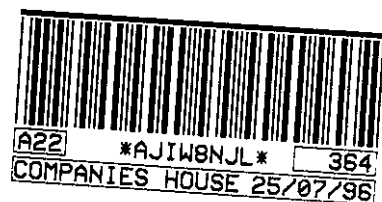


PDC CONSTRUCTION LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MAY 1995**

COMPANY NO: 1168955



PDC CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 1995

Company Registration Number:	1168955
Registered Office:	Leeds Road Glasshoughton Castleford WF10 4PF
Directors:	C Desmond D Desmond S Desmond M Desmond R King L Paulin
Secretary:	S Desmond
Bankers:	TSB Bank Plc 103 Norfolk Street Sheffield S1 1ST
Solicitors:	Berg & Co Byrom Court 7 Byrom Street Manchester M3 4PF
Auditors:	Grant Thornton Registered Auditors Chartered Accountants St Johns Centre 110 Albion Street Leeds LS2 8LA

PDC CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 1995

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PDC CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 May 1995.

Principal activity

The principal activity of the company throughout the year was that of overhead line, electrical and civil engineering contracting.

Business review

We are pleased to report that the accompanying results for the year show a substantial improvement on the previous period. The pre-tax profit of £245,093 (1994: loss of £320,146) evidences not only the solution to past problems but also the significant progress towards future success.

Results were adversely affected by non recurring re-organisation costs (primarily redundancies) of £47,838. Improved control procedures have been implemented to prevent recurrences of any similar situation.

The balance sheet at 31 May 1995 demonstrates the strengthening position with an increase in shareholders funds from £212,332 in 1994 to £357,425.

The positive trend has continued into the current period of trading in which we are experiencing improved margins and lower fixed costs.

We value our long-standing, good relationships with a broad client base and regard those relationships as key to our future success. It is the opinion of the Directors that the company is now in a strong position to achieve sustained profitability and growth.

There was a profit for the year after taxation amounting to £145,093 (1994: loss £326,290). The directors do not recommend payment of a dividend and the profit has been retained.

Directors

The present membership of the Board is set out below. All directors served throughout the year, apart from Mr L Paulin, who was appointed to the Board on 29 March 1995. Mr G Raper and Mr R Barker resigned from the Board on 8 July 1994 and 28 February 1995 respectively.

The interests of the directors in the shares of the company as at 1 June 1994 and 31 May 1995, were as follows:

	Ordinary shares	
	1995	1994
C Desmond	-	30,166
D Desmond	-	30,167
S Desmond	-	30,167
M Desmond	-	-
R King	-	-
L Paulin	-	-

The directors have no interest in the issued share capital of the company which is owned by PDC Engineering Limited. The interests of the directors, who are also directors of the parent company are disclosed in the parent company's directors' report.

PDC CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

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 of the profit or loss of the company 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 will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Charitable donations

During the year charitable donations totalling £1,460 were made.

PDC CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD


S Desmond

Secretary

Registered Office:
Leeds Road
Glasshoughton
Castleford
WF10 4PF

27 September 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF
PDC CONSTRUCTION LIMITED**

We have audited the financial statements on pages 5 to 19 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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.

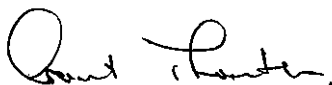
Basis of opinion

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 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 affairs at 31 May 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LEEDS**

27 September 1995

PDC CONSTRUCTION LIMITED

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except, that certain freehold land and buildings are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT.

DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land over their expected useful lives. The rates generally applicable are:

Motor vehicles	25% reducing balance
Plant and machinery	10% straight line and 25% reducing balance
Office equipment	15% straight line and 25% reducing balance

STOCKS

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

DEFERRED TAXATION

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

INTANGIBLE FIXED ASSET

The licence is amortised on a straight line basis over its estimated useful economic life of three years.

PDC CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 May 1995

	Note	1995 £	1994 £
Turnover	1	16,245,833	19,121,161
Other operating income and charges	2	<u>(15,910,061)</u>	<u>(19,328,094)</u>
Operating profit/(loss)	19	335,772	(206,933)
Net interest	3	<u>(90,679)</u>	<u>(113,213)</u>
Profit/(loss) on ordinary activities before taxation	1	245,093	(320,146)
Tax on profit/(loss) on ordinary activities	5	<u>(100,000)</u>	<u>(6,144)</u>
Profit/(loss) transferred to/(deducted from) reserves	17	<u>145,093</u>	<u>(326,290)</u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

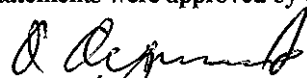
PDC CONSTRUCTION LIMITED

BALANCE SHEET AT 31 MAY 1995

	Note	1995 £	1994 £
Fixed assets			
Intangible assets	6	18,000	36,000
Tangible assets	7	950,140	1,196,562
		<u>968,140</u>	<u>1,232,562</u>
Current assets			
Stocks	9	646,462	637,089
Debtors: amounts falling due within one year	10	2,115,910	2,862,161
Debtors: amounts falling due after more than one year	10	406,392	337,387
Cash at bank and in hand		182,375	9,869
		<u>3,351,139</u>	<u>3,846,506</u>
Creditors: amounts falling due within one year	11	<u>(3,467,799)</u>	<u>(4,596,111)</u>
Net current liabilities		<u>(116,660)</u>	<u>(749,605)</u>
Total assets less current liabilities		851,480	482,957
Creditors: amounts falling due after more than one year	12	(464,055)	(240,625)
Provisions for liabilities and charges	14	<u>(30,000)</u>	<u>(30,000)</u>
		<u>357,425</u>	<u>212,332</u>
Capital and reserves			
Called up share capital	16	90,500	90,500
Revaluation reserve	17	216,920	216,920
Profit and loss account	17	50,005	(95,088)
Shareholders' funds	18	<u>357,425</u>	<u>212,332</u>

The financial statements were approved by the Board of Directors on 27 September 1995.

D Desmond



DIRECTORS

L Paulin



The accompanying accounting policies and notes form an integral part of these financial statements.

PDC CONSTRUCTION LIMITED

CASH FLOW STATEMENT

For the year ended 31 May 1995

	Note	1995 £	1994 £
Net cash inflow from operating activities	19	<u>784,580</u>	<u>893,306</u>
Returns on investments and servicing of finance			
Interest paid		(31,012)	(43,249)
Finance lease and hire purchase interest paid		<u>(55,379)</u>	<u>(72,546)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(86,391)</u>	<u>(115,795)</u>
Taxation			
UK corporation tax paid		-	<u>(31,593)</u>
Investing activities			
Loan to related company		(43,162)	(71,607)
Purchase of tangible fixed assets		<u>(55,941)</u>	<u>(138,531)</u>
Sale of tangible fixed assets		<u>111,317</u>	<u>97,972</u>
Net cash inflow/(outflow) from investing activities		<u>12,214</u>	<u>(112,166)</u>
Net cash inflow before financing		710,403	633,752
Financing			
Receipt from borrowing		100,000	-
Repayment of borrowing		<u>(21,673)</u>	<u>(14,980)</u>
Capital element of finance lease rentals and similar hire purchase contracts		<u>(214,090)</u>	<u>(309,853)</u>
Net cash outflow from financing	20	<u>(135,763)</u>	<u>(324,833)</u>
Increase in cash and cash equivalents	21	<u>574,640</u>	<u>308,919</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

PDC CONSTRUCTION LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 May 1995

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1995	1994
	£	£
Profit/(loss) for the financial year	145,093	(326,290)
Unrealised surplus on revaluation of land and buildings	-	<u>216,920</u>
Total recognised gains/(losses) for the financial year	<u>145,093</u>	<u>(109,370)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

1 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit/(loss) before taxation are attributable to overhead line, electrical and civil engineering contracting.

2 OTHER OPERATING INCOME AND CHARGES

	1995	1994
	£	£
Change in work in progress	96,626	147,847
Raw materials and consumables	1,496,250	2,735,521
Staff costs (note 4)	9,345,511	10,730,936
Depreciation and amounts written off tangible fixed assets:		
Owned	103,317	91,914
Held under finance leases and hire purchase contracts	103,783	162,260
Amortisation of intangible asset	18,000	18,000
Other operating charges	4,248,685	4,870,471
Auditors' remuneration:		
Audit services	20,840	18,715
Non-audit services	5,516	5,398
Amounts payable under operating lease rentals	471,533	547,032
	<u>15,910,061</u>	<u>19,328,094</u>

3 NET INTEREST

	1995	1994
	£	£
On bank loans, overdraft and other loans:		
Repayable within 5 years, otherwise than by instalments	25,196	34,127
Repayable within 5 years, by instalments	10,104	6,540
Finance charges in respect of finance leases	55,379	72,546
	<u>90,679</u>	<u>113,213</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1995 £	1994 £
Wages and salaries	8,562,712	9,847,531
Social security costs	759,745	854,785
Pension costs	23,054	28,620
	<u>9,345,511</u>	<u>10,730,936</u>

The average number of employees of the company during the year was as follows:

	1995 Number	1994 Number
Production	415	486
Administration	24	28
Technical	6	7
Management	20	24
	<u>465</u>	<u>545</u>

Remuneration in respect of directors was as follows:

	1995 £	1994 £
Management remuneration	198,189	196,057
Compensation for loss of office	-	23,000
Payments to third parties for directors' services	29,867	28,559
	<u>228,056</u>	<u>247,616</u>

The emoluments of the directors, excluding pension contributions were as follows:

	1995 £	1994 £
The Chairman and highest paid director (1995)	<u>41,135</u>	<u>42,547</u>
The highest paid director (1994)	<u>-</u>	<u>43,560</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

4 DIRECTORS AND EMPLOYEES (CONTINUED)

The emoluments of the directors, excluding pension contributions, fell within the following ranges:

	1995	1994
	Number	Number
£ 0 to £ 5,000	-	2
£ 5,001 to £10,000	1	-
£ 10,001 to £15,000	2	-
£ 20,001 to £25,000	-	1
£ 25,001 to £30,000	1	-
£ 30,001 to £35,000	2	-
£ 35,001 to £40,000	1	-
£ 40,001 to £45,000	1	4
	<u>1</u>	<u>4</u>

5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge is based on the result for the year and represents:

	1995	1994
	£	£
Corporation tax @ 33% (1994: 29%)	97,375	(1,000)
Deferred tax (note 15)	3,000	(16,000)
	<u>100,375</u>	<u>(17,000)</u>
Adjustments in respect of prior year:		
Corporation tax	2,625	15,594
Deferred tax (note 15)	(3,000)	7,550
	<u>100,000</u>	<u>6,144</u>

6 INTANGIBLE FIXED ASSET

	Licence
	£
Cost	
At 1 June 1994 and 31 May 1995	54,000
Amortisation	
At 1 June 1994	18,000
Provided in the year	18,000
At 31 May 1995	<u>36,000</u>
Net book amount at 31 May 1995	<u>18,000</u>
Net book amount at 31 May 1994	<u>36,000</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles £	Plant and machinery £	Office equipment £	Total £
Cost or valuation					
At 1 June 1994	312,626	780,501	960,188	139,178	2,192,493
Additions	-	20,271	24,175	11,495	55,941
Disposals	<u>(17,626)</u>	<u>(241,567)</u>	<u>(26,899)</u>	<u>(30,256)</u>	<u>(316,348)</u>
At 31 May 1995	<u>295,000</u>	<u>559,205</u>	<u>957,464</u>	<u>120,417</u>	<u>1,932,086</u>
Depreciation					
At 1 June 1994	-	417,995	492,043	85,893	995,931
Provided in the year	-	76,859	111,423	18,305	206,587
Eliminated on disposals	-	<u>(177,475)</u>	<u>(19,044)</u>	<u>(24,053)</u>	<u>(220,572)</u>
At 31 May 1995	<u>-</u>	<u>317,379</u>	<u>584,422</u>	<u>80,145</u>	<u>981,946</u>
Net book amount at 31 May 1995	<u>295,000</u>	<u>241,826</u>	<u>373,042</u>	<u>40,272</u>	<u>950,140</u>
Net book amount at 31 May 1994	<u>312,626</u>	<u>362,506</u>	<u>468,145</u>	<u>53,285</u>	<u>1,196,562</u>

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Motor vehicles £	Plant and machinery £	Office equipment £	Total £
Net book amount at 31 May 1995	<u>223,112</u>	<u>111,196</u>	<u>7,073</u>	<u>341,381</u>
Net book amount at 31 May 1994	<u>287,231</u>	<u>270,744</u>	<u>22,516</u>	<u>580,491</u>

The figures stated above for cost or valuation include a valuation as follows:

	Freehold land and buildings £
At 1994 valuation	<u>295,000</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

7 TANGIBLE FIXED ASSETS (CONTINUED)

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation, because, in the opinion of the directors, the asset is unlikely to be disposed of in the foreseeable future.

If freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amounts:

	Freehold land and buildings £
Cost	88,341
Accumulated depreciation	(10,556)
Net book amount at 31 May 1995	<u>77,785</u>
Net book amount at 31 May 1994	<u>95,706</u>

8 FIXED ASSET INVESTMENTS

	£
Net book amount at 31 May 1995 and 31 May 1994	<u>-</u>

At 31 May 1995 the company held more than 10% of a class of the allotted share of the capital of the following:

Company	County of registration	Class of share capital held	Proportion of class held	Nature of business
TECAL Limited	England	'C' Ordinary	100%	Designing and installing antennae systems

The company ceased trading after the 1993 financial year end and is now in administrative receivership.

The subsidiary undertaking has not been consolidated on the grounds that it is not material to the financial statements of PDC Construction Limited, in accordance with s229 of the Companies Act 1985.

9 STOCKS

	1995 £	1994 £
Raw materials and consumable stores	514,728	408,729
Work in progress	<u>131,734</u>	<u>228,360</u>
	<u>646,462</u>	<u>637,089</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

10 DEBTORS

Amounts falling due within one year:

	1995 £	1994 £
Trade debtors	1,686,381	2,443,938
Other debtors	207,519	152,577
Prepayments and accrued income	<u>222,010</u>	<u>265,646</u>
	<u>2,115,910</u>	<u>2,862,161</u>

Amounts falling due after more than one year:

	1995 £	1994 £
Trade debtors	98,303	71,373
Other debtors	<u>308,089</u>	<u>266,014</u>
	<u>406,392</u>	<u>337,387</u>

Directors' current accounts

	Balance at 31 May 1995 £	Balance at 1 June 1994 £
Director		
D Desmond	<u>6,251</u>	<u>-</u>

The balance at 31 May 1995 was the maximum outstanding during the year.

The loans are repayable on demand and are interest free.

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995	1994
	£	£
Instalments due on bank loan	-	15,407
Bank overdraft	-	402,134
Trade creditors	703,436	1,766,637
Corporation tax	171,999	71,999
Social security and other taxes	1,839,339	1,530,230
Other creditors	306,075	382,717
Accruals and deferred income	302,852	211,950
Amounts due under finance leases	144,098	215,037
	<u>3,467,799</u>	<u>4,596,111</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995	1994
	£	£
Instalments due on bank loan	-	5,266
Amounts owed to group undertaking	99,000	-
Social security and other taxes	272,847	-
Amounts due under finance leases	92,208	235,359
	<u>464,055</u>	<u>240,625</u>

13 BORROWINGS

Borrowings are repayable as follows:

	1995	1994
	£	£
Within one year:		
Bank loan and overdraft	-	417,541
Finance leases	144,098	215,037
After one and within two years:		
Bank loan	-	5,266
Finance leases	64,782	144,098
Other loan	99,000	-
After two and within five years:		
Finance leases	27,426	91,261
	<u>335,306</u>	<u>873,203</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation (Note 15) £
At 1 June 1994 and 31 May 1995	<u><u>30,000</u></u>

15 DEFERRED TAXATION

Deferred taxation, which is fully provided, is analysed as follows:

	1995 £	1994 £
Accelerated capital allowances	30,000	41,000
Other timing differences	-	<u>(11,000)</u>
	<u><u>30,000</u></u>	<u><u>30,000</u></u>

16 SHARE CAPITAL

	1995 and 1994 £
Authorised: 1,000,000 Ordinary shares of £1 each	<u><u>1,000,000</u></u>
Allotted, called up and fully paid: 90,500 Ordinary shares of £1 each	<u><u>90,500</u></u>

17 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 June 1994	216,920	(95,088)
Profit for the financial year	-	<u>145,093</u>
At 31 May 1995	<u><u>216,920</u></u>	<u><u>50,005</u></u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit/(loss) for the financial year	145,093	(326,290)
Other recognised gains	-	<u>216,920</u>
Net increase/(decrease) in shareholders' funds	<u><u>145,093</u></u>	<u><u>(109,370)</u></u>
Shareholders' funds at 1 June 1994	<u><u>212,332</u></u>	<u><u>321,702</u></u>
Shareholders' funds at 31 May 1995	<u><u>357,425</u></u>	<u><u>212,332</u></u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

19 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit/(loss)	335,772	(206,933)
Depreciation and amortisation	224,587	272,174
(Profit)/loss on sale of tangible fixed assets	(15,541)	54,244
(Increase)/decrease in stock	(9,373)	23,889
Decrease in debtors	720,408	229,213
(Decrease)/increase in creditors	(471,273)	520,719
Net cash inflow from operating activities	<u>784,580</u>	<u>893,306</u>

20 ANALYSIS OF CHANGES IN FINANCING

	Share capital (including premium)		Loans and amounts due under finance leases	
	1995 £	1994 £	1995 £	1994 £
At 1 June 1994	90,500	90,500	471,069	443,082
Net cash outflow from financing	-	-	(135,763)	(324,833)
Inception of finance leases and similar hire purchase contracts	-	-	-	352,820
At 31 May 1995	<u>90,500</u>	<u>90,500</u>	<u>335,306</u>	<u>471,069</u>

21 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1995 £	1994 £
At 1 June 1994	(392,265)	(701,184)
Net cash inflow	<u>574,640</u>	<u>308,919</u>
At 31 May 1995	<u>182,375</u>	<u>(392,265)</u>

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	1995 £	1994 £	1993 £	Change in 1995 £	Change in 1994 £
Cash at bank and in hand	182,375	9,869	15,786	172,506	(5,917)
Bank overdraft	-	(402,134)	(716,970)	402,134	314,836
	<u>182,375</u>	<u>(392,265)</u>	<u>(701,184)</u>	<u>574,640</u>	<u>308,919</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 1995

23 TRANSACTIONS WITH DIRECTORS

At 31 May 1995 £590,928 (1994: £462,286) was owed by two companies of which Mr D Desmond and Mr S Desmond are both directors and shareholders.

24 CAPITAL COMMITMENTS

There were no capital commitments at 31 May 1995 or 31 May 1994.

25 CONTINGENT LIABILITIES

The company has a contingent liability of £310,000 which may become payable should a supplier seek to enforce a sale agreement.

The directors consider this outcome to be remote.

26 LEASING COMMITMENTS

Operating lease payments amounting to £25,264 (1994: £77,418) are due within one year. The leases to which these amounts relate expire as follows:

	1995		1994	
	Land and buildings £	Motor vehicles £	Land and buildings £	Motor vehicles £
In one year or less	-	24,784	12,431	19,640
Between one and five years	-	480	-	45,347
	<u>-</u>	<u>25,264</u>	<u>12,431</u>	<u>64,987</u>

27 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of this company is PDC Engineering Limited, which is registered in England and Wales.