

CHARLES BRAND & SON (NI) LIMITED

DIRECTORS' REPORT AND ACCOUNTS
31ST DECEMBER, 1983

CHARLES BRAND & SON (NI) LIMITED
REPORT OF THE DIRECTORS

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The Directors have pleasure in submitting the annual report and accounts for the year ended 31st December, 1983.

The report and accounts are presented in the format prescribed by the Companies (Northern Ireland) Order 1982 and the comparative information for 1982 has been re-presented accordingly.

1. Principal activities and business review

The principal activities of the Company are civil engineering construction, building, tunnelling, mining, housing and ancillary works.

The Company's activities are confined to Northern Ireland where it has shown the capacity to improve substantially its profitability in diminishing and changing markets.

The market penetration and profitability of the Company's specialist concrete pile contracting subsidiary, FK Piling Limited, has been most encouraging.

2. Profit and dividends

	<u>1983</u> £'000	<u>1982</u> £'000
The profit/(loss) for the financial year dealt with in the accounts is:	261 ===	(254) ===

The Directors do not recommend the payment of a dividend.

3. Directors

The Directors of the Company during the year were:-

W.R. Hare, BSc MICE

C.A. Frettsome, BSc(Eng) MICE

K.R. Leyland, FICE

T. Patterson, BSc FICE

J.R.F. Raw, FCA

(Appointed 1st January 1983)

4. Share Capital

On 14th April, 1983 in order to provide additional working capital, 99,000 fully paid shares of £1 each were issued at par for cash to the holding company to rank pari passu with the existing shares.

5. Investment in Subsidiary Company

On 14th April, 1983 the Company took up a further 49,000 fully paid shares of £1 each at par in FK Piling Limited, its wholly owned subsidiary incorporated in Northern Ireland.

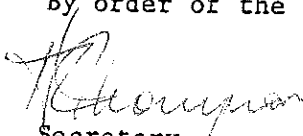
6. Auditors

In accordance with Section 27 of the Companies (Northern Ireland) Order 1978 a resolution for the re-appointment of Messrs. Peat, Marwick, Mitchell & Co. as auditors of the Company is to be proposed at the forthcoming annual general meeting.

21/23 Sydenham Road,
Belfast,
BT3 9HA

30th April, 1984

By order of the Board


Secretary

CHARLES BRAND & SON (NI) LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1983

	<u>Note</u>	<u>1983</u> <u>£'000</u>	<u>1982</u> <u>£'000</u>
TURNOVER	2	2,625	3,264
Cost of sales		<u>(1,952)</u>	<u>(3,689)</u>
GROSS PROFIT		673	(425)
Administrative expenses		<u>(200)</u>	<u>(175)</u>
OPERATING PROFIT		473	(600)
Interest receivable		79	50
Interest payable	4	<u>(25)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	527	(550)
Taxation	5	<u>(266)</u>	<u>296</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		261	(254)
Balance brought forward		<u>(231)</u>	<u>23</u>
RETAINED PROFIT CARRIED FORWARD		<u>30</u> =====	<u>(231)</u> =====

The notes on pages 5 to 8 form part of these accounts.

CHARLES BRAND & SON (NI) LIMITED
BALANCE SHEET AT 31ST DECEMBER, 1983

	<u>Note</u>	<u>1983</u> <u>£'000</u>	<u>1982</u> <u>£'000</u>
FIXED ASSETS			
Investments	6	<u>50</u>	<u>1</u>
CURRENT ASSETS			
Stocks	7	121	27
Debtors	8	278	532
Cash at bank and in hand		<u>938</u>	<u>308</u>
		<u>1,337</u>	<u>867</u>
CREDITORS			
Amounts falling due within one year	9	(1,005)	(977)
NET CURRENT ASSETS/(LIABILITIES)		<u>332</u>	<u>(110)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		382	(109)
CREDITORS			
Amounts falling due after more than one year	10	<u>(250)</u>	<u>(250)</u>
PROVISIONS FOR LIABILITIES AND CHARGES		132	(359)
Deferred taxation	11	<u>(2)</u>	<u>129</u>
		<u>130</u> =====	<u>(230)</u> =====
CAPITAL AND RESERVES			
Called up share capital	12	100	1
Profit and loss account		<u>30</u>	<u>(231)</u>
		<u>130</u> =====	<u>(230)</u> =====



} Directors

The accounts were approved by the
Directors on 30th April, 1984

The notes on pages 5 to 8 form part of these accounts.

CHARLES BRAND & SON (NI) LIMITEDSOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 1983

	<u>1983</u> <u>£'000</u>	<u>1982</u> <u>£'000</u>
SOURCE OF FUNDS		
Profit/(loss) before taxation	<u>527</u>	<u>(550)</u>
FUNDS FROM OTHER SOURCES		
Shares issued to holding company	99	-
Loan from holding company	-	250
Group relief receipt	<u>-</u>	<u>244</u>
	<u>626</u>	<u>(56)</u>
APPLICATION OF FUNDS		
Cost of capital increase in subsidiary	(49)	(1)
Group relief payment	<u>(135)</u>	<u>-</u>
	<u>(184)</u>	<u>(1)</u>
	442	(57)
DECREASE/(INCREASE) IN WORKING CAPITAL		
Stocks	(94)	28
Debtors	254	(69)
Creditors	<u>28</u>	<u>388</u>
	<u>188</u>	<u>347</u>
INCREASE IN NET BANK BALANCES AND CASH	<u>630</u> =====	<u>290</u> =====

CHARLES BRAND & SON (NI) LIMITED
NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

These accounts are drawn up to meet the new reporting requirements of the Companies (Northern Ireland) Order 1982, but otherwise have been prepared on bases consistent with those adopted in 1982. Presentational changes have been made to the previous year's figures to correspond with the new format.

The accounting policies adopted are disclosed in the appropriate notes below.

Convention:

The accounts are prepared under the historical cost convention.

2. TURNOVER

Turnover comprises work done, goods sold and services provided.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Company's holding company French Kier Construction Limited, administers all the expenditure incurred on contracts. The operating result of the Company is stated after all such expenditure has been charged to it by the holding company.

The emoluments of the Directors are paid by and dealt with in the accounts of the holding company French Kier Construction Limited or the ultimate holding company French Kier Holdings Public Limited Company.

4. INTEREST PAYABLE

	<u>1983</u> £'000	<u>1982</u> £'000
On loan from holding company repayable within 5 years not by instalments (see note 10)	25	-
	==	===

5. TAXATION

	<u>1983</u> £'000	<u>1982</u> £'000
Taxation based on the profit for the year:		
Deferred taxation	228	(52)
Group relief payment/(receipt)	<u>38</u>	<u>(244)</u>
Charge to profit and loss account in respect of current year	266	(296)
Prior year taxation adjustments:		
Deferred taxation	(97)	-
Group relief payment	<u>97</u>	<u>-</u>
Charge to profit and loss account	266	(296)
	=====	=====

The taxation charge has been reduced by £5,000 (1982 £21,000) in respect of stock relief.

CHARLES BRAND & SON (NI) LIMITED

NOTES ON THE ACCOUNTS
(Continued)

6. FIXED ASSETS - INVESTMENT	<u>1983</u> £'000	<u>1982</u> £'000
Ordinary shares of £1 each	50 ==	1 =
(i) The Company owns all the issued share capital of FK Piling Limited, a company incorporated in Northern Ireland.		
(ii) During the year the Company subscribed for 49,000 shares of £1 each fully paid in FK Piling Limited, (1982 1,000 shares of £1 each).		
(iii) No consolidated accounts have been prepared as the Company is itself a wholly owned subsidiary of a UK company.		

7. STOCKS	<u>1983</u> £'000	<u>1982</u> £'000
Work in progress		
Contracting	121 ===	27 ===

Contracting work in progress is stated after the deduction of progress payments received of £4,241,000 (1982 £4,637,000) and receivable of £183,000 (1982 £515,000).

Work in progress

Long term contracting work in progress is stated at cost plus attributable profit (less foreseeable losses) less progress payments received and receivable, any excess on individual contracts being included in creditors. Profit is not taken until the outcome of contracts based on valuations by officials of the Group can be reasonably assessed which is not before at least 50% of the estimated final contract value has been achieved. In determining profit no account is taken of unagreed claims.

Where losses are currently estimated to arise over the duration of contracts, allowance is made for such losses. In determining this, account is taken of the anticipated final contract settlement.

Attributable profit has been included in long term contracting work in progress in accordance with the Statement of Standard Accounting Practice No. 9 although this constitutes a departure from the statutory valuation rules set down in the Companies Acts 1948 to 1981. This is required by Section 149(3) of the Companies Act 1948 which contains an overriding requirement for the accounts to give a true and fair view. As progress payments cannot be allocated between cost and profit, it is not possible to meaningfully determine the effect of the departure on the balance sheet carrying amount of long term contracting work in progress.

CHARLES BRAND & SON (NI) LIMITEDNOTES ON THE ACCOUNTS
(Continued)

8. DEBTORS		
Amounts falling due within one year	<u>1983</u> £'000	<u>1982</u> £'000
Trade debtors	274	531
Other debtors	<u>4</u>	<u>1</u>
	278	532
	=====	=====
9. CREDITORS		
Amounts falling due within one year	<u>1983</u> £'000	<u>1982</u> £'000
Trade creditors	28	429
Amounts owed to holding company	<u>977</u>	<u>548</u>
	1,005	977
	=====	=====
10. CREDITORS		
Amounts falling due after more than one year		
The holding company has advanced a loan to the Company amounting to £250,000 (1982 £250,000) which is repayable on or after 31st December 1987. The loan bears interest at 10% per annum (see note 4).		
11. DEFERRED TAXATION		
	<u>1983</u> £'000	<u>1982</u> £'000
At 1st January, 1983	(129)	(77)
Transferred to/(from) profit and loss account	<u>131</u>	<u>(52)</u>
At 31st December, 1983	2	(129)
	=====	=====

Deferred taxation relates to other timing differences.

Provision is made, on the liability basis, for the taxation effects arising from all timing differences other than those which are expected by the Directors to continue within the foreseeable future.

12. CALLED UP SHARE CAPITAL		
	<u>1983</u> £'000	<u>1982</u> £'000
Shares of £1 each:		
Authorised	<u>100</u>	<u>100</u>
Issued and fully paid	100	1
	===	===

On 14th April, 1983 99,000 fully paid shares were issued to the holding company at par for cash to rank pari passu with the existing shares.

CHARLES BRAND & SON (NI) LIMITED

NOTES ON THE ACCOUNTS
(Continued)

13. CONTINGENT LIABILITIES

There are contingent liabilities in respect of guarantees and claims under contracting and other agreements, including joint ventures, entered into in the normal course of business, and in respect of which adequate allowance has, in the opinion of the Directors, been made.

14. ULTIMATE HOLDING COMPANY

The Company's holding company is French Kier Construction Limited which is itself a wholly owned subsidiary of French Kier Holdings Public Limited Company, a company incorporated in England.

REPORT OF THE AUDITORS TO THE MEMBERS OF

CHARLES BRAND & SON (NI) LIMITED

We have audited the accounts on pages 2 to 8 in accordance with approved Auditing Standards.

In our opinion, the accounts, which have been prepared on the basis of the accounting policies set out in the notes on the accounts, give a true and fair view of the state of affairs of the Company at 31st December, 1983 and of the profit and source and application of funds for the year to that date and comply with the Companies Acts (Northern Ireland) 1960 to 1982.

LONDON

1st May, 1984

Reut, memail, included etc.

Chartered Accountants