

Company No. 339806

**BIERRUM HOLDINGS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**30 APRIL 1996**



**BIERRUM HOLDINGS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**Directors**

**N. R. Bierrum, MA (Chairman)  
A. M. Bierrum, MA FCA CEng MBCS  
J. A. Harrison, CEng FICE  
B. Petersen, MSc CEng MICE  
D. P. Shead**

**Secretary**

**P. C. Kendrew, BA FCIS FICM MIIRSM**

**Registered Office**

**Barwythe Hall, Studham, Bedfordshire**

**BIERRUM HOLDINGS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 APRIL 1996**

The Directors present their Report together with the Financial Statements for the year ended 30 April 1996.

**Results and Dividends**

The group profit for the year after taxation was £63,703.

The Directors propose a dividend of 10% on Ordinary and 'A' Ordinary Shares amounting to £24,300 which leaves a surplus of £39,403 to be transferred to reserves.

**Review of the business**

The group is engaged in civil engineering and contracting, specialising in reinforced concrete.

Disappointing performances on some major contracts have caused poor results in recent years. The costs of these have now been absorbed and the Board is pleased to report a small profit. There are encouraging signs that the upward trend can be expected to continue.

**Directors**

The constitution of the Board during the year and their interests in the capital of the Company at both 30 April 1995 and 30 April 1996 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>	
	1996	1995	1996	1995	1996	1995	1996	1995
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	24 300	5 000	5 000	11 850	11 850
D P Shead	-	-	2 000	2 000	-	-	-	-

The Company has provided insurance of Directors and Officers against liabilities in relation to the member Companies of the Group.

**Tangible Fixed Assets**

Movements are shown in Note 12.

In the opinion of the Directors the current value of the properties is not in total materially different from valuations carried out in previous years.

**Auditors**

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

By Order of the Board

  
P C KENDREW

Secretary

Barwythe Hall  
Studham  
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.

### AUDITORS' REPORT TO THE MEMBERS OF BIERRUM HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 9.

#### Respective responsibilities of directors and auditors

As described above, 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 financial 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 circumstances of the Company and the Group, 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 30 April 1996 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
CLARK WHITEHILL

Chartered Accountants  
and Registered Auditor

London

17<sup>th</sup> October 1996

**BIERRUM HOLDINGS LIMITED**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 APRIL 1996**

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
<b>Turnover</b>	2	9,442,842	6,734,541
<b>Cost of sales</b>		7,716,915	5,564,714
		<hr/> 1,725,927	<hr/> 1,169,827
<b>Research and Development</b>		29,841	24,630
<b>Gross profit</b>		<hr/> 1,696,086	<hr/> 1,145,197
<b>Administrative Expenses</b>		1,664,219	1,464,682
		<hr/> 31,867	<hr/> (319,485)
<b>Other operating income</b>		110,013	110,013
<b>Operating Profit/(Loss)</b>	3	<hr/> 141,880	<hr/> (209,472)
<b>Interest receivable</b>		4,645	6,202
<b>Interest payable</b>	6	(78,128)	(33,863)
<b>Profit/(Loss) on ordinary activities before taxation</b>		<hr/> 68,401	<hr/> (237,133)
<b>Taxation</b>	7	4,698	(36,753)
<b>Profit/(Loss) on ordinary activities after taxation</b>	8	<hr/> 63,703	<hr/> (200,380)
<b>Dividends</b>	9	24,300	24,300
<b>Retained profit/(loss) for the year</b>		<hr/> 39,403	<hr/> (224,680)
<b>Retained profit brought forward</b>		251,194	475,874
<b>Retained profit carried forward</b>		<hr/> 290,597	<hr/> 251,194

The profit and loss account contains all the gains and losses recognised in the year and the profit for the year is the only movement in shareholders' funds.

The notes on pages 9 to 15 form an integral part of these Financial Statements.



**BIERRUM HOLDINGS LIMITED**

**GROUP BALANCE SHEET**

**30 APRIL 1996**

	<u>Notes</u>		<u>1996</u>	<u>1995</u>
		£	£	£
<b>Assets employed:</b>				
<b>Fixed Assets</b>				
Tangible Assets	12		1,692,459	1,590,836
Investment property	13		850,000	1,000,000
			<u>2,542,459</u>	<u>2,590,836</u>
<b>Current Assets</b>				
Stock and work in progress	15	312,780		356,745
Debtors	16	2,083,625		2,285,456
Cash		105,136		189,204
		<u>2,501,541</u>		<u>2,831,405</u>
<b>Creditors:</b>				
Amounts falling due within one year	17	1,970,487		2,238,131
<b>Net current assets</b>			<u>531,054</u>	<u>593,274</u>
<b>Net Assets</b>			<u>3,073,513</u>	<u>3,184,110</u>
<b>Financed by:</b>				
<b>Capital and reserves</b>				
Called up share capital	19		243,000	243,000
General reserve			1,100,000	1,100,000
Asset revaluation reserve			1,439,916	1,589,916
Profit and loss account			290,597	251,194
<b>Shareholders' funds</b>			<u>3,073,513</u>	<u>3,184,110</u>

Approved by the board and signed on its behalf on 3 October 1996:

 N R BIERRUM )  
 A M BIERRUM )      DIRECTORS

The attached notes on pages 9 to 15 form an integral part of these Financial Statements.


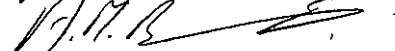
**BIERRUM HOLDINGS LIMITED**

**BALANCE SHEET**

**30 APRIL 1996**

	Notes	£	<u>1996</u> £	<u>1995</u> £
<b>Assets employed:</b>				
<b>Fixed Assets</b>				
Tangible Assets	12		1,214,086	1,180,755
Investment property	13		850,000	1,000,000
Investment in subsidiaries	14		277,900	277,900
			<u>2,341,986</u>	<u>2,458,655</u>
<b>Current assets</b>				
Debtors	16	1,235,736		1,464,650
<b>Creditors:</b>				
Amounts falling due within one year	17	643,452		981,596
<b>Net current assets</b>			<u>592,284</u>	<u>483,054</u>
<b>Net assets</b>			<u>2,934,270</u>	<u>2,941,709</u>
 <b>Financed by:</b>				
<b>Capital and reserves</b>				
Called up share capital	19		243,000	243,000
General reserve			1,100,000	1,100,000
Asset revaluation reserve			1,439,916	1,589,916
Profit and Loss account			151,354	8,793
<b>Shareholders' funds</b>			<u>2,934,270</u>	<u>2,941,709</u>

Approved by the board and signed on its behalf on 3 October 1996:

 N R BIERRUM )  
 A M BIERRUM )  
DIRECTORS

The attached notes on pages 9 to 15 form an integral part of these Financial Statements

**BIERRUM HOLDINGS LIMITED****GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 1996**

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
<b>Net cash (outflow) from operating activities</b>	10	(256,033)	<u>(346,304)</u>
<b>Returns on investment and servicing of finance</b>			
Interest received		4,645	6,202
Interest paid		(78,128)	(33,863)
Dividends paid		(24,300)	(24,300)
<b>Net cash (outflow) from returns on investment and servicing of finance</b>		<u>(97,783)</u>	<u>(51,961)</u>
<b>Taxation</b>			
UK Corporation tax repaid		42,865	2,803
Overseas tax paid		-	(10,800)
<b>Net cash inflow/(outflow) from taxation</b>		<u>42,865</u>	<u>(7,997)</u>
<b>Investing activities:</b>			
Purchase of tangible fixed assets		(300,895)	(146,884)
Sale of tangible fixed assets		57,338	10,215
<b>Net cash outflow from investing activities</b>		<u>(243,557)</u>	<u>(136,669)</u>
<b>Net cash (outflow)</b>	11	<u>(554,508)</u>	<u>(542,931)</u>

The attached notes on pages 9 to 15 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 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) Limited.

(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 Mr A M Bierrum, a Director of the Company.

(d) **Long term contracts**

All the contracts of Bierrum and Partners Limited and Bierrum Structural Services Limited 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 are 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 that 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 lives.

(f) **Research and development**

Expenditure on research and development is written off as incurred.

(g) **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.

(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 together with amounts invoiced on certain short term contracts.

**BIERRUM HOLDINGS LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)****3. OPERATING PROFIT/(LOSS)**

	1996	1995
	£	£
is stated after charging:		
(a) <b>Cost of sales</b>		
Directors remuneration	11,727	11,727
(Profit) on sale of fixed assets	(20,638)	(572)
Depreciation	100,597	75,539
Hire of plant and machinery	<u>692,226</u>	<u>378,008</u>
(b) <b>Research and development</b>		
Directors remuneration	<u>29,841</u>	<u>24,629</u>
(c) <b>Administrative expenses</b>		
Auditors remuneration for current year	29,000	29,000
Depreciation	65,371	66,243
(Profit)/Loss on sale of fixed assets	(3,394)	1,668
Directors remuneration	<u>226,244</u>	<u>204,448</u>
(d) <b>and after crediting:</b>		
Rental income	<u>110,013</u>	<u>110,013</u>

**4. DIRECTORS AND STAFF COSTS****Directors remuneration**

	£	£
Fees	3,000	3,000
Other emoluments	<u>264,812</u>	<u>237,804</u>
	<u>267,812</u>	<u>240,804</u>

**Emoluments, excluding pension scheme contributions**

Chairman and highest paid director	<u>72,553</u>	<u>65,438</u>
------------------------------------	---------------	---------------

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

Directors remuneration fell into the following bands:

	<u>1996</u>	<u>1995</u>
	No.	No.
Up to £5,000	1	1
From £45,001 to £50,000	-	2
From £50,001 to £55,000	2	-
From £55,001 to £60,000	-	1
From £65,001 to £70,000	1	1
From £70,001 to £75,000	1	-

Staff costs (including Directors):

	£	£
Wages and salaries	2,902,513	1,841,830
Social security costs	297,343	166,927
Other pension costs	82,519	83,602
Other costs	86,347	54,708
	<u>3,368,722</u>	<u>2,147,067</u>

The average number of employees during the year was:

	No.	No.
Management, office and selling	43	43
Contracting sites	113	77
	<u>156</u>	<u>120</u>

5. **PENSION COSTS**

The Trustees of the Bierrum Group 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 1996 using the Projected Unit Method and showed the scheme to be able to meet its liabilities. The market value of the scheme's assets at that date was £ 2,979,000 and the actuarial valuation of these assets represented 129% 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 9% and projected salary increases of 8%. It is intended that the surplus arising will be used to fund additional benefits for members and pensioners.

6. **INTEREST PAYABLE**

	1996	1995
	£	£
Payable on Bank overdraft	<u>78,128</u>	<u>33,863</u>

**BIERRUM HOLDINGS LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)****7. TAXATION**

	1996 £	1995 £
Based on the results of the year:		
Corporation Tax	-	12,000
Deferred Tax	18,225	(48,753)
Adjustment for previous years	(13,527)	-
	<u>4,698</u>	<u>(36,753)</u>

**8. PROFIT AFTER TAXATION**

Dealt with in the accounts of Bierrum Holdings Limited	166,861	(6,477)
Dealt with in the accounts of subsidiaries	(103,158)	(193,903)
	<u>63,703</u>	<u>(200,380)</u>

**9. DIVIDENDS**

Dividends on ordinary and 'A' ordinary shares:

Final dividend of 10% (1995 - 10%) proposed	24,300	24,300
	<u>24,300</u>	<u>24,300</u>

**10. NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

Operating profit/(loss)	141,880	(209,472)
Depreciation	165,968	141,782
(Profit)/loss on sale of tangible fixed assets	(24,032)	1,096
Decrease/(increase) in stocks	43,965	(198,923)
Decrease/(increase) in debtors	154,270	(1,145,346)
(Decrease)/increase in creditors	(738,084)	1,064,559
Net cash (outflow) from operating activities	<u>(256,033)</u>	<u>(346,304)</u>

**11. CASH AND CASH EQUIVALENTS**

Balance at 30 April 1994	164,435
Net cash (outflow) for 1994/95	<u>(542,931)</u>
Balance at 30 April 1995	(378,496)
Net cash (outflow) for 1995/96	<u>(554,508)</u>
Balance at 30 April 1996	<u>(933,004)</u>
Cash at Bank	105,136
Bank overdraft	<u>(1,038,139)</u>
	<u>(933,004)</u>

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

12. <u>Tangible Fixed Assets</u>	Freehold properties	Plant equipment & vehicles	Total
	£	£	£
<b>The Company</b>			
Cost or valuation at 1 May 1995	1,221,344	59,328	1,280,672
Additions	-	68,471	68,471
	<u>1,221,344</u>	<u>127,799</u>	<u>1,349,143</u>
Cost of disposals	-	59,328	59,328
At 30 April 1996	<u>1,221,344</u>	<u>68,471</u>	<u>1,289,815</u>
Depreciation at 1 May 1995	53,595	46,322	99,917
Amount provided for year	8,058	14,076	22,134
	<u>61,653</u>	<u>60,398</u>	<u>122,051</u>
Eliminated on disposals	-	46,322	46,322
At 30 April 1996	<u>61,653</u>	<u>14,076</u>	<u>75,729</u>
Net Book Values at 30 April 1995	<u>1,167,749</u>	<u>13,006</u>	<u>1,180,755</u>
Net Book Values at 30 April 1996	<u>1,159,691</u>	<u>54,395</u>	<u>1,214,086</u>
<b>The Group</b>			
Cost or valuation at 1 May 1995	1,221,344	2,197,822	3,419,166
Additions	-	300,895	300,895
	<u>1,221,344</u>	<u>2,498,717</u>	<u>3,720,061</u>
Cost of disposals	-	229,608	229,608
At 30 April 1996	<u>1,221,344</u>	<u>2,269,109</u>	<u>3,490,453</u>
Depreciation at 1 May 1995	53,595	1,774,735	1,828,330
Amount provided for year	8,058	157,910	165,968
	<u>61,653</u>	<u>1,932,645</u>	<u>1,994,298</u>
Eliminated on disposals	-	196,304	196,304
At 30 April 1996	<u>61,653</u>	<u>1,736,341</u>	<u>1,797,994</u>
Net Book Values at 30 April 1995	<u>1,167,749</u>	<u>423,087</u>	<u>1,590,836</u>
Net Book Values at 30 April 1996	<u>1,159,691</u>	<u>532,768</u>	<u>1,692,459</u>

One freehold property is included at cost of £80,000. All other freehold properties are included at valuations carried out in 1988. The original cost of these properties was £512,156 and the accumulated depreciation on cost is £58,653.

**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 1999. The cost of the property was £97,502.

**BIERRUM HOLDINGS LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)****14. INVESTMENT IN SUBSIDIARIES**

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

**15. STOCK AND WORK IN PROGRESS**

	<u>The Group</u>	
	<u>1996</u> £	<u>1995</u> £
Work in progress	98,030	180,896
Stock and tackle	214,750	175,849
	<u>312,780</u>	<u>356,745</u>

**16. DEBTORS**

	<u>The Group</u>		<u>The Company</u>	
	<u>1996</u> £	<u>1995</u> £	<u>1996</u> £	<u>1995</u> £
Trade debtors	1,411,380	1,350,354	5,257	24,026
Retentions	150,430	94,753	-	-
Amounts recoverable on contracts	472,061	727,714	-	-
Amount due from Subsidiary Companies	-	-	1,191,694	1,393,063
Corporation Tax	-	47,561	-	47,561
Other debtors	35,923	31,806	26,620	-
Prepayments	13,831	33,268	12,165	-
	<u>2,083,625</u>	<u>2,285,456</u>	<u>1,235,736</u>	<u>1,464,650</u>

**17. CREDITORS**

Bank overdraft (secured)	1,038,139	567,700	318,033	786,544
Trade Creditors	410,546	1,122,033	108	9,177
Payments on account	-	188,276	-	-
Amounts due to Group Companies	-	-	-	8,435
Corporation Tax	6,075	6,075	6,075	6,075
Other taxes and social security	204,609	147,995	201,682	119,992
Dividends	24,300	24,300	24,300	24,300
Other creditors	44,289	13,184	7,055	5,379
Accruals	242,529	168,568	86,199	21,694
	<u>1,970,487</u>	<u>2,238,131</u>	<u>643,452</u>	<u>981,596</u>

The bank overdraft is secured on the assets of the Company by a fixed charge on certain properties and by a deed of debenture dated 5 July 1996 secured on all the assets of the Group.

**BIERRUM HOLDINGS LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)****18. PROVISION FOR LIABILITIES AND CHARGES**

	<u>The Company</u>			
	<u>Amounts provided</u>		<u>Full potential liability</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	£	£	£	£
Accelerated capital allowances	-	-	55,933	54,601
ACT recoverable	-	-	(18,225)	(12,150)
	-	-	<u>37,708</u>	<u>42,451</u>

	<u>The Group</u>			
	- <th style="text-align: center;">- <th style="text-align: center;">55,933</th> <th style="text-align: center;">54,601</th> </th>	- <th style="text-align: center;">55,933</th> <th style="text-align: center;">54,601</th>	55,933	54,601
Accelerated capital allowances	-	-	55,933	54,601
ACT recoverable	-	-	(18,225)	(12,150)
	-	-	<u>37,708</u>	<u>42,451</u>

**19. SHARE CAPITAL**

	1996	1995	1996	1995
	<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' Ordinary 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 any liabilities will crystallise. The Company has also guaranteed bank overdrafts of subsidiaries.

**21. LEASE COMMITMENTS**

At 30 April 1996 the Group had the following annual commitments under non-cancellable operating leases expiring within:

	<u>1996</u>	<u>1995</u>
1 year	5,570	14,446
2 - 5 years	<u>90,413</u>	<u>51,686</u>
	<u>95,983</u>	<u>66,132</u>