

The Baillie Contracting Company Limited

**Annual report
for the year ended 30 June 1995**

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The Baillie Contracting Company Limited

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Directors' report for the year ended 30 June 1995

The directors present their report and the audited financial statements for the year ended 30 June 1995.

Principal activities

The principal activity of the company continues to be the fulfilment of civil engineering contracts for British Telecom and certain local authorities which commenced prior to 31 March 1985.

Review of business and future developments

The results for the year are set out in the profit and loss account on page 4. The directors anticipate that the company will have discharged its outstanding contractual obligations during the year-ending 30 June 1996.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend (1994 - £Nil). The profit for the financial year will be transferred to reserves.

Directors

The directors of the company at 30 June 1995, all of whom have been directors for the whole of the year ended on that date, and their interests in the share capital of Galliford plc, the company's ultimate parent company, were as follows:

P K Bullock
G R Marsh

Directors' interests

	Share options	
	30 June 1995	1 July 1994
P K Bullock	67,822	67,822

No share options were granted, excised or lapsed in respect of P K Bullock during the year under review.

G R Marsh is a director of Galliford plc and his interests are disclosed in the financial statements of Galliford plc.

No director holds any shares in The Baillie Contracting Company Limited.

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Directors' report for the year ended 30 June 1995 (continued)

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

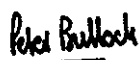
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 June 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

During the year the previous auditors, Thomas May & Co, did not seek re-election and Coopers & Lybrand were appointed. A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



P K Bullock
Company secretary/director
5 October 1995

Report of the auditors to the members of The Baillie Contracting Company Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2, 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 statements and to report our opinion to you.

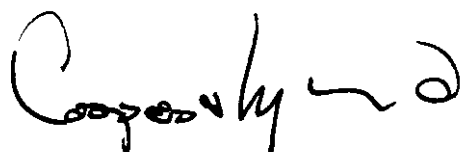
Basis of opinion

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 as at 30 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
Birmingham
5 October 1995

The Baillie Contracting Company Limited

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Profit and loss account for the year ended 30 June 1995

	Notes	1995 £	1994 £
Turnover - continuing operations	1	-	-
Other operating income		8,380	-
Other operating charges		(4)	(9)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	2,5	8,376	(9)
Tax on profit/(loss) on ordinary activities	6	2,435	2
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation		5,941	(11)
Dividends		-	-
		<hr/>	<hr/>
Retained profit/(loss) for the year	10	5,941	(11)
		<hr/>	<hr/>

The company has no recognised gains and losses other than those shown in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

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Balance sheet at 30 June 1995

	Notes	1995 £	1994 £
Current assets			
Debtors	7	134,597	174,330
Cash at bank and in hand		3,341	3,347
		<u>137,938</u>	<u>177,677</u>
 Creditors: amounts falling due within one year	8	<u>1,432</u>	<u>47,112</u>
 Net assets		<u><u>136,506</u></u>	<u><u>130,565</u></u>
 Capital and reserves			
Called up share capital	9	62,000	62,000
Profit and loss account	10	74,506	68,565
 Equity shareholders' funds	11	<u><u>136,506</u></u>	<u><u>130,565</u></u>

The financial statements on pages 4 to 9 were approved by the board of directors on 5 October 1995 and were signed on its behalf by:

Peter Bullock

P K Bullock
Director

Notes to the financial statements

1 Principal accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

(b) Cash flow

The financial statements do not include a cash flow statement because the company, as a wholly owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard No 1 "Cash Flow Statements".

(c) Turnover

Turnover represents amounts charged to customers for goods and services supplied during the year, and excludes value added tax.

(d) Deferred taxation

Provision is made for deferred taxation, using the liability method on all material timing differences to the extent that, in the opinion of the directors, there is reasonable probability that the liability will crystallise in the foreseeable future.

2 Profit before taxation

The profit/(loss) before taxation is attributable to the one principal activity of the company and arises solely within the United Kingdom.

3 Employee information

The average weekly number of persons employed, including executive directors, during the year was as follows:

	1995 Number	1994 Number
Management - directors	<u>2</u>	<u>2</u>

4 Directors' remuneration

The directors received no remuneration during the year (1994: £Nil).

The Baillie Contracting Company Limited

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Notes to the financial statements (continued)

5 Profit/(loss) on ordinary activities before taxation

	1995 £	1994 £
The profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit services	-	-
Directors' emoluments	-	-
	<u> </u>	<u> </u>

The auditors' remuneration is borne by the ultimate parent company.

6 Tax on profit/(loss) on ordinary activities

	1995 £	1994 £
United Kingdom corporation tax at 33% (1994 : 33%):		
Group tax relief	1,406	(3)
Adjustments in respect of previous years:		
Corporation tax	1,029	5
	<u> </u>	<u> </u>
	2,435	2
	<u> </u>	<u> </u>

7 Debtors

	1995 £	1994 £
Amounts recoverable within one year:		
Trade debtors	10,600	49,332
Amounts owed by Galliford plc	123,997	124,995
Group tax relief	-	3
	<u> </u>	<u> </u>
	134,597	174,330
	<u> </u>	<u> </u>

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Notes to the financial statements (continued)

8 Creditors: amounts falling due within one year

	1995 £	1994 £
Trade creditors	-	34,394
Group tax relief	1,432	-
Other creditors	-	11,243
Accruals and deferred income	-	1,475
	<u>1,432</u>	<u>47,112</u>

9 Called up share capital

	1995 £	1994 £
Authorised 62,000 ordinary shares of £1 each	<u>62,000</u>	<u>62,000</u>
Allotted, called-up and fully paid 62,000 ordinary shares of £1 each	<u>62,000</u>	<u>62,000</u>

10 Profit and loss account

	£
At 1 July 1994	68,565
Retained profit for the year	<u>5,941</u>
At 30 June 1995	<u>74,506</u>

The Baillie Contracting Company Limited

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Notes to the financial statements (continued)

11 Reconciliation of movements on shareholders' funds

	1995 £	1994 £
Retained profit/(loss) for the financial year	5,941	(11)
Opening equity shareholders' funds at 1 July 1994	130,565	130,576
Closing equity shareholders' funds at 30 June 1995	136,506	130,565

12 Capital commitments

The company had no capital commitments as at 30 June 1995.

13 Contingent liabilities

The company, together with certain other Galliford group companies, has entered into an arrangement with Barclays Bank plc whereby the companies bound by this arrangement jointly and severally guarantee any overdraft granted to those group companies. It is not expected that any liability will be incurred in respect of these guarantees.

14 Ultimate parent company

The ultimate parent company is Galliford plc which is incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Galliford plc can be obtained from The Company Secretary, Galliford plc, Wolvey Grange, Wolvey, Hinckley, Leicestershire LE10 3JD.