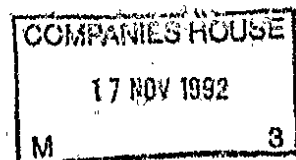


BIERRUM HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

30 APRIL 1992



REPORT AND FINANCIAL STATEMENTS

Directors

N. R. Bierrum, M.A. (Chairman)
A. M. Bierrum, M.A., F.C.A., M.B.C.S.
J. A. Harrison, C.Eng., F.I.C.E.
B. Petersen, M.Sc., C.Eng., M.I.C.E.
D. P. Shead

Secretary

P. C. Kendrew, B.A., F.C.I.S., F.I.C.M., M.I.I.R.S.M.

Registered Office

Barwythe Hall, Studham, Bedfordshire

DIRECTORS REPORT
FOR THE YEAR ENDED 30 APRIL 1992

The Directors present their Report together with the Financial Statements for the year ended 30 April 1992.

Results and Dividends

The profit of the Group after taxation for the year was £762 233.

The Directors have paid and propose dividends on Ordinary and 'A' Ordinary Shares as follows:

Interim dividend of: 20% amounting to £48 600 paid on 3 April 1992

Final dividend of: 20% amounting to £48 600 proposed

Review of the Business

The Group is engaged in civil engineering and contracting specialising in reinforced concrete. The Accounts include the results of Pendrich (Steeplejacks) Limited for the first full year.

Despite the excellent results shown in the group accounts, the Board is not recommending an increased dividend because of the need to conserve cash in the present difficult and uncertain trading conditions.

Directors

The constitution of the Board during the year and their interests in the capital of the Company at 30 April 1991 and 30 April 1992 were as follows:

	<u>Beneficial Interest</u>				<u>As Trustees</u>			
	<u>Ord. Shares</u>		<u>'A' Ord. Shares</u>		<u>Ord. Shares</u>		<u>'A' Ord. Shares</u>	
	<u>of £1 each</u>	<u>of £1 each</u>	<u>of £1 each</u>	<u>of £1 each</u>	<u>of £1 each</u>	<u>of £1 each</u>	<u>of £1 each</u>	
	<u>1991</u>	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>	<u>1992</u>
N R Bierrum	8 795	8 795	16 751	16 751	-	-	9 000	9 000
A M Bierrum	8 895	8 895	22 450	22 450	-	-	-	-
J A Harrison	-	-	500	500	-	-	-	-
B Petersen	8 980	8 980	24 300	34 153	5 000	5 000	11 850	11 850
D P Shead	-	-	2 000	2 000	-	-	-	-

DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 30 APRIL 1992

Tangible Fixed Assets

Movements are shown in Note 12.

Auditors

The Auditors, Clark Whitehill, will retire and offer themselves for re-appointment at the Annual General Meeting.

By Order of the Board



Secretary

Barwythe Hall
Studham
Bedfordshire

CLARK WHITEHILL

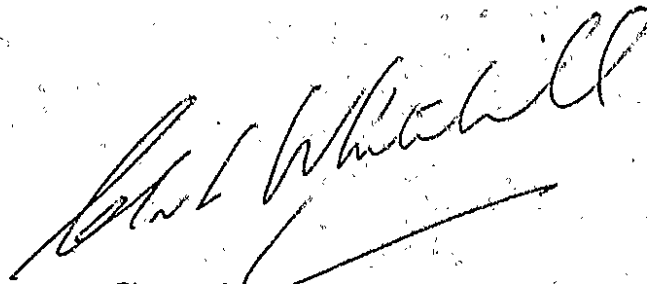
Chartered Accountants
25 New Street Square London EC4A 3LN
Telephone 071-353 1577

REPORT OF THE AUDITORS TO THE MEMBERS OF

BIERRUM HOLDINGS LIMITED

We have audited the Financial Statements set out on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Company and the Group at 30 April 1992 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
and Registered Auditors

8th October 1992

- 3 -

Telex 887422 Facsimile 071-583 1720 DX 0014 London Chancery Lane

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.
A list of partners' names is available at the above address. Offices and associated firms throughout UK and Europe.
A member firm of Clark Kenneth Leventhal an International Association.

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1992

	<u>Notes</u>	<u>1991</u>	<u>1991</u>
		£	£
TURNOVER	2	11 070 367	7 924 554
Cost of Sales		<u>8 333 977</u>	<u>6 506 420</u>
		2 736 390	1 418 134
Research and Development		<u>53 374</u>	<u>67 858</u>
GROSS PROFIT		2 683 016	1 350 276
Administrative Expenses		<u>1 693 681</u>	<u>1 285 331</u>
		989 335	64 945
Other Operating Income		<u>110 020</u>	<u>109 891</u>
Operating Profit	3	1 099 355	174 836
Interest Receivable		68 917	140 168
Interest Payable	6	<u>(1 380)</u>	<u>(1 394)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		1 166 892	313 610
Tax on Profit on Ordinary Activities	7	<u>406 759</u>	<u>96 438</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAX	8	760 133	217 172
Minority Interest		<u>2 100</u>	
GROUP PROFIT ON ORDINARY ACTIVITIES AFTER TAX		762 233	217 172
Dividends	9	<u>97 200</u>	<u>97 200</u>
RETAINED PROFIT FOR THE YEAR		665 033	119 972
Retained Profit brought forward		<u>725 937</u>	<u>605 965</u>
Retained Profit carried forward		<u><u>1 390 970</u></u>	<u><u>725 937</u></u>

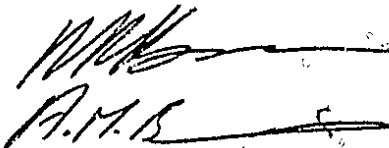
The notes on pages 8 to 14 form an integral part of these Financial Statements.

GROUP BALANCE SHEET

30 APRIL 1992

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
		£	£
ASSETS EMPLOYED			
FIXED ASSETS			
Tangible Assets	12	1 835 119	1 904 088
Investment Property	13	1 150 000	1 400 000
		<u>2 985 519</u>	<u>3 304 088</u>
CURRENT ASSETS			
Stock and Work in Progress	15	266 940	300 809
Debtors	16	2 068 046	2 623 647
Cash		1 132 922	591 093
		<u>3 467 908</u>	<u>3 515 549</u>
Creditors: Amounts falling due within one year	17	1 833 241	2 630 984
NET CURRENT ASSETS		<u>1 634 667</u>	<u>884 565</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4 620 186	4 188 653
Provision for Liabilities and Charges	18	69 300	52 800
NET ASSETS		<u>4 550 886</u>	<u>4 135 853</u>
FINANCED BY:			
CAPITAL AND RESERVES			
Called Up Share Capital	19	243 000	243 000
General Reserve		1 177 000	1 177 000
Asset Revaluation Reserve		1 739 916	1 989 916
Profit and Loss Account		1 390 970	725 937
SHAREHOLDERS FUNDS		<u>4 550 886</u>	<u>4 135 853</u>

Approved by the Board on 8 October 1992 and signed on its behalf:



DIRECTORS

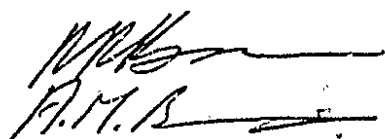
The attached notes on pages 8 to 14 form an integral part of these Financial Statements

BALANCE SHEET

30 APRIL 1992

	<u>Notes</u>	£	1992 £	1991 £
ASSETS EMPLOYED				
FIXED ASSETS				
Tangible Assets	12		1 240 919	1 237 683
Investment Property	13		1 150 000	1 400 000
Investment in Subsidiaries	14		277 900	270 002
			<u>2 668 819</u>	<u>2 907 685</u>
CURRENT ASSETS				
Debtors	16	667 417		819 870
Cash		1 172 111		1 006 577
		<u>1 839 528</u>		<u>1 826 447</u>
Creditors: Amounts falling due within one year	17	1 201 720		1 218 327
			<u>637 808</u>	<u>608 120</u>
NET CURRENT ASSETS				
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3 306 627</u>	<u>3 515 805</u>
Provision for Liabilities and Charges	18		55 300	52 800
NET ASSETS			<u>3 251 327</u>	<u>3 463 005</u>
FINANCED BY:				
CAPITAL AND RESERVES				
Called Up Share Capital	9		243 000	243 000
General Reserve			1 177 000	1 177 000
Asset Revaluation Reserve			1 739 916	1 989 916
Profit and Loss Account			91 411	53 089
SHAREHOLDERS FUNDS			<u>3 251 327</u>	<u>3 463 005</u>

Approved by the Board on 8 October 1992 and signed on its behalf:



DIRECTORS

The attached notes on pages 8 to 16 form an integral part of these Financial Statements.

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 1992

	<u>Notes</u>	£	1992 £	1991 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	10		847 378	166 244
RETURNS ON INVESTMENT AND SERVICING OF FINANCE				
Interest received		68 917		140 168
Interest paid		(1 380)		(1 394)
Dividend paid		(97 200)		(97 200)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE			(29 663)	(41 574)
TAXATION				
UK Corporation tax paid		(143 843)		(194 287)
Overseas tax paid		(4 800)		(1 200)
TAX PAID			(148 643)	(195 487)
INVESTING ACTIVITIES				
Purchase of tangible fixed assets		(169 129)		(390 237)
Purchase of business and its assets		-		(140 000)
Sale of plant and machinery		41 886		42 874
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			(127 243)	(487 363)
NET CASH INFLOW BEFORE FINANCING			541 829	475 032
FINANCING				
INCREASE IN CASH AND CASH EQUIVALENTS	11		541 829	475 032

NOTES TO THE GROUP FINANCIAL STATEMENTS

I. ACCOUNTING POLICIES

(a) Basis of Accounts Preparation

These Financial Statements have been drawn up under the historical cost convention, as modified by the revaluation of freehold properties and the investment property and in accordance with applicable accounting standards. The Financial Statements include those of the Company and its three operating subsidiaries, Bierrum and Partners Limited, Bierrum Structural Services Limited, and Pendrich (Steeplejacks) Ltd.

(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 cost or valuation
Plant, equipment & vehicles:	10%-33.3% on reducing value basis
Computer & office equipment:	20% on original cost.

(c) Investment Property

The investment property is valued annually on the basis of open market value by A. M. Bierrum, a Director of the Company.

(d) Long Term Contracts

All the contracts of Bierrum and Partners Ltd and Bierrum Structural Services Ltd are accounted for under the provisions of SSAP 9 as long term contracts irrespective of the length of the contract.

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

Profit is attributed to contracts on a prudent basis when it is considered the outcome can be assessed with reasonable certainty. Provisions are made for foreseeable losses.

(e) 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 life.

(f) Research and Development

Expenditure on research and development is written off as incurred.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

(g) Deferred Taxation

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

(h) Pension Costs

Costs of providing pensions 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 Group.

2. TURNOVER

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

	<u>1992</u>	<u>1991</u>
	£	£
3. <u>OPERATING PROFIT</u>		
Is stated after charging:		
(a) Cost of Sales		
Directors Remuneration	9 399	12 299
(Profit) on Sale of Fixed Assets	(3 992)	(2 758)
Depreciation	141 251	118 852
Hire of Plant and Machinery	<u>359 524</u>	<u>327 796</u>
(b) Research and Development		
Directors Remuneration	<u>48 095</u>	<u>45 896</u>
(c) Administrative Expenses		
Auditors Remuneration	29 876	27 800
Depreciation	54 217	103 797
Loss on Sale of Fixed Assets	12 290	158
Directors Remuneration	<u>173 598</u>	<u>161 115</u>
and after crediting:		
(d) Rental Income	<u>110 020</u>	<u>109 891</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

4. DIRECTORS AND STAFF COSTS

<u>Directors Remuneration</u>	<u>1992</u>	<u>1991</u>
	£	£
Fees	3 000	3 000
Other Emoluments	262 980	248 025
	<u>265 980</u>	<u>251 025</u>

Emoluments, excluding Pension Scheme Contributions

Chairman and Highest Paid Director	<u>71 182</u>	<u>67 496</u>
Other Directors	<u>No.</u>	<u>No.</u>
£ 0 to £5 000	1	1
£45 000 to £50 000	-	1
£50 000 to £55 000	2	1
£55 000 to £60 000	-	1
£60 000 to £65 000	1	-

Staff Costs (including Directors)

	£	£
Wages and Salaries	3 209 051	2 067 675
Social Security Costs	279 597	176 458
Other Pension Costs	115 899	92 943
Other Costs	78 531	33 091
	<u>3 683 078</u>	<u>2 370 167</u>

The average weekly number of employees during the year was:

	<u>No.</u>	<u>No.</u>
Management, Office and Selling	50	38
Contracting Sites	129	70
	<u>179</u>	<u>108</u>

5. PENSION COSTS

The Trustees of the Bierrum and Partners Pension Scheme operate a defined benefit scheme funded by contributions from the Group and employees. 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 1990, using the Projected Unit Method and showed the scheme to be able to meet its liabilities. The most significant assumptions made by the Actuaries were an investment return of 9% and projected salary increases of 8%. The market value of the schemes assets as at 1 March 1990 was £1,817,000 and the actuarial value of these assets represented 156% of the benefits that had accrued to members allowing for expected future increases in salary.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

	<u>1992</u>	<u>1991</u>
	£	£
6. <u>INTEREST PAYABLE</u>		
Payable on Bank Overdraft	<u>1380</u>	<u>1394</u>
7. <u>TAXATION</u>		
Based on the results for the year:		
Corporation Tax at 33% (1991 - 31%)	401929	92800
Deferred Tax at 33% (1991 - 33%)	16500	(11000)
Overseas Tax	-	14638
Adjustment for Previous Years	(11670)	-
	<u>406759</u>	<u>96438</u>
8. <u>PROFIT AFTER TAXATION</u>		
Dealt with in Accounts of Bierrum Holdings Ltd	208640	146948
Dealt with in Accounts of Subsidiaries	553593	70224
	<u>762233</u>	<u>217172</u>
9. <u>DIVIDENDS</u>		
Dividends on Ordinary and 'A' Ordinary Shares:		
Interim of 20% (1991-20%) paid 3 April 1992	48600	48600
Final of 20% (1991 - 20%) Proposed	48600	48600
	<u>97200</u>	<u>97200</u>
10. <u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>		
Operating profit	1099355	174836
Depreciation	195468	222831
Loss on sale of tangible fixed assets	8298	(2600)
Decrease in stocks	33869	41210
Decrease in Debtors	555601	(1 197 613)
Decrease in creditors	(1045213)	927580
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>847378</u>	<u>166244</u>
11. <u>CASH AND CASH EQUIVALENTS</u>		£
Balance at 30 April 1990		1066125
Net cash outflow for 1991		(475032)
Balance at 30 April 1991		591093
Net Cash inflow for 1992		541829
Balance at 30 April 1992		<u>1 132 922</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS (Continued)

12. <u>TANGIBLE FIXED ASSETS</u>	<u>Freehold Properties</u>	<u>Plant Equipment & Vehicles</u>	<u>TOTAL</u>
<u>COMPANY</u>	£	£	£
Cost or valuation at 1 May 1991	1213 244	69 272	1282 516
Additions	8 100	34 256	42 356
	<u>1221 344</u>	<u>103 528</u>	<u>1324 872</u>
Cost of Disposals	-	27 321	27 321
	<u>1221 344</u>	<u>76 207</u>	<u>1297 551</u>
At 30 April 1992	<u>1221 344</u>	<u>76 207</u>	<u>1297 551</u>
Depreciation at 1 May 1991	21 361	23 472	44 833
Amount Provided for Year	7 458	18 029	25 487
	<u>28 819</u>	<u>41 501</u>	<u>70 321</u>
Eliminated on Disposals	-	13 688	13 688
	<u>28 819</u>	<u>27 813</u>	<u>56 632</u>
Net Book Values at 30 April 1991	<u>1191 883</u>	<u>45 800</u>	<u>1237 683</u>
Net Book Values at 30 April 1992	<u>1192 525</u>	<u>48 394</u>	<u>1240 919</u>
 <u>GROUP</u>			
Cost or valuation at 1 May 1991	1213 244	2178 665	3391 909
Additions	8 100	161 029	169 129
	<u>1221 344</u>	<u>2339 694</u>	<u>3561 038</u>
Cost of Disposals	-	95 766	95 766
	<u>1221 344</u>	<u>2243 928</u>	<u>3465 272</u>
At 30 April 1992	<u>1221 344</u>	<u>2243 928</u>	<u>3465 272</u>
Depreciation at 1 May 1991	21 361	1466 460	1487 821
Amount Provided for Year	7 458	188 010	195 468
	<u>28 819</u>	<u>1654 470</u>	<u>1683 289</u>
Eliminated on Disposals	-	53 536	53 536
	<u>28 819</u>	<u>1600 934</u>	<u>1629 753</u>
Net Book Values at 30 April 1991	<u>1191 883</u>	<u>712 205</u>	<u>1904 088</u>
Net Book Values at 30 April 1992	<u>1192 525</u>	<u>647 994</u>	<u>1835 519</u>

The freehold property at Rosswell, Scotland is valued at cost of £80,000. All other freehold properties are included at valuations carried out in 1988. The original cost of these properties was £490 812 and the depreciation on cost would have been £4417.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

13. INVESTMENT PROPERTY

The freehold property, 167 Imperial Drive, Harrow is let on a 25 year lease from 1 July 1979 with five year rent reviews, the next review being on 1 July 1994. The cost of the property was £97,502.

14. INVESTMENT IN SUBSIDIARIES

The Company owns the whole of the issued share capital of Bierrum and Partners Limited, Bierrum Structural Services Limited, both incorporated in England and Wales and of Bierrum Overseas Limited incorporated in Republic of Ireland. The Company owns 79% of the issued share capital of Pendrich (Steeplejacks) Ltd incorporated in England and Wales.

15. STOCK AND WORK IN PROGRESS

	<u>1992</u>	<u>1991</u>
	£	£
Work in Progress	41 491	43 334
Stock and tackle.	225 449	257 475
	<u>266 940</u>	<u>300 809</u>

16. DEBTORS

	<u>THE GROUP</u>		<u>THE COMPANY</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
	£	£	£	£
Trade Debtors	1 324 602	1 978 305	-	-
Retentions	552 375	434 939	-	-
Amounts Recoverable on Contracts	15 198	145 596	-	-
Amount due from Subsidiary Companies	-	-	438 377	808 144
Dividends Receivable	-	150 000	-	-
Other Debtors	43 748	23 510	30 145	6 476
Prepayments	132 123	41 297	48 895	5 250
	<u>2 068 046</u>	<u>2 623 647</u>	<u>667 417</u>	<u>819 870</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

17. <u>CREDITORS</u>	<u>THE GROUP</u>		<u>THE COMPANY</u>	
	1992 £	1991 £	1992 £	1991 £
Trade Creditors	610 281	1 037 898	44 100	20 087
Payments on Account	90 301	529 757	-	-
Amounts due to Subsidiary Companies	-	-	829 827	834 473
Corporation Tax	399 132	155 016	9 236	46 465
Other Taxes & Social Security	239 027	327 060	228 262	221 329
Dividends	48 600	48 600	48 600	48 600
Other Creditors	198 286	417 839	-	5 337
Accruals	247 614	114 814	41 596	42 036
	<u>1 833 241</u>	<u>2 630 984</u>	<u>1 201 720</u>	<u>1 218 327</u>

18. PROVISION FOR LIABILITIES AND CHARGES

<u>DEFERRED TAX</u>			
Accelerated Capital Allowances	85 500	69 000	71 500
ACT Recoverable	(16 200)	(16 200)	(16 200)
	<u>69 300</u>	<u>52 800</u>	<u>55 300</u>
			<u>52 800</u>

19. SHARE CAPITAL

	1992		1991	
	<u>Authorised</u>	<u>Issued and Fully Paid</u>	<u>Authorised</u>	<u>Issued and Fully Paid</u>
Ordinary Shares of £1 each	56 500	54 000	56 500	54 000
'A' Ord. Shares of £1 each	193 500	189 000	193 500	189 000
	<u>250 000</u>	<u>243 000</u>	<u>250 000</u>	<u>243 000</u>

20. 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 these liabilities will crystallize.