

**Thorburn Colquhoun Limited**  
**Directors' report and financial statements**  
28 February 1995  
Registered number 118271



# Thorburn Colquhoun Limited

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1 - 2
Statement of directors' responsibilities	3
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes	6 - 14

# Thorburn Colquhoun Limited

## Directors' report

The directors present their report and financial statements for the year ended 28 February 1995.

### Principal activities and business review

The principal activity of the company is consulting structural and civil engineering.

The full effects of the Brian Colquhoun & Partners acquisition is reflected in the current year's accounts. The year has been a most successful one in terms of integration and performance and the directors hope to see a continuing expansion in both the range of activities and the geographic coverage as integration moves toward completion.

### Results

The profit for the year after tax was £170,092 (1994: loss of £91,447). There is no final dividend, leaving £170,092 to be transferred to reserves.

### Fixed assets

The movements in tangible fixed assets are shown at note 8 to the financial statements.

### Directors

The directors who have held office during the year were:

JQ Thorburn	(Chairman)
NW Buchanan	
WM Reid	
D Porter	
L Clark	
IA Wotherspoon	
GH McLagan	
RW Grove	
KN Montague	
CJ Darling	
MH Bradley	
MJA Dunn	

On 1 May 1995, Mr JQ Thorburn, Mr D Porter, Mr NW Buchanan, Mr GH McLagan, Mr CJ Darling, Mr MH Bradley and Mr MJA Dunn resigned as directors of the company. Mr SP Johns and Mr SR Gray were appointed directors on that date. On 31 May 1995 Mr RW Grove resigned as a director of the company.

# Thorburn Colquhoun Limited

## Directors' report

### Directors' interests

- (i) In the ordinary share capital of Thorburn Holdings PLC:

Mr JQ Thorburn, Mr NW Buchanan, Mr KN Montague and Mr D Porter are directors of Thorburn Holdings PLC and their interests in the share capital of that company are disclosed in that company's financial statements.

	Number of shares	
	1995	1994
L Clark	7,180	718
IA Wotherspoon	3,750	375
GH McLagan	2,500	250
WM Reid	62,500	6,250
CJ Darling	6,250	625
MH Bradley	6,250	625
MJA Dunn	7,180	718
RW Grove	-	-

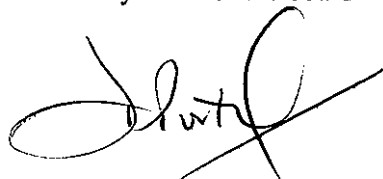
- (ii) In the ordinary share capital of Thorburn Colquhoun Limited:

None of the directors had an interest in the ordinary share capital of the company.

### Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



D Porter  
Secretary

Kinneil House  
243 West George Street  
Glasgow  
G2 4QE

8 September 1995

# Thorburn Colquhoun Limited

## 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 of the profit or loss for that period. In preparing those financial statements, the directors are required to (a) select suitable accounting policies and then apply them consistently, (b) make judgements and estimates that are reasonable and prudent, (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## Report of the auditors to the members of Thorburn Colquhoun Limited

We have audited the financial statements on pages 4 to 14.

### *Respective responsibilities of directors and auditors*

As described above 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 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 28 February 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'MUC'.

KPMG  
Chartered Accountants  
Registered Auditors

24 Blythswood Square  
Glasgow  
G2 4QS

22 December 1995



# Thorburn Colquhoun Limited

## Profit and loss account for the year ended 28 February 1995

	<i>Note</i>	<b>Year ended 28 February 1995 £</b>	<b>10 months ended 28 February 1994 £</b>
<b>Turnover</b>	<b>2</b>	<b>21,026,925</b>	<b>4,089,106</b>
Cost of sales		<u>(13,723,846)</u>	<u>(1,852,189)</u>
<b>Gross profit</b>		<b>7,303,079</b>	<b>2,236,917</b>
Administrative expenses		<u>(6,884,860)</u>	<u>(2,354,605)</u>
<b>Operating profit</b>	<b>2</b>	<b>418,219</b>	<b>(117,688)</b>
Income from shares in group undertakings		-	35,561
Interest receivable		969	-
Interest payable	6	<u>(38,986)</u>	<u>(9,320)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>3</b>	<b>380,202</b>	<b>(91,447)</b>
Taxation on profit on ordinary activities	7	<u>(210,110)</u>	<u>-</u>
<b>Profit/(loss) on ordinary activities after taxation and for the financial year</b>	<b>15</b>	<b>170,092</b>	<b>(91,447)</b>

There are no recognised gains or losses other than those included above.

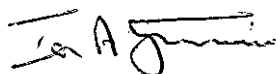
A statement of movements on reserves is given in note 15.

# Thorburn Colquhoun Limited

Balance sheet  
at 28 February 1995

	Note	1995 £	1994 £
<b>Fixed assets</b>			
Tangible assets	8	855,097	48,258
Investments	9	12	12
<b>Current assets</b>			
Stock	10	1,852,926	369,799
Debtors	11	7,726,486	3,666,806
Cash at bank and in hand		64,309	137,131
		<u>9,643,721</u>	<u>4,173,736</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(9,532,674)</u>	<u>(3,903,470)</u>
<b>Net current assets</b>		<u>111,047</u>	<u>270,266</u>
<b>Total assets less current liabilities</b>		<u>966,156</u>	<u>318,536</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(477,528)</u>	<u>-</u>
<b>Net assets</b>		<u>488,628</u>	<u>318,536</u>
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account	15	488,528	318,436
<b>Equity shareholders' funds</b>		<u>488,628</u>	<u>318,536</u>

These financial statements were approved by the board of directors on 8 September 1995 and were signed on its behalf by:



I Wotherspoon  
Director

# Thorburn Colquhoun Limited

## Notes

(forming part of the financial statements)

### 1 Accounting policies

#### *Basis of accounting*

The financial statements are prepared under the historical cost accounting rules and comply with applicable accounting standards.

#### *Basis of preparation*

The company is exempt by virtue of Section 228, Companies Act 1985, from the requirement to prepare group accounts and to deliver them to the Registrar of Companies because the company is included in the consolidated accounts of a larger EC group, Thorburn Holdings PLC, a company registered in Scotland.

The financial statements present information of the company as an individual undertaking and not of its group.

#### *Turnover*

Turnover represents the amounts invoiced, excluding value added tax, during the year to clients. Amounts to be invoiced are ascertained by reference to the value of work done, taking into account the nature of contracts and any discernible elements thereof.

#### *Contracts*

All contracts are classified as long term in nature and are stated at total cost incurred, net of amounts transferred to the profit and loss account in respect of work done to date, less foreseeable losses and applicable payments to account. Cumulative turnover, less payments to account, is included in debtors as amounts recoverable on contracts. Where payments to account exceed turnover the difference is included in creditors as payments received on account.

#### *Depreciation*

Depreciation is calculated to write off the original cost of fixed assets over their estimated useful lives in equal instalments at the following annual rates:

Freehold property	-	10%
Motor vehicles	-	25%
Fixtures and fittings	-	25%
Plant and machinery	-	25%

#### *Deferred taxation*

The company provides for deferred taxation at the appropriate rates of tax on timing differences, except where it can be reasonably demonstrated that no corporation tax liabilities will arise in the foreseeable future.

#### *Pension costs*

Contributions to the group pension scheme in which the company participates are charged to the profit and loss account when they become payable.



# Thorburn Colquhoun Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Leased assets*

Where assets are acquired by arrangements which give rights approximating to ownership (finance leases or hire purchase) the amount representing the outright purchase price of such assets is included in tangible fixed assets in the appropriate category. Depreciation is provided in the same way as owned tangible fixed assets. The principal element of future rental payments is treated as a liability within creditors. Payments are allocated between principal and finance elements. The principal element of payments is applied to reduce the outstanding liability and the finance charge is charged to profit or loss on ordinary activities in the period to which it relates.

Rental payments due under operating leases are charged in arriving at profit or loss on ordinary activities in the period to which they relate.

#### *Cash flow statement*

As the cash flow statement included in the consolidated accounts of the ultimate parent undertaking complies with the conditions of Financial Reporting Standard No. 1 (FRS1) 'Cash Flow Statements' the company is exempt under FRS1 from the requirements to prepare a separate cash flow statement.

### 2 Turnover and operating profit

	Year ended 28 February 1995 £	10 months ended 28 February 1994 £
Consulting structural and civil engineering commissions undertaken throughout the UK and abroad	21,026,925	4,089,106

During the year the company absorbed the trade, assets and liabilities of Brian Colquhoun & Partners; a business acquired by the company's ultimate holding company in the previous financial year. The exact impact of this acquisition on the turnover and operating profit cannot be determined as the activities of the combined group are not now separable.

# Thorburn Colquhoun Limited

## Notes (continued)

### 3 Profit/(loss) on ordinary activities before taxation

	Year ended 28 February 1995 £	10 months ended 28 February 1994 £
<i>Profit/(loss) on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
- audit fee	45,800	22,000
- other	49,955	29,325
Directors' remuneration (note 4)	724,808	443,601
Operating lease charges:		
Hire of plant and machinery	591,538	170,983
Other	357,119	319,952
Depreciation		
Assets held under hire purchase contracts	82,351	978
Other assets	128,670	37,089

### 4 Remuneration of directors

	Year ended 28 February 1995 £	10 months ended 28 February 1994 £
Directors' emoluments:		
As directors	666,161	410,511
Pension contributions	58,647	33,090
	<u>724,808</u>	<u>443,601</u>

The emoluments, excluding pension contributions, of the chairman (who was the highest paid director) were £86,248 (1994: £71,460).

The number of directors (including the chairman and the highest paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges were:

	Year ended 28 February 1995	Number of directors 10 months ended 28 February 1994
£Nil - £5,000	-	4
£35,001 - £40,000	-	3
£45,001 - £50,000	6	1
£50,001 - £55,000	1	1
£55,001 - £60,000	1	2
£65,001 - £70,000	3	-
£70,001 - £75,000	-	1
£85,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

# Thorburn Colquhoun Limited

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons (including directors) employed by the company during the year was:

	Number of employees Year ended 28 February 1995	10 months ended 28 February 1994
Directors	12	8
Other employees	430	121
	<u>442</u>	<u>129</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 28 February 1995 £	10 months ended 28 February 1994 £
Wages and salaries	8,246,350	2,043,118
Social security costs	679,536	168,693
Other pension costs	614,406	164,049
	<u>9,540,292</u>	<u>2,375,860</u>

### 6 Interest payable

	Year ended 28 February 1995 £	10 months ended 28 February 1994 £
Overdraft interest	25,130	-
Hire purchase contracts	13,856	9,320
	<u>38,986</u>	<u>9,320</u>

# Thorburn Colquhoun Limited

Notes (continued)

## 7 Taxation

	Year ended 28 February 1995 £	10 months ended 28 February 1994 £
Charge for year:		
UK corporation tax at 33% (1994: 33%)	253,000	-
Overprovision in prior years	(42,890)	-
	<u>210,110</u>	<u>-</u>

## 8 Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Plant machinery and computer equipment £	Total £
<i>Cost</i>					
At beginning of year	-	-	17,692	135,940	153,632
Transferred from other group undertakings	-	82,824	-	325,487	408,311
Additions	<u>93,359</u>	<u>20,133</u>	<u>52,895</u>	<u>761,645</u>	<u>928,032</u>
At end of year	<u>93,359</u>	<u>102,957</u>	<u>70,587</u>	<u>1,223,072</u>	<u>1,489,975</u>
<i>Depreciation</i>					
At beginning of year	-	-	13,885	91,489	105,374
Transferred from other group undertakings	-	72,293	-	246,190	318,483
Charge for year	<u>467</u>	<u>10,591</u>	<u>6,069</u>	<u>193,894</u>	<u>211,021</u>
At end of year	<u>467</u>	<u>82,884</u>	<u>19,954</u>	<u>531,573</u>	<u>634,878</u>
<i>Net book value</i>					
At 28 February 1995	<u>92,892</u>	<u>20,073</u>	<u>50,633</u>	<u>691,499</u>	<u>855,097</u>
At 28 February 1994	<u>-</u>	<u>-</u>	<u>3,807</u>	<u>44,451</u>	<u>48,258</u>

The net book value at 28 February 1995 includes £581, 951 (1994: £Nil) in respect of assets held under finance lease or hire purchase contracts.

# Thorburn Colquhoun Limited

Notes (continued)

## 9 Fixed asset investments

	1995 £	1994 £
Shares in subsidiary undertakings, at cost		
At beginning and end of year	12	12
	<u>          </u>	<u>          </u>

Details of the principal subsidiary undertakings are as follows:

<i>Subsidiary undertaking</i>	<i>Country of registration or incorporation</i>	<i>Description of holding</i>	<i>Proportion held</i>
Brian Colquhoun and Partners Limited	Scotland	Ordinary	100%
Bricolpar Limited	England	Ordinary	100%
Colquhoun Building Services Limited	England	Ordinary	100%
Colquhoun Geotechnical Services Limited	England	Ordinary	100%
Colquhoun Computing Limited	England	Ordinary	100%
Colquhoun Transportation Planning Limited	England	Ordinary	100%
Services Document Reproduction Limited	England	Ordinary	100%
Thorburn Holdings (Ireland) Limited	Republic of Ireland	Ordinary	100%
Thorburn Colquhoun (Ireland) Limited	Republic of Ireland	Ordinary	100%
Building Health Consultants Limited	England	Ordinary	51%

The principal activities of the subsidiary undertakings are consulting structural and civil engineering.

## 10 Stock

	1995 £	1994 £
Work in progress	1,852,926	369,799
	<u>          </u>	<u>          </u>

# Thorburn Colquhoun Limited

## Notes (continued)

### 11 Debtors

	1995 £	1994 £
<i>Amounts falling due within one year:</i>		
Trade debtors	7,280,412	1,968,194
Amounts due by group undertakings	111,956	1,354,839
Prepayments	279,876	168,303
Other debtors	54,240	175,470
	<u>7,726,486</u>	<u>3,666,806</u>

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

	1995 £	1994 £
Bank overdraft	1,895,982	-
Trade creditors	1,309,619	158,522
Amounts due to parent and fellow subsidiary undertakings	2,897,602	2,700,932
Amounts due to connected companies	-	60,000
Corporation tax	246,000	59,774
Other taxation and social security	2,109,199	65,128
Accruals and deferred income	931,960	851,672
Obligations under hire purchase contracts (secured)	142,312	7,442
	<u>9,532,674</u>	<u>3,903,470</u>

The bank overdraft is secured by a floating charge and debenture over the assets of the company and other group undertakings.

### 13 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Obligations under hire purchase contracts - due between two and five years (secured)	<u>477,528</u>	<u>-</u>

# Thorburn Colquhoun Limited

Notes (continued)

14	<b>Called up share capital</b>	<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	<i>Authorised</i>		
	Ordinary shares of £1 each	100	100
		<u>          </u>	<u>          </u>
	<i>Allotted, called up and fully paid</i>		
	Ordinary shares of £1 each	100	100
		<u>          </u>	<u>          </u>
15	<b>Profit and loss account</b>	<b>£</b>	
	Balance at beginning of year	318,436	
	Profit for the year	170,092	
		<u>          </u>	
	Balance at end of year	488,528	
		<u>          </u>	
16	<b>Reconciliation of movement in shareholders' funds</b>	<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	Profit/(loss) for the financial year	170,092	(91,447)
	Opening shareholders' funds	318,536	409,983
		<u>          </u>	<u>          </u>
	Closing shareholders' funds	488,628	318,536
		<u>          </u>	<u>          </u>

# Thorburn Colquhoun Limited

Notes (continued)

## 17 Commitments

At 28 February 1995 the company had the following annual commitments under operating leases:

	1995		1994	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring between two and five years	83,986	742,538	-	30,080
Expiring after five years	312,566	-	383,942	-
	<u>396,552</u>	<u>742,538</u>	<u>383,942</u>	<u>30,080</u>

## 18 Pensions

The company participates in a group operated defined contribution (money purchase) scheme. Contributions to the scheme are charged to the profit and loss account when they become due.

The pension charge for the year was £614,406 (1994: £164,049).

## 19 Contingent liability

The company, in common with other undertakings in the Thorburn Holdings PLC group, has guaranteed certain bank overdrafts of other group undertakings. At 28 February 1995, this contingent liability amounted to £494,000 (1994: £Nil). The group bank overdrafts are secured by floating charges and debentures over the assets of the company and other group undertakings.

Under a group registration, the company is jointly and severally liable for value added tax due by other group undertakings. At 28 February 1995, this contingent liability amounted to £nil (1994: £136,538).

## 20 Ultimate parent undertaking

The directors regard Thorburn Holdings PLC, which is registered in Scotland, as the ultimate parent undertaking. The financial statements of Thorburn Holdings PLC are available from their registered office at Kinneil House, 243 West George Street, Glasgow G2 4QE.