895	-	-	-	-
*B Petersen	8,980	8,890	-	-	22,300	8,980	5,000	5,000	11,850	11,850
D J Taylor	13,500	7,400	-	-	-	-	-	-	-	-
W J Nye	5,550	5,550	7,950	-	-	-	-	-	-	-
F J Dalton	-	-	3,240	-	-	-	-	-	-	-

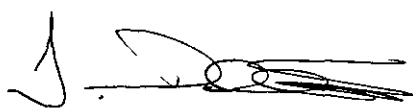
* indicates non-executive

In the year the company granted share options to directors and employees under the Enterprise Management Incentive Scheme over the ordinary capital of the company.

<u>Date of Option</u>	<u>No. of Options</u>	<u>Exercise Price</u>	<u>Expiry</u>
28 th . February 2001	3,700	£ 1.00	28 th . February 2011
28 th . February 2001	22,800	£ 2.85	28 th . February 2011

Auditors

The Group's auditors, Horwath Clark Whitehill, will retire and offer themselves for re-appointment at the Annual General Meeting.


 1 October 01

By Order of the Board

F J DALTON - Secretary

Bierrum House
 High Street
 Houghton Regis
 Bedfordshire

BIERRUM HOLDINGS 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 the Group at the end of the year, and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 assume that the Company 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Independent Auditors' Report to the Shareholders of Bierrum Holdings Limited

We have audited the financial statements of Bierrum Holdings Ltd for the year ended 30th April 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Chairman's Statement and the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

BIERRUM HOLDINGS LIMITED

Independent Auditors' Report to the Shareholders of Bierrum Holdings Limited

Basis of audit opinion continued

It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 the company's and group's affairs as at 30th. April 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

1st Oct 2001

Horwath Clark Whitehill
HORWATH CLARK WHITEHILL

Chartered Accountants
and Registered Auditors

London

01/10/2001

BIERRUM HOLDINGS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2001

	Notes	2001 £	2000 £
Turnover: group and share of joint venture	2	19,058,892	9,064,359
Less: share of joint ventures' turnover		-	(1,957,481)
Group Turnover		19,058,892	7,106,878
Cost of sales		(16,656,928)	(4,978,130)
Gross Profit		2,401,964	2,128,748
Other Income		98	4,032
Administrative Expenses		(1,897,640)	(2,398,674)
Exceptional Administrative expenses	3	(180,766)	-
Group Operating Profit \ (Loss)	3	323,656	(265,894)
Share of operating profit in Joint Venture		-	349,225
		323,656	83,331
Interest receivable		38,215	13,396
Interest payable	6	(48,106)	(47,455)
Profit before taxation		313,765	49,272
Taxation	7	-	(50,600)
Retained Profit \ (Loss) on ordinary activities after taxation	8	313,765	(1,328)
Statement of Recognised Gains and (Losses)			
Profit \ (Loss) for Financial Year		313,765	(1,328)
Currency Translation differences on investments		-	(19,182)
Surplus on revaluation of fixed assets		97,421	-
Total Profit \ (Loss) recognised since last financial statements		411,186	(20,510)

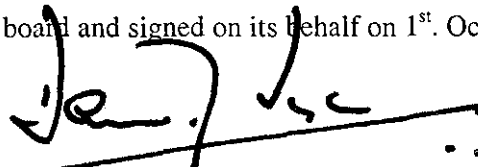
The notes on pages 13 to 23 form an integral part of these Financial Statements.

BIERRUM HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET
as at 30th April 2001

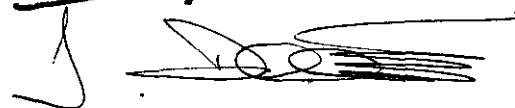
	Notes	<u>2001</u>	<u>2000</u>
		£	£
Assets employed			
Tangible Assets	9	986,118	751,421
Own Shares	10	7,050	7,050
Investment in Joint Venture	11	-	181,836
		<u>993,168</u>	<u>940,307</u>
Current Assets			
Stock and work in progress	12	377,251	305,406
Cash		952,128	-
Debtors	13	5,582,886	2,537,119
		<u>6,912,265</u>	<u>2,842,525</u>
Creditors			
Amount falling due within one year	14	(5,733,852)	(2,071,585)
Net Current Assets		<u>1,178,413</u>	<u>770,940</u>
Total Assets less Current Liabilities		<u>2,171,581</u>	<u>1,711,247</u>
Amount falling due after one year	14	(69,451)	(37,688)
Net Assets		<u>2,102,130</u>	<u>1,673,559</u>
Financed by:			
Capital	15	269,100	263,000
Reserves	16	220,589	111,883
Profit and Loss account	17	1,612,441	1,298,676
Shareholders' funds	18	<u>2,102,130</u>	<u>1,673,559</u>

Approved by the board and signed on its behalf on 1st. October 2001

D. J. Taylor



F. J. Dalton



Directors

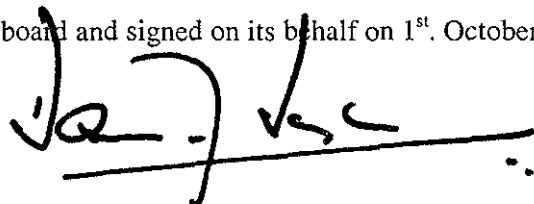
The attached notes on pages 13 to 23 form an integral part of these Financial Statements.

BIERRUM HOLDINGS LIMITED
BALANCE SHEET as at 30th. April 2001

	Notes	<u>2001</u>	<u>2000</u>
		£	£
Assets employed			
Tangible Assets	9	580,462	423,360
Own Shares	10	7,050	7,050
Investment in Subsidiaries	19	901,342	627,941
		<u>1,488,854</u>	<u>1,058,351</u>
Current Assets			
Debtors	13	3,174,256	2,289,087
		<u>3,174,256</u>	<u>2,289,087</u>
Creditors			
Amount falling due within one year	14	(2,516,638)	(1,595,896)
Net Current Assets		<u>657,618</u>	<u>693,191</u>
Total Assets less Current Liabilities		<u>2,146,472</u>	<u>1,751,542</u>
Amount falling due after one year	14	(45,493)	(25,269)
Net Assets		<u>2,100,979</u>	<u>1,726,273</u>
Financed by:			
Capital	15	269,100	263,000
Reserves	16	220,589	111,883
Profit and Loss account	17	1,611,290	1,351,390
Shareholders' funds	18	<u>2,100,979</u>	<u>1,726,273</u>

Approved by the board and signed on its behalf on 1st. October 2001

D. J. Taylor



F. J. Dalton



Directors

The attached notes on pages 13 to 23 form an integral part of these Financial Statements

BIERRUM HOLDINGS LIMITED
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		<u>£</u>	<u>£</u>
Net cash inflow \ (outflow) from operating activities	20	1,852,639	(759,323)
Returns on investments and servicing of finance			
Distribution from Joint Venture		181,836	152,314
Interest received		38,215	209
Interest Paid		(48,106)	(38,375)
Taxation		-	-
Capital expenditure			
Payments to acquire tangible fixed assets		(137,139)	(105,439)
Receipts from sales of tangible fixed assets		8,560	-
Net Cash inflow \ (outflow) before financing		<u>1,896,005</u>	<u>(750,614)</u>
Financing			
Capital Element of Hire Purchase and Finance Lease Agreements		(124,677)	(57,158)
Increase \ (Decrease) in cash	21	<u><u>1,771,328</u></u>	<u><u>(807,772)</u></u>

The attached notes on pages 13 to 23 form an integral part of these Financial Statements

BIERRUM HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a. Basis of Accounting

These Financial Statements have been drawn up under the historical cost convention, as modified by the revaluation of certain assets and in accordance with applicable accounting standards. The Group Financial Statements consolidate, using the acquisition method of accounting, the accounts of the company and its subsidiaries.

Investments in Joint Ventures are accounted for using the gross equity method.

b. Tangible fixed assets

Tangible fixed assets other than land are depreciated over their estimated useful lives by annual instalments at the following rates:

Freehold buildings:	2% on valuation
Plant, equipment & vehicles:	10% - 33.3% on original basis
Computer & office equipment:	20% on original cost.

Freehold buildings are included at valuation and are professionally valued at intervals of 5 years.

c. Trading Policy

Long-term contracts

All contracts of a substantial nature are accounted for under the provisions of SSAP 9. Provisions are made for foreseeable losses.

Turnover is calculated based on the value of measured work completed in the year. Profit is realised on each contract as work progresses provided that the profit does not exceed the total forecast profit for the contract

The sales value of long term contracts in progress less amounts received on account are included in debtors, and progress payments received in excess of contract value are included in creditors.

Short term contracts

Turnover and profit on short-term contracts are realised when the contract is completed.

d. Stock and Work in Progress

Work in progress is valued at the lower of cost and net realisable value. Cost includes labour, materials and applicable overheads. Stock and tackle are written off over their estimated useful lives.

e. Research and development

Expenditure on research and development is written off as incurred.

f. Deferred taxation

Provision is made for taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that liabilities or assets will crystallise.

g. Pension costs

The company operates two pension schemes, a defined benefit scheme and a defined contribution scheme.

The cost of the defined benefit scheme for employees are charged to the profit and loss account on a basis that spreads the expected costs over the employees' working lives with the Bierrum group of Companies.

The cost of the defined contribution scheme are charged to the Profit & Loss Account in the year in which they become payable.

BIERRUM HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

h. Equipment Leasing

Rentals under operating leases are charged on an actual basis.

Finance leases are recorded as both assets and liabilities initially at the fair asset. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of return on the outstanding balance.

i. Foreign Currency Accounting Policy

All foreign transactions have been translated at the rate appertaining at the date of the transaction. Foreign currency balances have been translation at the closing rate on the Balance Sheet date.

2. TURNOVER

Turnover comprises value of work carried out in the year and adjustments for claim settlements together with accrued income.

The geographical split of Turnover is detailed below :

	<u>2001</u>	<u>2000</u>
	£	£
UK	18,772,727	6,402,906
Europe	36,165	90,295
Bahrain	-	432,271
Turkey	250,000	177,560
Others	-	3,846
	<u>19,058,892</u>	<u>7,106,878</u>
Share of Turnover in Australian Joint Venture	-	1,957,481
Total	<u>19,058,892</u>	<u>9,064,359</u>

3. OPERATING (LOSS) \ PROFIT

is stated after charging:

(a) Cost of sales		
Depreciation	66,708	82,120
Hire of plant and machinery	<u>1,401,661</u>	<u>446,453</u>
(b) Administrative expenses		
Auditors remuneration for current year	17,000	17,000
- remuneration for other services	11,275	5,700
Depreciation	47,270	51,369
Rental of accommodation	42,500	42,500
Directors remuneration (including pension costs)	<u>215,105</u>	<u>219,990</u>
(c) Exceptional Administrative Expenses		
In the year the group incurred a number exceptional administrative costs, which ordinarily the group would not expect to incur.		
Compensation for loss of office due to the resignation of two directors	79,865	-
Settlement of Employer Liability dispute	34,077	-
Costs associated with capital raising exercise	66,824	-
	<u>180,766</u>	<u>-</u>

BIERRUM HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

4. DIRECTORS AND STAFF COSTS

	<u>2001</u>	<u>2000</u>
	£	£
Directors remuneration in respect of:		
Qualifying services	198,806	197,535
Employer payments to defined contribution pension scheme	10,068	-
	<u> </u>	<u> </u>
<u>Number of Directors:</u>	<u>No.</u>	<u>No.</u>
to whom pension benefits are accruing under money purchase schemes	3	-
to whom pension benefits are accruing under defined benefit schemes	2	2
	<u> </u>	<u> </u>

In the year the company introduced a money purchase pension scheme and discontinued the defined benefit scheme.

Staff costs (including directors)	<u>£</u>	<u>£</u>
Wages and salaries	3,878,341	3,054,076
Social security costs	365,432	250,973
Other pension costs	113,545	112,850
Other costs	22,705	35,777
	<u>4,380,023</u>	<u>3,453,676</u>

The average number of employees during the year was:

	<u>No.</u>	<u>No.</u>
Management, office and selling	38	37
Contracting sites	108	70
	<u>146</u>	<u>107</u>

5. PENSION COSTS

The Trustees of the Bierrum Group Pension Scheme operated a defined benefit scheme funded by contributions from the Group and employees until 30th. August 2000. The adequacy of the funds to meet the arranged benefits is assessed by three year valuations carried out by independent qualified actuaries. The aim is for the benefits to be fully funded during the scheme members' working lives. The most recent of these valuations was at 1 March 1999 using the Projected Unit Method. The actuarial valuation showed a deficit under the current MFR funding rules.

The market value of the scheme's assets at that date was £ 3,155,000 and the actuarial valuation of these assets represented 91% of the benefits that had accrued to the members allowing for future increases in salaries. The most significant assumptions made by the Actuaries were an investment return of 8% and projected salary increases of 6%.

A "mini" actuarial valuation of the scheme was performed on 1 April 2001 by the scheme actuary. The Actuary has estimated that the scheme is fully funded at 1 April 2001 with the MFR ratio estimated at 115%.

The next full actuarial valuation will have an effective date of 1 March 2002.

BIERRUM HOLDINGS LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)****5. PENSION COSTS continued**

As stated above the company operated the defined benefit scheme until August 2000. The scheme was then discontinued with members accrued benefits preserved up to the date of cessation. A defined contribution scheme was introduced from the 1st. September 2000.

The Group has an ongoing liability for the defined benefit scheme until the scheme's members exercise their pension rights.

6. INTEREST PAYABLE

	<u>2001</u>	<u>2000</u>
	£	£
Payable on bank overdraft	36,132	34,478
Payable on other financing	11,974	12,977
	<u>48,106</u>	<u>47,455</u>

7. TAXATION

The Group has tax losses of £ 1,199,789 (2000: £1,732,000): available to set off against future trading profits.

Irrecoverable ACT	-	9,600
Overseas Taxation	-	41,000
Need note on deferred tax	<u>-</u>	<u>50,600</u>

The Group has a deferred tax asset of £ 64,000 on accelerated capital allowances, which have not been recognised in these accounts.

8. PROFIT \ (LOSS) AFTER TAXATION

Dealt with in the accounts of Bierrum Holdings Limited	259,900	(222,716)
Dealt with in the accounts of subsidiaries	53,865	221,388
	<u>313,765</u>	<u>(1,328)</u>

The company has taken advantage of the exceptions provided by Section 230 of the Companies Act 1985 not to present its own Profit and Loss Account.

BIERRUM HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

9. TANGIBLE FIXED ASSETS

	Freehold Properties	Plant Equipment & vehicles	Total
<u>The Company</u>	£	£	£
Cost or valuation at 1 May 2000	377,739	80,772	458,511
Additions	31,521	36,228	67,749
Disposals	-	(9,145)	(9,145)
Revaluation	85,740	-	85,740
At 30 April 2001	495,000	107,855	602,855
Depreciation at 1 May 2000	11,681	23,470	35,151
Amount provided for year	-	8,068	8,068
Disposals	-	(9,145)	(9,145)
Revaluation	(11,681)	-	(11,681)
At 30 April 2001	-	22,393	22,393
Net Book Values at 30 April 2000	-	57,302	423,360
Net Book Values at 30 April 2001	495,000	85,462	580,462
<u>The Group</u>	£	£	£
Cost or valuation at 1 May 2000	377,739	2,157,629	2,535,368
Additions	31,521	230,295	261,816
Revaluation	97,421	-	97,421
Disposals	-	(700,514)	(700,514)
At 30 April 2001	506,681	1,687,410	2,194,091
Depreciation at 1 May 2000	11,681	1,772,173	1,783,854
Amount provided for year	-	115,980	115,980
Disposals	-	(691,861)	(691,861)
At 30 April 2001	11,681	1,196,292	1,207,973
Net Book Values at 30 April 2000	366,058	385,363	751,421
Net Book Values at 30 April 2001	495,000	491,118	986,118

The directors valued one freehold property in April 2001, at the sum of £70,000. The other freehold property was valued in April 2001 on the basis of Open Market Value as defined in the Royal Institution of Chartered Surveyors, Appraisal and Valuation Manual at the sum of £425,000 by Messrs Lambert Smith Hampton who acted as independent valuers

The original cost of the properties was £ 257,769 and accumulated depreciation based on cost was £ 37,761 (2000: £32,606).

BIERRUM HOLDINGS LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)****10. EMPLOYEE SHARE OPTION TRUST**

On 29 April 1999 following an Extraordinary General Meeting of the Company, an Employee Share Option Trust (ESOT) was set up in order to benefit, encourage and motivate employees in the Group by encouraging and facilitating the long-term holding of interests in the Company's shares.

The trustee directors of Bierrum Trustees Limited from the inception of the ESOT and at the end of the period under review were:

D. J. Taylor (Chairman)

N. R. Bierrum

Interests in the shares will be allocated to employee directors and employees of the Group on a basis of achievement of targets. Unless and until specifically transferred, the shares will at all times remain in the legal ownership of Bierrum Trustees Limited. Persons leaving employment are required to sell the equitable interest in their allocation back to the Trustees at a price determined by a formula relating recent Company and Stock Market performance.

Funding payments to and costs arising from the operation of the ESOT are charged to the Profit and Loss Account of Bierrum Holdings Limited as they occur.

The number and value of the shares held are:

	<u>As at 30th April 2001</u>		<u>As at 30th April 2000</u>	
	<u>No.</u>	<u>£</u>	<u>No.</u>	<u>£</u>
Brought forward	7,050	7,050	20,000	20,000
Shares applied for and granted in the year	6,100	17,385	-	-
Allocated in the year	(6,100)	(17,385)	(12,950)	(12,950)
Balance at 30th. April 2001	<u>7,050</u>	<u>7,050</u>	<u>7,050</u>	<u>7,050</u>

No dividends were paid during the period under review.

During the year 6,100 shares were granted to employees, the value of those shares were charged to the Profit and Loss Account as an operating cost in the period ending 30th. April 2001.

11. INVESTMENT IN JOINT VENTURE

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Share of Current Assets	-	361,454
Share of Current Liabilities	-	(179,618)
Share of Net Assets	<u>-</u>	<u>181,836</u>

12. STOCK AND WORK IN PROGRESS

	<u>The Group</u>	
Long term contract balances	74,810	29,604
Stock & tackle	302,441	275,802
	<u>377,251</u>	<u>305,406</u>

BIERRUM HOLDINGS LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

13. DEBTORS

	<u>The Group</u>		<u>The Company</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade Debtors	3,213,398	1,709,159	-	-
Retention	802,888	247,756	-	-
Amount recoverable on contracts	1,164,805	350,504	-	-
Amount due from Subsidiary Companies	-	-	3,170,202	2,282,793
Other Debtors	401,795	229,700	4,054	6,294
	<u>5,582,886</u>	<u>2,537,119</u>	<u>3,174,256</u>	<u>2,289,087</u>

14. CREDITORS

Amounts falling due within one year

Bank Overdraft	-	819,200	702,813	936,885
Trade Creditors	1,758,595	411,936	4,640	3,359
Payments on Account	223,001	24,364	-	-
Other Taxes and social security	746,944	272,872	746,944	97,793
Corporation Tax	41,000	41,000	-	-
Hire Purchase	71,042	52,136	46,872	22,812
Amount due to subsidiary companies	-	-	915,111	491,330
Other Creditors	161,367	112,071	38,733	36,367
Accruals	2,731,903	338,006	61,525	7,350
	<u>5,733,852</u>	<u>2,071,585</u>	<u>2,516,638</u>	<u>1,595,896</u>

Amount due after more than one year

Hire purchase	69,451	37,688	45,493	25,269
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15. SHARE CAPITAL

	<u>The Group</u>		<u>The Company</u>	
	<u>2001</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>
	<u>Authorised</u>	<u>Issued and Fully Paid</u>	<u>Authorised</u>	<u>Issued and Fully Paid</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	110,000	80,100	110,000	74,000
A' Ordinary shares of £1 each	193,500	189,000	193,500	189,000
	<u>303,500</u>	<u>269,100</u>	<u>303,500</u>	<u>263,000</u>

BIERRUM HOLDINGS LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

15. SHARE CAPITAL continued

On the 28 February 2001 formal arrangements to conclude the installation of the share option scheme under the government's Enterprise Management Incentive (EMI) scheme were finalised.

The following options were granted to directors and employees over the ordinary share capital of Bierrum Holdings Ltd.

<u>Date of Option</u>	<u>No. of Options</u>	<u>Exercise Price</u>	<u>Expiry</u>
28 th . February 2001	3,700	£ 1.00	28 th . February 2011
28 th . February 2001	22,800	£ 2.85	28 th . February 2011

In an Extraordinary General Meeting on the 6th. September 2001 of both classes of shareholders, the members agreed that all the 193,500 "A" ordinary shares of £1 each in the capital of the Company whether issued or un-issued were re-designated on a one for one basis as 193,500 ordinary shares of £1 each in the capital of the Company having the rights as set out in the articles of association of the Company.

In the same meeting the members authorised that the share capital of the company be increased from £303,500 to £488,000 by the creation of 184,500 ordinary shares of £1 each ranking pari passu in all respects with the existing ordinary shares in the Company.

16. RESERVES

	<u>The Company</u>		
	<u>Share Premium</u>	<u>Revaluation Reserve</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Brought forward as at 1 st . May 2000	-	111,883	111,883
Issue of Ordinary Shares	11,285	-	11,285
Revaluation of Freehold properties	-	97,421	97,421
Closing Balance as at 30 th . April 2001	11,285	209,304	220,589

	<u>The Group</u>		
	<u>Share Premium</u>	<u>Revaluation Reserve</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Brought forward as at 1 st . May 2000	-	111,883	111,883
Issue of Ordinary Shares	11,285	-	11,285
Revaluation of Freehold properties	-	97,421	97,421
Closing Balance as at 30 th . April 2001	11,285	209,304	220,589

17. PROFIT AND LOSS ACCOUNT

	<u>£</u>
<u>The Group</u>	
Balance at 30 th . April 2000	1,298,676
Profit for the year	313,765
Closing Balance as at 30 th . April 2001	1,612,441

BIERRUM HOLDINGS LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

17. PROFIT AND LOSS ACCOUNT

	£
<u>The Company</u>	
Balance at 30 th . April 2000	1,351,390
Profit for the year	259,900
Closing Balance as at 30 th . April 2001	<u>1,611,290</u>

18. RECONCILIATION OF SHAREHOLDERS FUNDS

	<u>The Group</u>		<u>The Company</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	£	£	£	£
Brought forward	1,673,559	1,674,887	1,726,273	1,948,986
Issue of Ordinary Shares	17,385	-	17,385	-
Profit \ (Loss) for the year	313,765	(1,328)	259,900	(222,713)
Revaluation of Freehold Properties	97,421	-	97,421	-
Closing Balance as at 30 th . April 2001	<u>2,102,130</u>	<u>1,673,559</u>	<u>2,100,979</u>	<u>1,726,273</u>

19. INVESTMENT IN SUBSIDIARIES

The Company owns the whole of the issued share capital of Bierrum & Partners Limited, Bierrum Structural Services Limited, Bierrum Trustees Ltd., Pendrich (Steeplejacks) Limited and Bierrum Holdings Pty incorporated in Australia.

	£
Bierrum and Partners Limited	1,000,000
Bierrum Structural Services Limited	120,000
Bierrum Holdings Pty.	40
Bierrum Trustees Limited	1
Pendrich (Steeplejacks) Limited	509,301
	<u>1,629,342</u>
Less: provisions	(728,000)
Balance at 30 April 2001	<u>901,342</u>

During the year Bierrum Holding Ltd acquired the minority interest in Pendrich (Steeplejacks) Ltd. for £ 1,401.

BIERRUM HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

20. RECONCILIATION OF OPERATING PROFIT \ (LOSS) TO NET CASH INFLOW \ (OUTFLOW) FROM OPERATING ACTIVITIES

	<u>The Group</u>	
	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Operating profit \ (loss)	323,656	(265,894)
Depreciation Charges	115,980	133,489
Distribution of own shares	17,385	12,950
(Increase) in Stocks	(71,845)	(16,561)
(Increase) in Debtors	(3,045,767)	(20,331)
Increase \ (Decrease) in Creditors	4,513,230	(602,976)
	<u>1,852,639</u>	<u>(759,323)</u>

21. RECONCILIATION OF CASH MOVEMENT

	<u>£</u>
Overdraft as at 30 th . April 2000	(819,200)
Increase in Cash	1,771,328
Closing Balance as at 30 th . April 2001	<u>952,128</u>

22. RECONCILIATION OF NET DEBT

	<u>30th. April</u>	<u>Cashflow</u>	<u>Non -</u>	<u>30th. April</u>
	<u>00</u>		<u>Cashflow</u>	<u>01</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank Overdraft	819,200	(819,200)	-	-
Hire Purchase and Finance Leases less than 1 year	52,136	21,828	(2,922)	71,042
Hire Purchase and Finance Leases greater than 1 year	37,688	102,849	(71,086)	69,451
	<u>909,024</u>	<u>(694,523)</u>	<u>(74,008)</u>	<u>140,493</u>

23. HIRE PURCHASE COMMITMENTS

The Group had the following commitments for hire purchase contracts

	<u>The Group</u>		<u>The Company</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Payments within one year	71,042	52,136	46,872	22,812
Payments in 2 - 5 years	69,451	37,686	45,493	25,269
	<u>140,493</u>	<u>89,822</u>	<u>92,365</u>	<u>48,081</u>
Net book value of hired assets at 30 th April 2001	186,958	123,480	107,851	55,623
Depreciation charge in the year	<u>18,496</u>	<u>36,525</u>	<u>8,068</u>	<u>13,906</u>

BIERRUM HOLDINGS LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)****24. LEASE COMMITMENTS**

At 30 April 2001 the Group had the following annual commitments for leases expiring within:

	<u>Land and buildings</u>		<u>Other non-cancellable operating leases</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1 year	-	-	115,299	128,181
2 - 5 years	42,500	42,500	60,022	110,048
	<u>42,500</u>	<u>42,500</u>	<u>175,321</u>	<u>238,229</u>

25. CONTINGENT LIABILITIES

At the date of the balance sheet the Holding Company has given indemnities for contracts by subsidiary companies. It is not anticipated that any liabilities will crystallise. The Company has also guaranteed bank overdrafts of its subsidiaries.