

**Deloitte &  
Touche**

Deloitte Touche  
Tohmatsu  
International



Company Registration No. 2752154

**SYMONDS GROUP LIMITED**

**Report and Financial Statements**

**31 December 1995**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 1995**

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**REPORT AND FINANCIAL STATEMENTS 1995**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

N M Biddle (Chairman)  
C A Booy  
A K Harden  
C S Hale  
J H Leighton  
B Saint-Andre  
P C Sweeney  
I A Sexton  
T J Piper  
L C Charles-Jones

**SECRETARY**

R G Castle

**REGISTERED OFFICE**

37-41 Old Queen Street  
London  
SW1H 9JA

**BANKERS**

National Westminster Bank plc  
City of London office  
21 Lombard Street  
London  
EC3P 3AR

**SOLICITORS**

Morgan Bruce  
Bradley Court  
Park Place  
Cardiff  
CF1 3DP

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

### **ACTIVITIES**

The Group's principal activities during the year were project and cost management, construction management, facilities management and engineering consultancy.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The results for the year and the position at the end of it are shown in the profit and loss account and balance sheet on pages 6 and 7. The directors consider that the Group is well placed to continue to operate successfully.

The Group acquired the business and some of the assets of Travers Morgan Limited and certain of its subsidiary companies on 1 March 1995. Additionally the Group acquired 75% of the share capital in Woolf Limited and its subsidiary companies on 19 October 1995. Details of the acquisitions are included in note 9.

On 1 January 1996 all the trade, assets and liabilities of Symonds Limited, Symonds Facilities Management plc and Symonds Travers Morgan Limited were transferred to Symonds Group Limited. These companies ceased trading as of that date.

Symonds Limited has branch operations in Saudi Arabia and Symonds Travers Morgan Limited has branch operations in the Philippines.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend payment of a dividend (1995 - £nil). The retained profit of £93,365 has been transferred to reserves (1995 - £218,752).

### **FIXED ASSETS**

Changes in fixed assets during the year are summarised in notes 10 and 11.

### **DIRECTORS AND THEIR INTERESTS**

The directors of the Company during the year are set out below:

N M Biddle	(Chairman)
C A Booy	
A H Cox	(resigned 10 May 1996)
E T Jones	(resigned 28 June 1996)
O J Jones	(resigned 28 March 1997)
J H Leighton	
B Saint-Andre	(appointed 7 June 1995)
P C Sweeney	
I A Sexton	
D G S Waterstone	(resigned 30 April 1995)
T J Piper	(appointed 1 October 1995)
M F Jenkinson	(appointed 11 December 1995, resigned 29 November 1996)
M R Noyce	(appointed 9 October 1995, resigned 3 December 1996)
M P Scoles	(appointed 1 January 1995, resigned 7 July 1995)

In addition L C Charles-Jones, A K Harden and C S Hale were appointed as directors on 1 January 1996.

None of the directors in office at the end of the year had any interests in the shares of the Company, or any Group company, at any time during the year.

## **DIRECTORS' REPORT**

### **EMPLOYEES**

It is the Group's policy to ensure that equal opportunities are available to all, regardless of gender, marital status, ethnic origin or nationality. Full and fair consideration is given to applications for employment from disabled persons having regard to their particular aptitudes and abilities. Consideration will be given to employees of the Group who become disabled to continue in their employment or to be trained for other positions in the Group. It is also the Group's policy to consult with employees and their representatives in order to achieve the efficient execution and development of the Group's business.

### **CREDITORS**

It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the Group's policy that payment is made accordingly.

### **AUDITORS**

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



R G Castle

Secretary

16 May 1997

## **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 as at the end of the financial 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## Chartered Accountants

Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR

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Fax (Gp. 3): 0171 583 8517  
LDE: DX 599

## AUDITORS' REPORT TO THE MEMBERS OF

### SYMONDS GROUP LIMITED

We have audited the financial statements on pages 6 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

#### Respective responsibilities of directors and auditors

As described on page 4 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 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 the Company and the Group's affairs at 31 December 1995 and of the Group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE

Chartered Accountants and  
Registered Auditors

23 May 1997

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1995**

	Note	Year ended 31 December 1995  £	Period ended 31 December 1994 (9 months) £
<b>TURNOVER</b>			
Continuing operations		17,677,604	11,078,501
Acquisitions		<u>26,953,951</u>	<u>-</u>
		44,631,555	11,078,501
Staff costs	2	(22,000,716)	(5,080,421)
Depreciation	3	(904,720)	(307,694)
Other operating charges	4	<u>(20,702,645)</u>	<u>(5,094,450)</u>
<b>OPERATING PROFIT</b>			
Continuing operations		333,795	595,936
Acquisitions		<u>689,679</u>	<u>-</u>
	5	1,023,474	595,936
Interest receivable and similar income		15,985	2,847
Interest payable and similar charges	6	<u>(653,302)</u>	<u>(232,513)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		386,157	366,270
Tax on profit on ordinary activities	7	<u>(292,792)</u>	<u>(147,518)</u>
<b>Profit for the financial year/period</b>	18	<u><u>93,365</u></u>	<u><u>218,752</u></u>

The Group has no recognised gains or losses other than as stated above for the current year and prior period and therefore no separate statement of total recognised gains and losses has been presented.



**CONSOLIDATED BALANCE SHEET**  
**31 December 1995**

	Note	£	1995 £	£	1994 £
<b>FIXED ASSETS</b>					
Tangible assets	10		3,066,248		1,248,482
<b>CURRENT ASSETS</b>					
Work in progress	12	1,873,138		-	
Debtors	13	15,505,836		9,253,655	
Cash at bank and in hand		<u>1,018,381</u>		<u>448,685</u>	
		18,397,355		9,702,340	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(16,260,901)</u>		<u>(4,331,454)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,136,454</u>		<u>5,370,886</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,202,702		6,619,368
<b>CREDITORS: amounts falling due after more than one year</b>	15		(2,654,925)		(12,633,223)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16		<u>(998,853)</u>		<u>(2,045)</u>
			<u>1,548,924</u>		<u>(6,015,900)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		2		2
Profit and loss account	18		<u>1,548,922</u>		<u>(6,015,902)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			<u>1,548,924</u>		<u>(6,015,900)</u>

These financial statements were approved by the Board of Directors on 16<sup>th</sup> May 1997.

Signed on behalf of the Board of Directors

T J Piper

Director


**BALANCE SHEET**
**31 December 1995**

	Note	£	1995 £	£	1994 £
<b>FIXED ASSETS</b>					
Tangible assets	10		56,092		62,105
Investments	11		11,652,888		11,652,888
			<u>11,708,980</u>		<u>11,714,883</u>
<b>CURRENT ASSETS</b>					
Debtors	13	723,166		1,195,172	
Cash at bank and in hand		106,594		94,772	
		<u>829,760</u>		<u>1,289,944</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(186,124)</u>		<u>(321,971)</u>	
<b>NET CURRENT ASSETS</b>			<u>643,636</u>		<u>967,973</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			12,352,616		12,682,966
<b>CREDITORS: amounts falling due after more than one year</b>	15		(2,294,094)		(12,620,094)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16		<u>(22,242)</u>		<u>-</u>
			<u>10,036,280</u>		<u>62,872</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		2		2
Profit and loss account	18		10,036,278		62,870
<b>EQUITY SHAREHOLDERS' FUNDS</b>			<u>10,036,280</u>		<u>62,872</u>

These financial statements were approved by the Board of Directors on 16 May 1997.

Signed on behalf of the Board of Directors

T J Piper

Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

These financial statements have been prepared under the historical cost convention.

**Period of accounts**

The accounts are for the year to 31 December 1995. Comparative figures cover the nine month period to 31 December 1994.

**Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and all subsidiaries for the financial year ended 31 December 1995.

**Investments**

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

**Acquisitions and goodwill**

On the acquisition of a business, fair values are attributed to the net tangible assets acquired. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is written off directly to reserves in the year of acquisition.

**Fixed assets and depreciation**

Depreciation is provided in equal annual instalments, in order to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives at the following rates:

Freehold property	5% per annum
Motor vehicles	25% per annum
Fixtures, fittings and equipment	10% - 15% per annum

**Consultancy contracts**

Profit on consultancy activities is taken as work progresses. The percentage margin on each individual contract is the lower of the margin earned to date, and that forecast at completion taking account of agreed claims. Full provision is made for all known or expected losses at completion, immediately such losses are forecast on each contract. Profit for the year may include settlement of claims arising on contracts completed in prior years.

Cash received on account of contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors. Contract provisions in excess of amounts recoverable are included in provisions for liabilities and charges.



## **NOTES TO THE ACCOUNTS**

**Year ended 31 December 1995**

### **1. ACCOUNTING POLICIES (continued)**

#### **Long-term contracts**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Where the final outcome can be assessed, turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Long-term contract work-in-progress is stated at cost plus, where the outcome can be assessed with reasonable certainty, estimated profits attributable to the state of completion, less provision for any known or anticipated losses and progress payments receivable on account. Advance payments and deposits are included in creditors.

#### **Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

#### **Leases**

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the terms of the leases.

#### **Turnover**

Turnover is the amount derived from the provision of services during the accounting year representing the net amount invoiced as adjusted for accrued and deferred income.

#### **Foreign currency transactions**

Transactions of UK companies denominated in foreign currencies are translated into sterling at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

The accounts of overseas subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves.

#### **Pension costs**

The expected costs of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the costs over the service lives of employees in the schemes operated within the Group in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

#### **Statement of cashflows**

A statement of cashflows has not been prepared as the Group is wholly owned by Energy and Technical Services Group plc, which prepares a consolidated statement of cashflows complying with Financial Reporting Standard No.1.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>Year ended 31 December 1995</b>	<b>Period ended 31 December 1994 (9 months)</b>
	<b>£</b>	<b>£</b>
<b>Directors' emoluments (paid by subsidiaries)</b>		
Fees	-	-
Other emoluments	668,817	403,781
Pension scheme contributions	44,167	5,319
	<u>712,984</u>	<u>409,100</u>
 Remuneration of the chairman (also highest paid director)	 <u>120,289</u>	 <u>79,859</u>
 <b>Scale of other directors' remuneration</b>	 <b>No.</b>	 <b>No.</b>
£ 0 - £ 5,000	3	2
£ 15,001 - £ 20,000	2	-
£ 20,001 - £ 25,000	1	-
£ 45,001 - £ 50,000	-	1
£ 50,001 - £ 55,000	-	3
£ 60,001 - £ 65,000	-	2
£ 70,001 - £ 75,000	2	-
£ 75,001 - £ 80,000	1	-
£ 85,001 - £ 90,000	2	-
£ 95,001 - £ 100,000	1	-
	<u>1</u>	<u>-</u>
 <b>Average number of persons employed</b>	 <b>No.</b>	 <b>No.</b>
Technical	700	213
Administration	208	82
	<u>908</u>	<u>295</u>


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**
**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	Year ended 31 December 1995	Period ended 31 December 1994 (9 months) £
	£	
<b>Staff costs during the year</b>		
Wages and salaries	19,607,056	4,571,122
Social security costs	1,775,086	413,442
Pension costs	618,574	95,857
	<u>22,000,716</u>	<u>5,080,421</u>
 Analysed between:		
Continuing operations	6,624,896	5,080,421
Acquisitions	15,375,820	-
	<u>22,000,716</u>	<u>5,080,421</u>

**3. DEPRECIATION**

	Year ended 31 December 1995	Period ended 31 December 1994 (9 months) £
	£	
Continuing operations	584,223	307,694
Acquisitions	320,497	-
	<u>904,720</u>	<u>307,694</u>

**4. OTHER OPERATING CHARGES**

	Year ended 31 December 1995	Period ended 31 December 1994 (9 months) £
	£	
Continuing operations	10,134,690	5,094,450
Acquisitions	10,567,955	-
	<u>20,702,645</u>	<u>5,094,450</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**5. OPERATING PROFIT**

	Year ended 31 December 1995	Period ended 31 December 1994 (9 months) £
<b>Operating profit is after charging:</b>		
Auditors' remuneration:		
Audit fees	49,000	17,062
Non-audit fees	7,000	6,100
Depreciation of tangible fixed assets		
Owned	867,659	236,445
Leased	37,061	71,249
Rentals under operating leases		
Hire of plant and machinery	102,000	50,000
Other assets	1,683,000	497,000
	<u>£</u>	<u>£</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 December 1995	Period ended 31 December 1994 (9 months) £
Bank loans, overdrafts and other loans repayable within five years	251,357	12,557
Finance charges in respect of hire purchase contracts	11,837	18,618
Intra group interest	270,629	93,958
Interest on loan notes	119,479	107,380
	<u>£</u>	<u>£</u>
	653,302	232,513

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Year ended 31 December 1995	Period ended 31 December 1994 (9 months) £
	£	
United Kingdom corporation tax at 33% based on the profit for the year	271,044	170,103
Deferred taxation	21,748	(19,500)
Adjustment relating to prior period - corporation tax	-	(3,085)
	<u>292,792</u>	<u>147,518</u>

The tax charge is high owing to overseas losses for which no credit has been taken and certain timing differences for which no asset has been provided.

**8. LOSS OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act, the profit and loss of the parent company is not presented as part of these accounts. The parent company's loss for the financial year amounted to £26,592 (1994 - profit £7,644).

**9. ACQUISITION OF SUBSIDIARY UNDERTAKINGS**

	£'000
Tangible fixed assets	941
Work in progress	350
Debtors	140
Cash	40
Creditors	(1,336)
Provisions	(1,213)
Net assets acquired	(1,078)
Goodwill	<u>2,528</u>
Cash consideration	<u>1,450</u>

On acquisition of a company or business, the Group carries out a review of the assets and liabilities acquired to establish a fair value to be taken into the accounts of the Group.



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**9. ACQUISITION OF SUBSIDIARY UNDERTAKINGS (continued)**

**Analysis of the acquisition of the Travers Morgan business**

On 1 March 1995 the Group paid £1.45m to acquire the business and some of the assets of Travers Morgan Limited, a company in administration, as follows:

	£'000
Fixed assets	600
Work in Progress	350
Option to purchase overseas subsidiaries	500
	<hr/>
Consideration	1,450
	<hr/>

The option to purchase the overseas subsidiaries was actioned on 31 March 1995.  
The goodwill on the total acquisition is calculated as follows:

	Book value £'000	Fair value adjustment £'000	Total fair value £'000
Fixed assets	600	211	811
Work in progress	350	-	350
Creditors	-	(1,026)	(1,026)
Provisions	-	(1,213)	(1,213)
Option	500	(500)	-
	<hr/>	<hr/>	<hr/>
Net assets acquired	1,450	(2,528)	(1,078)
Goodwill			2,528
			<hr/>
Consideration			1,450
			<hr/>

The fair value adjustments include a reallocation of the investment in overseas companies into the component assets and liabilities, and adjustments for existing redundancy and other employee related costs taken on under the purchase agreement for Travers Morgan Limited.

**Other acquisitions**

On 19 October 1995 the Group acquired 75% of the share capital of the Woolf Group of companies from a company whose ultimate parent company is Compagnie Générale des Eaux. The consideration paid was £1. The effective date of the acquisition was 1 January 1995.

	Book value £'000	Book adjustment £'000	Fair value adjustment £'000	Total fair value £'000
Fixed Assets	130	-	-	130
Investments	10	(10)	-	-
Debtors	130	10	-	140
Cash	40	-	-	40
Creditors < 1 yr.	(898)	-	588	(310)
	<hr/>	<hr/>	<hr/>	<hr/>
	(588)	-	588	-
	<hr/>	<hr/>	<hr/>	<hr/>

There was no goodwill arising on the acquisition.

The fair value adjustment arises due to an agreement by the vendor company to replace a long term loan with non-voting share capital.


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**
**10. TANGIBLE FIXED ASSETS**

The Group	Freehold property £	Motor vehicles £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 January 1995	-	1,190,662	411,639	243,533	1,845,834
Arising on acquisition	130,000	173,220	707,062	214,073	1,224,355
Additions	-	1,017,486	827,591	54,456	1,899,533
Disposals	-	(267,088)	(20,293)	(31,297)	(318,678)
Exchange difference	-	(9,541)	(487)	(1,143)	(11,171)
At 31 December 1995	130,000	2,104,739	1,925,512	479,622	4,639,873
<b>Accumulated depreciation</b>					
At 1 January 1995	-	342,238	151,827	103,287	597,352
Arising on acquisition	-	48,865	137,269	97,699	283,833
Charge for the year	2,600	460,033	344,522	97,565	904,720
Disposals	-	(176,323)	(12,128)	(31,169)	(219,620)
Exchange difference	-	4,327	203	2,810	7,340
At 31 December 1995	2,600	679,140	621,693	270,192	1,573,625
<b>Net book value</b>					
At 31 December 1995	127,400	1,425,599	1,303,819	209,430	3,066,248
At 31 December 1994	-	848,424	359,812	140,246	1,248,482

The net book value of motor vehicles includes an amount of £19,800 (31 December 1994 - £105,593) in respect of assets held under hire purchase contracts. Additionally, plant and equipment includes a net book value of £7,416 (31 December 1994 - £52,639) held under hire purchase contracts.


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**
**10. TANGIBLE FIXED ASSETS (continued)**

<b>The Company</b>	<b>Motor vehicles £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 1995	50,822	27,912	78,734
Additions	24,666	617	25,283
Disposals	(12,500)	-	(12,500)
Exchange difference	(8,360)	(931)	(9,291)
At 31 December 1995	54,628	27,598	82,226
<b>Accumulated depreciation</b>			
At 1 January 1995	12,276	4,353	16,629
Charge for year	2,982	827	3,809
Disposals	(1,666)	-	(1,666)
Exchange difference	4,531	2,831	7,362
At 31 December 1995	18,123	8,011	26,134
<b>Net book value</b>			
At 31 December 1995	36,505	19,587	56,092
At 31 December 1994	38,546	23,559	62,105

**11. INVESTMENTS HELD AS FIXED ASSETS**

	<b>£</b>
<b>Shares in subsidiaries at cost</b>	
At 1 January 1995 and 31 December 1995	11,652,888

The Company owns 100% of the share capital of the following subsidiaries:

	<b>Principal activity</b>	<b>Place of registration</b>
Symonds Limited	Project and cost management	Jersey
Symonds Tramor	Project and cost management	Saudi Arabia
Symonds Group Inc.	Project and cost management	USA
Symonds Facilities Management plc	Facilities management	England and Wales
Charter Services Limited	Facilities management	England and Wales
Symonds Travers Morgan Limited	Engineering Consultancy	England and Wales
Symonds International Limited	Engineering Consultancy	England and Wales
Symonds Travers Morgan Pty Ltd	Engineering Consultancy	Australia
Symonds Travers Morgan (Malaysia) Sdh Bhd	Engineering Consultancy	Malaysia
Symonds Travers Morgan (Hong Kong) Ltd	Engineering Consultancy	Hong Kong
Symonds Travers Morgan (NZ) Ltd	Engineering Consultancy	New Zealand

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**11. INVESTMENTS HELD AS FIXED ASSETS (continued)**

In addition the company also owns 75% of the following company and its subsidiaries:

Symonds Woolf Limited                                      Construction Management      England and Wales

The directors are of the opinion that the aggregate value of the investment in subsidiaries is not less than the amount at which they are stated in the Company's accounts.

On 1 January 1996 the trading activities of all UK Symonds group companies were transferred into Symonds Group Ltd (with the exception of Charter Services Limited).

On 16 January 1996 Symonds Travers Morgan Pty Ltd changed its name to Symonds Pty Ltd.

**12. WORK IN PROGRESS**

	<b>The Group</b>		<b>The Company</b>	
	<b>1995</b>	<b>1994</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Long term contract balances	1,873,138	-	-	-

**13. DEBTORS**

	<b>The Group</b>		<b>The Company</b>	
	<b>1995</b>	<b>1994</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	11,251,381	2,535,024	125,008	114,244
Amounts recoverable on contracts	386,879	-	-	-
Amounts owed by parent company	228,726	5,415,945	-	-
Amounts owed by subsidiaries	-	-	501,041	995,293
Group relief receivable	-	-	44,289	-
Other debtors and prepayments	1,940,342	306,847	46,923	35,529
Accrued income	1,698,508	995,839	5,905	50,106
	<u>15,505,836</u>	<u>9,253,655</u>	<u>723,166</u>	<u>1,195,172</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>The Group</b>		<b>The Company</b>	
	<b>1995</b>	<b>1994</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdraft	5,250,278	1,942,649	65,862	68,207
Payments on account	434,724	-	-	-
Trade creditors	2,072,936	417,496	7,687	38,448
Amounts owed to parent company	-	33,439	-	-
Amounts owed to subsidiaries	-	-	108,186	109,501
Other creditors and accruals	5,971,385	1,185,965	3,870	63,596
Corporation tax	303,967	275,424	-	41,458
Other taxation and social security	2,204,087	428,890	519	761
Obligations under hire purchase contracts	23,524	47,591	-	-
	<u>16,260,901</u>	<u>4,331,454</u>	<u>186,124</u>	<u>321,971</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>The Group</b>		<b>The Company</b>	
	<b>1995</b>	<b>1994</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	258,172	-	-	-
Amounts owed to parent company	1,921,722	8,148,094	2,494,094	8,148,094
Accruals and deferred income	379,890	1,000,000	-	1,000,000
Loan notes	-	3,472,000	-	3,472,000
Obligations under hire purchase contracts	95,141	13,129	-	-
	<u>2,654,925</u>	<u>12,633,223</u>	<u>2,494,094</u>	<u>12,620,094</u>


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**
**16. PROVISIONS FOR LIABILITIES AND CHARGES**

	Provision for employee related costs £	Contract loss provisions £	Deferred taxation £	Total £
<b>The Group</b>				
At the beginning of the year	-	-	2,045	2,045
Subdiary acquired	332,979	343,534	-	676,513
Profit and loss account charge	-	298,547	21,748	320,295
	<u>332,979</u>	<u>642,081</u>	<u>23,793</u>	<u>990,853</u>
<b>At the end of the year</b>	<u>332,979</u>	<u>642,081</u>	<u>23,793</u>	<u>990,853</u>
<b>The Company</b>				
At the beginning of the year	-	-	-	-
Subdiary acquired	-	-	21,748	21,748
	<u>-</u>	<u>-</u>	<u>21,748</u>	<u>21,748</u>
<b>At the end of the year</b>	<u>-</u>	<u>-</u>	<u>21,748</u>	<u>21,748</u>

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Provided 1995 £	Provided 1994 £	Not provided 1995 £	Not provided 1994 £
<b>The Group</b>				
Capital allowances in excess of depreciation	-	-	(52,846)	-
Other timing differences	23,793	2,045	-	-
	<u>23,793</u>	<u>2,045</u>	<u>(52,846)</u>	<u>-</u>
<b>The Company</b>				
Other timing differences	21,748	-	-	-
	<u>21,748</u>	<u>-</u>	<u>-</u>	<u>-</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**17. CALLED UP SHARE CAPITAL**

	1995 £	1994 £
Authorised 10,000 shares of £1 each	10,000	10,000
Called up, allotted and fully paid 2 shares of £1 each	2	2

**18. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS AND  
MOVEMENTS IN RESERVES**

The Group	Share capital £	Profit and loss account £	1995 Total £	1994 Total £
At the beginning of the year	2	(6,015,902)	(6,015,900)	(6,234,652)
Profit for the financial year	-	93,365	93,365	218,752
Write off of goodwill arising on acquisition	-	(2,528,541)	(2,528,541)	-
Recapitalisation from parent company	-	10,000,000	10,000,000	-
At the end of the year	2	1,548,922	1,548,924	(6,015,900)

The Company	Share capital £	Profit and loss account £	1995 Total £	1994 Total £
At the beginning of the year	2	62,870	62,872	55,228
(Loss)/profit for the financial year	-	(26,592)	(26,592)	7,644
Recapitalisation from parent company	-	10,000,000	10,000,000	-
At the end of the year	2	10,036,278	10,036,280	62,872

The cumulative goodwill written off at 31 December 1995 is £9,096,781 (31 December 1994 - £6,585,240).


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**
**19. FINANCIAL COMMITMENTS**

At 31 December 1995 the Group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 1995 £	Other 1995 £	Land and buildings 1994 £	Other 1994 £
Leases which expire:				
Within one year	5,823	47,716	37,887	31,787
Within two to five years	377,000	405,138	5,823	116,122
More than five years	1,244,000	5,556	253,000	-
	<u>1,626,823</u>	<u>458,410</u>	<u>296,160</u>	<u>147,909</u>

**Bank guarantees**

The Group has entered into a cash management agreement with its ultimate UK parent undertaking, Energy and Technical Services Group plc and fellow subsidiary undertakings to allow for cash concentration of the Group. A cross guarantee exists between all parties to the agreement whereby each company has guaranteed the bank current accounts of the others. Energy and Technical Services Group plc has an unsecured overdraft facility of £5 million.

**20. PENSION COMMITMENTS**

The company participates in the main Energy and Technical Services Group plc defined benefit pension scheme. Contributions to the scheme are based on group pension costs. Payments of £618,574 (1994 - £95,857) were made into group schemes and £122,333 (1994 - £14,831) was outstanding at the year end. Further details can be obtained in the financial statements of Energy and Technical Services Group plc.

**21. ULTIMATE PARENT COMPANY**

At 31 December 1995 the ultimate parent company was Compagnie Générale des Eaux SA, a company incorporated in France. Copies of its financial statements may be obtained from 52 Rue d'Anjou, 75384 Paris Cedex 08, France. The smallest group of which the company is a member and for which group accounts were prepared is Energy and Technical Services Group plc, which is incorporated in Great Britain and registered in England and Wales.