

**PDC CONSTRUCTION
LIMITED**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 MAY 1996

COMPANY NUMBER 1168955



PDC CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

Company registration number:

1168955

Registered office:

Leeds Road
Glasshoughton
Castleford
WF10 4PF

Directors:

C Desmond
D J Desmond
J S Desmond
M Desmond

Secretary:

J 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 1996

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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 1996.

Principal activity

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

Business review

There was a profit for the year after taxation amounting to £274,105 (1995: £145,093). The directors do not recommend payment of a dividend and the profit has therefore been retained.

Directors

The present membership of the Board is set out below. Mr R King and Mr W L Paulin resigned from the Board on 21 March 1996 and 22 May 1996 respectively.

The directors have no interest in the issued share capital of the company. The interests of the directors, who are also directors of the parent company are disclosed in that company's directors' report.

C Desmond
D J Desmond
J S Desmond

No director had, during or at the year end, a material interest in any contract which was significant in relation to the company's business.

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.

PDC CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS

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 £1,817 were made.

Auditors

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

BY ORDER OF THE BOARD


J S Desmond

Secretary

16 September 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF

PDC CONSTRUCTION LIMITED

We have audited the financial statements on pages 4 to 18 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 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.

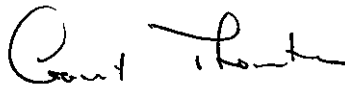
Basis of opinion

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 1996 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**

16 September 1996

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 and leasehold properties 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 and trade discounts.

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
Freehold properties	4% straight line

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 assets

Intangible fixed assets are amortised on a straight line basis over their expected useful economic life of between three and four years.

PDC CONSTRUCTION LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1996

	Note	1996 £	1995 £
Turnover	1	15,458,248	16,245,833
Other operating income and charges	2	<u>(14,972,372)</u>	<u>(15,910,061)</u>
Operating profit		485,876	335,772
Net interest	3	<u>(48,125)</u>	<u>(90,679)</u>
Profit on ordinary activities before taxation	1	437,751	245,093
Tax on profit on ordinary activities	5	<u>(163,646)</u>	<u>(100,000)</u>
Profit for the financial year	17	<u><u>274,105</u></u>	<u><u>145,093</u></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 1996

	Note	1996 £	1995 £
Fixed assets			
Intangible assets	6	16,964	18,000
Tangible assets	7	<u>746,752</u>	<u>950,140</u>
		<u>763,716</u>	<u>968,140</u>
Current assets			
Stocks	9	510,050	646,462
Debtors: amounts falling due within one year	10	2,384,138	2,115,910
Debtors: amounts falling due after more than one year	10	410,629	406,392
Cash at bank and in hand		<u>134,884</u>	<u>182,375</u>
		<u>3,439,701</u>	<u>3,351,139</u>
Creditors: amounts falling due within one year	11	<u>(3,187,472)</u>	<u>(3,467,799)</u>
Net current assets/(liabilities)		<u>252,229</u>	<u>(116,660)</u>
Total assets less current liabilities		1,015,945	851,480
Creditors: amounts falling due after more than one year	12	(374,415)	(464,055)
Provisions for liabilities and charges	14	<u>(10,000)</u>	<u>(30,000)</u>
		<u>631,530</u>	<u>357,425</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	<u>324,110</u>	<u>50,005</u>
Shareholders' funds	18	<u>631,530</u>	<u>357,425</u>

The financial statements were approved by the Board of Directors on 16 September 1996.

D J Desmond 
 J S Desmond 

DIRECTORS

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 1996

	Note	1996 £	1995 £
Net cash inflow from operating activities	19	<u>215,370</u>	<u>784,580</u>
Returns on investments and servicing of finance			
Interest paid		(10,899)	(31,012)
Interest received		1,754	-
Finance lease and hire purchase interest paid		<u>(38,980)</u>	<u>(55,379)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(48,125)</u>	<u>(86,391)</u>
Taxation			
UK corporation tax paid		<u>-</u>	<u>-</u>
Investing activities			
Loan to related company		-	(43,162)
Purchase of tangible fixed assets		(65,660)	(55,941)
Purchase of intangible fixed assets		(22,619)	-
Sale of tangible fixed assets		<u>136,954</u>	<u>111,317</u>
Net cash inflow from investing activities		<u>48,675</u>	<u>12,214</u>
Net cash inflow before financing		215,920	710,403
Financing			
Receipts from borrowing		-	100,000
Repayment of borrowing		(99,000)	(21,673)
Capital element of finance lease rentals and similar hire purchase contracts		<u>(164,411)</u>	<u>(214,090)</u>
Net cash outflow from financing	20	<u>(263,411)</u>	<u>(135,763)</u>
(Decrease)/increase in cash and cash equivalents	21	<u>(47,491)</u>	<u>574,640</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 1996

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

2 OTHER OPERATING INCOME AND CHARGES

	1996 £	1995 £
Change in work in progress	52,566	96,626
Raw materials and consumables	1,174,537	1,496,250
Staff costs (note 4)	9,871,470	9,345,511
Depreciation and amounts written off tangible fixed assets:		
Owned	118,486	103,317
Held under finance leases and hire purchase contracts	30,570	103,783
Amortisation of intangible asset	23,565	18,000
Other operating charges	3,382,693	4,248,685
Auditors' remuneration:		
Audit services	18,500	18,000
Non-audit services	2,735	8,356
Amounts payable under operating lease rentals	297,250	471,533
	<u>14,972,372</u>	<u>15,910,061</u>

3 NET INTEREST

	1996 £	1995 £
On bank loans, overdrafts and other loans:		
Repayable within 5 years, otherwise than by instalments	7,129	25,196
Repayable within 5 years, by instalments	3,770	10,104
Finance charges in respect of finance leases	38,980	55,379
Interest received	(1,754)	-
	<u>48,125</u>	<u>90,679</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 1996

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1996	1995
	£	£
Wages and salaries	9,046,533	8,562,712
Social security costs	824,937	759,745
Other pension costs	-	23,054
	<u>9,871,470</u>	<u>9,345,511</u>

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

	1996	1995
	Number	Number
Production	431	415
Administration	24	24
Technical	6	6
Management	21	20
	<u>482</u>	<u>465</u>

Remuneration in respect of directors was as follows:

	1996	1995
	£	£
Management remuneration	50,946	198,189
Payments to third parties for directors' services	8,000	29,867
	<u>58,946</u>	<u>228,056</u>

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

	1996	1995
	£	£
The chairman and highest paid director	<u>16,517</u>	<u>41,135</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

DIRECTORS AND EMPLOYEES (CONTINUED)

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

	1996 Number	1995 Number
£ 0 to £ 5,000	1	-
£ 5,001 to £10,000	2	1
£10,001 to £15,000	1	2
£15,001 to £20,000	2	2
£25,001 to £30,000	-	1
£30,001 to £35,000	-	2
£35,001 to £40,000	-	1
£40,001 to £45,000	-	1
	<u> </u>	<u> </u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	1996 £	1995 £
Corporation tax @ 33% (1995: 33%)	200,000	97,375
Deferred tax (note 15)	<u>(20,000)</u>	<u>3,000</u>
	180,000	100,375
Adjustments in respect of prior year:		
Corporation tax	(16,354)	2,625
Deferred tax (note 15)	<u> </u>	<u>(3,000)</u>
	<u>163,646</u>	<u>100,000</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

6 INTANGIBLE FIXED ASSET

	Company Valuation £	Licence £	Total £
Cost			
At 1 June 1995	-	54,000	54,000
Additions	<u>22,619</u>	<u>-</u>	<u>22,619</u>
At 31 May 1996	<u>22,619</u>	<u>54,000</u>	<u>76,619</u>
Amortisation			
At 1 June 1995	-	36,000	36,000
Provided in the year	<u>5,655</u>	<u>18,000</u>	<u>23,565</u>
At 31 May 1996	<u>5,655</u>	<u>54,000</u>	<u>59,655</u>
Net book amount at 31 May 1996	<u>16,964</u>	<u>-</u>	<u>16,964</u>
Net book amount at 31 May 1995	<u>-</u>	<u>18,000</u>	<u>18,000</u>

7 TANGIBLE FIXED ASSETS

	Freehold land and properties £	Motor vehicles £	Plant and machinery £	Office equipment £	Total £
Cost or valuation					
At 1 June 1995	295,000	559,205	957,464	120,417	1,932,086
Additions	6,050	66,900	23,595	25,852	122,397
Disposals	<u>-</u>	<u>(319,232)</u>	<u>(62,897)</u>	<u>(6,007)</u>	<u>(388,136)</u>
At 31 May 1996	<u>301,050</u>	<u>306,873</u>	<u>918,162</u>	<u>140,262</u>	<u>1,666,347</u>
Depreciation					
At 1 June 1995	-	317,379	584,422	80,145	981,946
Provided in the year	4,820	38,055	91,951	14,230	149,056
Eliminated on disposals	<u>-</u>	<u>(176,418)</u>	<u>(32,510)</u>	<u>(2,479)</u>	<u>(211,407)</u>
At 31 May 1996	<u>4,820</u>	<u>179,016</u>	<u>643,863</u>	<u>91,896</u>	<u>919,595</u>
Net book amount at 31 May 1996	<u>296,230</u>	<u>127,857</u>	<u>274,299</u>	<u>48,366</u>	<u>746,752</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>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

TANGIBLE FIXED ASSETS (CONTINUED)

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 1996	<u>22,017</u>	<u>50,266</u>	<u>4,063</u>	<u>76,346</u>
Net book amount at 31 May 1995	<u>223,112</u>	<u>111,196</u>	<u>7,073</u>	<u>341,381</u>
Depreciation provided in the year	<u>7,650</u>	<u>20,800</u>	<u>2,120</u>	<u>30,570</u>

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

	Freehold land and buildings £
At cost	6,050
At 1994 valuation	<u>295,000</u>
	<u>301,050</u>

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 assets are 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	94,391
Accumulated depreciation	<u>(12,233)</u>
Net book amount at 31 May 1996	<u>82,158</u>
Net book amount at 31 May 1995	<u>77,785</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

8 FIXED ASSET INVESTMENTS

£

Net book amount at 31 May 1996 and 31 May 1995 -

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

Company	Country 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 section 229 of the Companies Act 1985.

9 STOCKS

	1996 £	1995 £
Raw materials and consumable stores	430,882	514,728
Work in progress	<u>79,168</u>	<u>131,734</u>
	<u><u>510,050</u></u>	<u><u>646,462</u></u>

10 DEBTORS

Amounts falling due within one year:

	1996 £	1995 £
Trade debtors	1,838,284	1,686,381
Other debtors	36,257	207,519
Prepayments and accrued income	249,198	222,010
Amounts owed by group undertakings	<u>260,399</u>	<u>-</u>
	<u><u>2,384,138</u></u>	<u><u>2,115,910</u></u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

DEBTORS (CONTINUED)

Amount falling due after more than one year:

	1996 £	1995 £
Trade debtors	-	98,303
Other debtors	<u>410,629</u>	<u>308,089</u>
	<u>410,629</u>	<u>406,392</u>

Loans to directors

	Maximum during the year £	Balance at 31 May 1996 £	Balance at 31 May 1995 £
Director			
D J Desmond	<u>6,251</u>	<u>1,581</u>	<u>6,251</u>

The loans are repayable on demand and are interest free.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Trade creditors	480,819	703,436
Corporation tax	355,646	171,999
Social security and other taxes	1,737,567	1,839,339
Other creditors	237,498	306,075
Accruals and deferred income	239,350	302,852
Amounts owed to group undertakings	65,976	-
Amounts due under finance leases	70,616	144,098
	<u>3,187,472</u>	<u>3,467,799</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1996 £	1995 £
Amounts owed to group undertaking	-	99,000
Social security and other taxes	316,399	272,847
Amounts due under finance leases	58,016	92,208
	<u>374,415</u>	<u>464,055</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

13 BORROWINGS

Borrowings are repayable as follows:

	1996	1995
	£	£
Within one year:		
Finance leases	70,616	144,098
After one and within two years:		
Finance leases	45,329	64,782
Other loan	-	99,000
After two and within five years:		
Finance leases	<u>12,687</u>	<u>27,426</u>
	<u>128,632</u>	<u>335,306</u>

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation (note 15) £
At 1 June 1995	30,000
Utilised during the year	<u>(20,000)</u>
At 31 May 1996	<u>10,000</u>

15 DEFERRED TAXATION

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

	Amount provided	
	1996	1995
	£	£
Accelerated capital allowances	<u>10,000</u>	<u>30,000</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

16 SHARE CAPITAL

	1996 and 1995 £
Authorised: 1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>
Allotted, called up and fully paid: 90,500 Ordinary shares of £1 each	<u>90,500</u>

17 RESERVES

	Profit and loss account £	Revaluation reserve £
At 1 June 1995	50,005	216,920
Profit for the year	<u>274,105</u>	-
At 31 May 1996	<u>324,110</u>	<u>216,920</u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Total shareholders' funds	
	1996 £	1995 £
Profit for the financial year	274,105	145,093
Shareholders' funds at 1 June 1995	<u>357,425</u>	212,332
Shareholders' funds at 31 May 1996	<u>631,530</u>	<u>357,425</u>

19 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1996 £	1995 £
Operating profit	485,876	335,772
Depreciation and amortisation	172,621	224,587
Loss/(profit) on sale of tangible fixed assets	39,775	(15,541)
Decrease/(increase) in stocks	136,412	(9,373)
(Increase)/decrease in debtors	(272,465)	720,408
Decrease in creditors	<u>(346,849)</u>	<u>(471,273)</u>
Net cash inflow from operating activities	<u>215,370</u>	<u>784,580</u>

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

20 ANALYSIS OF CHANGES IN FINANCING

	Share capital		Loans and amounts due under finance leases	
	1996	1995	1996	1995
	£	£	£	£
At 1 June 1995	90,500	90,500	335,306	471,069
Net cash outflow from financing	-	-	(263,411)	(135,763)
Inception of finance leases and similar hire purchase contracts	-	-	56,737	-
At 31 May 1996	<u>90,500</u>	<u>90,500</u>	<u>128,632</u>	<u>335,306</u>

21 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1996	1995
	£	£
At 1 June 1995	182,375	(392,265)
Net cash inflow	(47,491)	574,640
At 31 May 1996	<u>134,884</u>	<u>182,375</u>

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	1996	1995	1994	Change in 1996	Change in 1995
	£	£	£	£	£
Cash at bank and in hand	134,884	182,375	9,869	(47,491)	172,506
Bank overdraft	-	-	(402,134)	-	402,134
	<u>134,884</u>	<u>182,375</u>	<u>(392,265)</u>	<u>(47,491)</u>	<u>574,640</u>

23 CAPITAL COMMITMENTS

The company had no capital commitments at 31 May 1996 or 31 May 1995.

24 CONTINGENT LIABILITIES

The company has no contingent liabilities at 31 May 1996 (1995: a contingent liability of £310,000 existed which may have become payable had a supplier sought to enforce a sale agreement).

PDC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1996

25 LEASING COMMITMENTS

Operating lease payments amounting to £22,719 (1995: £25,264) are due within one year. The leases to which these amounts relate expire as follows:

	1996 Other than land and buildings £	1995 Other than land and buildings £
In one year or less	13,705	24,784
Between one and five years	<u>9,014</u>	<u>480</u>
	<u>22,719</u>	<u>25,264</u>

26 ULTIMATE PARENT UNDERTAKING

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

**PDC CONSTRUCTION
LIMITED**

**TRADING AND PROFIT AND
LOSS ACCOUNT**

**FOR THE YEAR ENDED
31 MAY 1996**

PDC CONSTRUCTION LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1996

	1996 £	1995 £
Turnover	<u>15,458,248</u>	<u>16,245,833</u>
Change in work-in-progress		
Closing work-in-progress	79,168	131,734
Opening work-in-progress	<u>(131,734)</u>	<u>(228,360)</u>
	<u>(52,566)</u>	<u>(96,626)</u>
Turnover adjusted for change in work-in-progress	<u>15,405,682</u>	<u>16,149,207</u>
Raw materials and consumables		
Materials and site support expenses	949,389	1,216,825
Consumable stores	<u>225,148</u>	<u>279,425</u>
	<u>1,174,537</u>	<u>1,496,250</u>
Other external charges		
Sub-contractors	1,334,038	2,124,135
Motor, travel and plant expenses	477,824	551,285
Plant hire	460,598	498,215
Other operating lease rentals	<u>297,250</u>	<u>471,533</u>
	<u>2,569,710</u>	<u>3,645,168</u>
Staff costs		
Wages and salaries	8,867,793	8,405,029
Social security costs	825,379	759,745
Directors' salaries	178,740	157,683
Directors' pension fund contributions	(2,500)	21,054
Staff pension fund contributions	2,058	2,000
BUPA	<u>3,719</u>	<u>5,040</u>
	<u>9,875,189</u>	<u>9,350,551</u>
Depreciation and adjustments on disposal		
Depreciation on owned assets and assets held under hire purchase contracts	118,486	181,113
Depreciation on lease assets	30,570	25,987
Loss/(profit) on disposals	39,775	(15,541)
Amortisation of intangible asset	<u>23,655</u>	<u>18,000</u>
	<u>212,486</u>	<u>209,559</u>
Carried forward	1,573,760	1,447,679

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

PDC CONSTRUCTION LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1996

	1996 £	1995 £
Brought forward	1,573,760	1,447,679
Other operating charges		
Rent	21,894	38,149
Rates and water	9,713	13,266
Lighting and heating	12,267	15,784
Subscriptions	1,834	1,932
Stationery, postage, etc.	24,169	25,272
Advertising	13,995	4,107
Telephone	72,989	106,051
Insurance	266,047	419,297
Repairs and renewals	49,799	50,145
Audit and accountancy	30,708	28,356
Bank charges	7,667	24,928
General expenses	24,948	54,956
Entertaining	80,002	44,654
Legal and professional charges	8,248	19,167
Consultancy fees (including Technical Consultancy)	203,093	138,255
Net discounts allowed	161,806	104,607
Bad debts	-	(2,294)
Charitable donations	1,817	1,460
Training	15,796	16,085
Computer costs	14,227	13,810
VAT recoverable	250	(14,222)
	<u>1,021,269</u>	<u>1,103,765</u>
Interest payable		
Bank interest	7,129	25,196
Other interest	3,770	18,246
Hire purchase charges	26,380	43,261
Interest receivable	(1,754)	-
Factoring charges	66,615	-
Finance lease charges	12,600	12,118
	<u>114,740</u>	<u>98,821</u>
Profit on ordinary activities before taxation	<u>437,751</u>	<u>245,093</u>
Taxation		
Corporation tax for the year	185,646	97,375
Prior year adjustments	(22,000)	2,625
	<u>163,646</u>	<u>100,000</u>
Profit for the financial year	274,105	145,093
Balance brought forward	50,005	(95,088)
Accumulated profit	<u>324,110</u>	<u>50,005</u>

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