

**Galliford Building Group Limited**

**Annual Report**

**for the year ended 30 June 1998**

**Registered no: 892823**



# **Galliford Building Group Limited**

**Annual report  
for the year ended 30 June 1998**

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# Galliford Building Group Limited

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## Directors' report for the year ended 30 June 1998

The directors present their report and the audited financial statements for the year ended 30 June 1998.

### Principal activities

The company's principal activity is that of intermediate holding company for certain subsidiaries within the Galliford Group.

### Review of business and future developments

The results for the year are presented in the profit and loss account on page 4. The future profits of the company are dependent upon the performance of its subsidiary undertakings.

### Dividends

The directors recommend a final dividend of £1,940,000 to be paid in respect of the year ended 30 June 1998 (1997: £2,170,000).

### Directors

The directors of the company at 30 June 1998, 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  
J Livingston  
G R Marsh

### Directors' interests

Share options  
At 1 July 1997 and 30 June 1998

P K Bullock

78,688

G R Marsh and J Livingston are directors of Galliford plc and their interests are disclosed in the financial statements of Galliford plc.

No director holds any shares in Galliford Building Group Limited.

## Directors' report (continued) for the year ended 30 June 1998

### 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 1998. 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

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board



**J Livingston**  
Director

8 October 1998

## **Report of the auditors to the members of Galliford Building Group Limited**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **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 financial statements and to report our opinion to you.

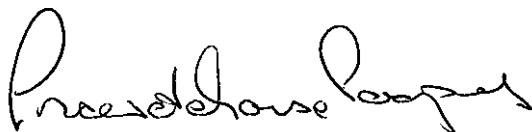
### **Basis of opinion**

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 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 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Birmingham**  
**8 October 1998**

# Galliford Building Group Limited

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## Profit and loss account for the year ended 30 June 1998

	Notes	1998 £	1997 £
Income from shares in subsidiary undertakings		<u>1,940,000</u>	<u>2,170,000</u>
Profit on ordinary activities before taxation	3	1,940,000	2,170,000
Taxation		<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		1,940,000	2,170,000
Dividends - proposed		<u>(1,940,000)</u>	<u>(2,170,000)</u>
Profit for the financial year		<u>-</u>	<u>-</u>

All of the items presented in the profit and loss account above relate to continuing activities.

There were no recognised gains or losses other than those shown in the profit and loss account above.

# Galliford Building Group Limited

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## Balance sheet at 30 June 1998

	Notes	£	1998 £	£	1997 £
<b>Fixed assets</b>					
Investments	4		2,016,149		2,016,149
<b>Current assets</b>					
Debtors	5	9,543,849		8,273,849	
Cash at bank		6,591		6,591	
		<u>9,550,440</u>		<u>8,280,440</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>11,172,336</u>		<u>9,902,336</u>	
<b>Net current liabilities</b>			<u>(1,621,896)</u>		<u>(1,621,896)</u>
<b>Net assets</b>			<u>394,253</u>		<u>394,253</u>
<b>Capital and reserves</b>					
Called up share capital	7		100		100
Profit and loss account	8		394,153		394,153
<b>Equity shareholders' funds</b>			<u>394,253</u>		<u>394,253</u>

The financial statements on pages 4 to 9 were approved by the board of directors on 8 October 1998 and were signed on its behalf by:

  
J Livingston  
Director

## Notes to the financial statements for the year ended 30 June 1998

### 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 (Revised) "Cash Flow Statements".

#### (c) Fixed assets - investments

Shares in subsidiary undertakings are shown at cost less amounts written off to reduce their carrying value to the underlying net asset value.

#### (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 a liability will crystallise in the foreseeable future.

### 2 Employee information

The average number of employees, including executive directors, during the year was as follows:

	1998 Number	1997 Number
Management - directors	3	3

The directors received no remuneration during the year (1997: £Nil).



**Notes to the financial statements (continued)  
for the year ended 30 June 1998****3 Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:

	1998	1997
	£	£
Auditors' remuneration	-	-
Directors' emoluments	-	-
	<u>          </u>	<u>          </u>

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

**4 Fixed assets - investments**

<b>Shares in group undertakings</b>	£
<b>Cost</b>	
At 1 July 1997 and 30 June 1998	2,105,468
<b>Amounts written off</b>	
At 1 July 1997 and 30 June 1998	89,319
<b>Net book value</b>	<u>                  </u>
At 30 June 1997 and 30 June 1998	<u>2,016,149</u>

The company holds 100% of the issued ordinary share capital of the following subsidiary undertakings, all of which are registered in Great Britain:

Wincott Galliford Limited	Galliford (UK) Limited
Galliford and Sons Limited	Rock and Alluvium Limited
Galliford Brindley Properties Limited	Stamford Homes Limited
Galliford Pipeline Services Limited	

Consolidated financial statements are not prepared as the company is a wholly owned subsidiary of another United Kingdom company. In the opinion of the directors of the company, the aggregate value of the assets of the company comprising of shares in, or amounts owing from, the company's subsidiary undertakings is not less than the aggregate of the amounts at which these assets are stated or included in the company's balance sheet.

# Galliford Building Group Limited

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## Notes to the financial statements (continued) for the year ended 30 June 1998

### 5 Debtors

	1998 £	1997 £
Amounts recoverable within one year:		
Amounts owed by group undertakings	7,603,849	6,103,849
Dividends receivable	1,940,000	2,170,000
	<u>9,543,849</u>	<u>8,273,849</u>

### 6 Creditors: amounts falling due within one year

	1998 £	1997 £
Amounts owed to group undertakings	9,232,304	7,732,304
Proposed dividend	1,940,000	2,170,000
Accruals	32	32
	<u>11,172,336</u>	<u>9,902,336</u>

### 7 Called up share capital

	1998 £	1997 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 8 Profit and loss account

At 1 July 1997 and 30 June 1998	<u>£</u> <u>394,153</u>
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**Notes to the financial statements (continued)  
for the year ended 30 June 1998**

**9      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.

**10     Ultimate parent company**

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