

Registered Number 5407122

Expanded Demolition Limited

Annual Report

for the year ended 31 March 2008

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Expanded Demolition Limited
Annual Report
for the year ended 31 March 2008

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Expanded Demolition Limited

Directors, Officers and Advisors

Directors	S Hollingshead S Cork	
Company Secretary	C W McKenzie LLB, Solicitor	
Company Number	5407122	
Registered Office and Business Address	Bridge Place Anchor Boulevard Admirals Park Crossways Dartford Kent DA2 6SN	
Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH	
Bankers	Bank of Scotland New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN	HSBC Bank Plc 8 Canada Square London E14 5HQ
Solicitors	Nabarro Lacon House Theobalds Road London WC1X 8RW	K&L Gates LLP 110 Cannon Street London EC4N 6AR
Insurance Consultants	Kerry London Limited Clare House Worton Road, Isleworth Middlesex TW7 6ER	

Expanded Demolition Limited

Directors' Report for the year ended 31 March 2008

The directors present their annual report together with the audited financial statements of Expanded Demolition Limited for the year ended 31 March 2008.

Principal activity

The principal activity of the business is demolition and dismantling of buildings.

Review of the Business

The Company is a wholly owned subsidiary of Expanded Limited and a member of the Laing O'Rourke Corporation Limited Group. The directors are satisfied with the financial result for the year and expect the business to continue to trade profitably.

The directors of Laing O'Rourke Corporation Limited manage risk for the Group as a whole, rather than as individual entities. For this reason, the Company's directors believe that analysis of the Company's risks should be viewed in the context of the Group. The principal risks and uncertainties of the Laing O'Rourke Corporation Limited Group, which include those of the Company, are discussed in the Group's annual review which does not form part of this report.

The directors of Laing O'Rourke Corporation Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators should be viewed in the context of the Group. The development, performance and position of the European construction division of the Laing O'Rourke Corporation Limited Group, which include those of the Company, are discussed in the Group's annual review which does not form part of this report.

Results and dividends

The results for the year are set out on page 7.

Turnover for the period was £10.3m (2007: £6.1m). Profit before taxation for the period was £1.1m (2007: £0.2m), and the profit attributable to shareholders after taxation and dividends was £0.8m (2007: £0.2m). Total capital and reserves of the Company at 31 March 2008 were £1.0m (2007: £0.2m).

No dividends were declared or paid during the year (2007: £nil).

Health, safety and welfare

The Group is committed to ensuring the health, safety and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risk to health and safety arising from the activities of the Company's employees when at work.

Employment policy

The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Company's trading position and of any significant organisational changes. The Group treats each application for employment, training and promotion on merit. Full and fair consideration is given to both disabled and able-bodied applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

Expanded Demolition Limited

Directors' Report (continued) for the year ended 31 March 2008

Payment of creditors

While the Company does not follow a formal code of practice, its policy for the period to 31 March 2009 for all suppliers is to agree terms of payment for each business transaction, to ensure that the supplier is aware of those terms, and to abide by the agreed terms of payment.

Directors

The current membership of the Board is as set out in the directors, officers and advisors information on page 1. Details of changes to the Board since the last financial statements are noted below:

H Waters	- resigned 20 December 2007
S Hollingshead	- appointed 20 December 2007
S Cork	- appointed 20 December 2007

Statement of directors' responsibilities for the annual report

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law.) The financial statements are required by law to 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

Expanded Demolition Limited

Directors' Report (continued) for the year ended 31 March 2008

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware;
- each director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

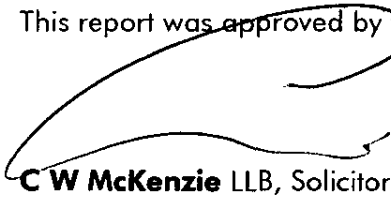
This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

Auditors

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Approval

This report was approved by the Board on 12 September 2008 and signed on its behalf by:



C W McKenzie LLB, Solicitor

Expanded Demolition Limited

Independent Auditor's Report to the Members of Expanded Demolition Limited

We have audited the financial statements of Expanded Demolition Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

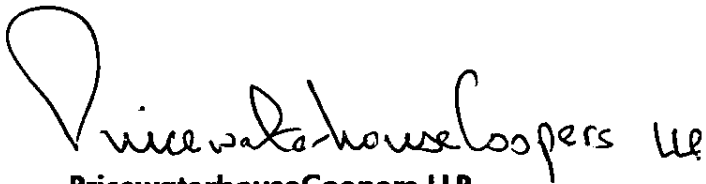
Expanded Demolition Limited

**Independent Auditor's Report to the Members of
Expanded Demolition Limited**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

A large, stylized handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

15 September 2008

Expanded Demolition Limited

Profit & Loss Account for the year ended 31 March 2008

	Note	2008 £	2007 £
Turnover	1	10,304,835	6,102,592
Cost of sales		(8,457,732)	(5,196,951)
Gross profit		1,847,103	905,641
Administrative expenses		(753,968)	(708,045)
Profit on ordinary activities before taxation	2	1,093,135	197,596
Taxation	4	(327,941)	-
Retained profit for the year		765,194	197,596

The above results relate to the continuing operations of the company.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year as stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than those shown above and therefore, no separate statement of total recognised gains and losses has been presented.

Expanded Demolition Limited

Balance Sheet as at 31 March 2008

	Note	2008 £	2007 £
Current assets			
Debtors: amounts falling due within one year	5	4,831,695	1,008,145
Creditors: amounts falling due within one year	6	<u>(3,868,904)</u>	<u>(810,548)</u>
Net current assets and net assets		<u>962,791</u>	<u>197,597</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss reserve	8	<u>962,790</u>	<u>197,596</u>
Shareholders' funds	8	<u>962,791</u>	<u>197,597</u>

The financial statements on pages 7 - 13 were approved by the Board on 12 September 2008 and signed on its behalf by:

S Hollingshead
Director



Expanded Demolition Limited

Notes to Financial Statements for the year ended 31 March 2008

1 ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

These financial statements are prepared in accordance with applicable accounting standards under the historical cost convention in accordance with reporting requirements of the Companies Act 1985. The Company has consistently applied all relevant accounting standards.

1.2 Cash flow statement

The Company has taken the FRS1 exemption not to prepare a cash flow statement as it is a wholly owned subsidiary of Laing O'Rourke Corporation Limited, whose accounts are available at Bridge Place, Anchor Boulevard, Admirals Park, Crossways, Dartford, Kent DA2 6SN.

1.3 Turnover

Turnover represents amounts invoiced to customers, excluding value-added tax, except in respect of contracting activities where turnover represents the estimated sales value of work done in the year, including amounts not invoiced. All turnover is generated from the United Kingdom.

1.4 Profit recognition

Profit on contracting activities is recognised on a prudent basis as work progresses. Profit is calculated on an individual contract basis as the element of profit forecast at completion that can prudently be attributed to the proportion of work done at the year end. Immediate provision is made for all foreseeable losses if a contract is assessed as unprofitable.

1.5 Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Where such amounts have been received and exceed amounts recoverable, the net amounts are included in creditors as payments on account.

1.6 Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences in the treatment of certain items for taxation and accounting purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

In accordance with FRS19 deferred tax is not provided for: revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date; gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over; extra tax payable if the overseas retained profits of subsidiaries and joint ventures are remitted in future; fair value adjustments gains to fixed assets and stock to uplift prices to those ruling when an acquisition is made.

Expanded Demolition Limited

Notes to Financial Statements for the year ended 31 March 2008

1 ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Transactions denominated in foreign currencies are recorded at the exchange rates in effect when they take place. Resulting foreign currency denominated assets and liabilities are re-translated at the exchange rates ruling at the balance sheet date unless they are covered by forward foreign exchange contracts, in which case the contract rates are used. Exchange differences arising from foreign currency transactions are reflected in the profit and loss account.

2 Profit on ordinary activities before taxation	2008	2007
	£	£
Profit before taxation is stated after charging:		
Hire of plant and machinery	<u>735,821</u>	<u>702,385</u>

The audit fee and other administrative expenses of the Company were borne by another Group company, Laing O'Rourke Services Limited.

3 Employees and directors

The Company has no employees. All of the directors and employees working on the Company's contracts are employed by a fellow subsidiary of Laing O'Rourke Corporation Limited, Laing O'Rourke Services Limited. Costs for staff and directors are recharged on the basis of time spent on the Company's contracts and these costs are included in cost of sales or administrative expenses as appropriate.

Expanded Demolition Limited

Notes to Financial Statements for the year ended 31 March 2008

4 Tax

	2008 £	2007 £
United Kingdom Corporation tax		
Current tax on income for the period	327,941	-
Adjustments in respect of prior periods	-	-
Current taxation	327,941	-
Deferred taxation		
Net origination of timing differences	-	-
Tax on profit on ordinary activities	327,941	-

The tax charge for the year is the same as (2007: lower than) the standard rate of Corporation tax in the UK (30%). The differences are explained below:

Current tax reconciliation

Profit on ordinary activities before tax	1,093,135	197,596
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30% (2007: 30%)	327,941	59,279
Effects of Group relief claimed not paid	-	(59,279)
Actual current tax charge	327,941	-

The change in the standard rate of Corporation tax in the UK from 30% to 28%, which took effect in April 2008, is expected to impact upon the future tax charge of the Company.

5 Debtors: amounts falling due within one year

	2008 £	2007 £
Trade debtors	-	73,634
Amounts recoverable on contracts	234,833	-
Amounts owed by group undertaking	4,596,862	884,154
Other debtors	-	50,357
	4,831,695	1,008,145

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Expanded Demolition Limited

Notes to Financial Statements for the year ended 31 March 2008

6 Creditors: amount falling due within one year

	2008 £	2007 £
Advance payments on contracts	539,711	76,023
Trade and subcontractor creditors	639,352	16,692
Subcontractor retentions	67,704	4,231
Amounts due to group undertakings	2,247,938	80,076
Other accruals	40,715	554,471
Other taxes and social security	5,543	79,055
Corporation tax	327,941	-
	<u>3,868,904</u>	<u>810,548</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

7 Called up share capital

	2008 £	2007 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

8 Reconciliation of movements in shareholders' funds

	Share Capital £	Profit & loss reserve £	Total 2008 £	Total 2007 £
Opening shareholders' funds	1	197,596	197,597	1
Profit for the year	-	765,194	765,194	197,596
Closing shareholders' funds	<u>1</u>	<u>962,790</u>	<u>962,791</u>	<u>197,597</u>

Expanded Demolition Limited

Notes to Financial Statements for the year ended 31 March 2008

9 Related party transactions

As a wholly owned subsidiary undertaking of Laing O'Rourke Corporation Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the Laing O'Rourke Corporation Limited Group.

There are no other related party transactions.

10 Ultimate parent undertaking

The immediate parent company of Expanded Demolition Limited is Expanded Limited, a company registered in England and Wales.

Laing O'Rourke Corporation Limited, a company registered in Cyprus, is the largest group of undertakings for which consolidated financial statements are prepared. Copies of the Laing O'Rourke Corporation Limited consolidated financial statements are available for viewing at the Registrar of Companies in Cyprus on payment of the appropriate fee.

Suffolk Partners Corporation, a company incorporated in the British Virgin Islands is the ultimate parent company. The interests in the share capital of Suffolk Partners Corporation are held in trusts, the beneficiaries of which are R G O'Rourke, H D O'Rourke and B A Dempsey.