

Reg.

T C L CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
31ST OCTOBER 1998

Company Registration Number 975607

HOPPER WILLIAMS & BELL
Chartered Accountants & Registered Auditor
Abacus House
1 Spring Crescent
Portswood
Southampton



T C L CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 1998

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T C L CONSTRUCTION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The Director J.A.C. Leach

Company Secretary Miss P.A. Leach

Registered Office Abacus House
1 Spring Crescent
Portswood
Southampton

Auditors Hopper Williams & Bell
Chartered Accountants
& Registered Auditor
Abacus House
1 Spring Crescent
Portswood
Southampton

Bankers Barclays Bank plc
21 High Street
Lymington
Hampshire
SO41 9YJ

T C L CONSTRUCTION LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 31ST OCTOBER 1998

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st October 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company in the year under review was that of civil engineering and building contractors.

In the opinion of the director the company was in a satisfactory position at year end.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 October 1998	At 1 November 1997
J.A.C. Leach	<u>1</u>	<u>1</u>

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the accounts of the parent company.

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

T C L CONSTRUCTION LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST OCTOBER 1998

AUDITORS

A resolution to re-appoint Hopper Williams & Bell as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Abacus House
1 Spring Crescent
Portswood
Southampton

Signed by



J.A.C. LEACH
Director

Approved by the director on27/14.....1998

T C L CONSTRUCTION LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31ST OCTOBER 1998

We have audited the financial statements on pages 5 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

As described on page 2, the company's director is 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 director 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 company's state of affairs as at 31st October 1998 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Abacus House
1 Spring Crescent
Portswood
Southampton

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Hopper Williams & Bell
HOPPER WILLIAMS & BELL
Chartered Accountants
& Registered Auditor

T C L CONSTRUCTION LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST OCTOBER 1998

	Note	1998 £	1997 £
TURNOVER		385,937	-
Cost of sales		313,384	(4,579)
GROSS PROFIT		72,553	4,579
Administrative expenses		1,239	785
OPERATING PROFIT	2	71,314	3,794
Interest receivable		3	14
Interest payable		(32)	(14)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		71,285	3,794
Tax on profit on ordinary activities		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		71,285	3,794
Balance brought forward		49,872	46,078
Balance carried forward		121,157	49,872

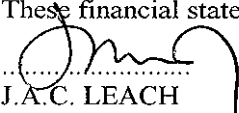
The notes on pages 7 to 9 form part of these financial statements.

T C L CONSTRUCTION LIMITED**BALANCE SHEET****31ST OCTOBER 1998**

	Note	1998	1997
		£	£
CURRENT ASSETS			
Stocks	3	-	27,473
Debtors	4	173,025	43,893
Cash at bank and in hand		3,847	714
		<u>176,872</u>	<u>72,080</u>
CREDITORS: Amounts falling due within one year	5	<u>(46,815)</u>	<u>(13,308)</u>
NET CURRENT ASSETS		<u>130,057</u>	<u>58,772</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>130,057</u>	<u>58,772</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	8,900	8,900
Profit and loss account		<u>121,157</u>	<u>49,872</u>
SHAREHOLDERS' FUNDS		<u>130,057</u>	<u>58,772</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved and signed by the director on 22/11/1998.


J.A.C. LEACH

T C L CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Work in progress

Stock and long-term contracts

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

Long-term loans are assessed on a contract-by-contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and the business and the industry in which it operates. Where it is considered that the outcome of a long-term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit is recognised in the profit and loss account.

2. OPERATING PROFIT

Operating profit is stated after charging:

	1998 £	1997 £
Director's emoluments	-	-
Auditors' fees	400	650
	<u> </u>	<u> </u>

3. STOCKS

	1998 £	1997 £
Work in progress	-	27,473
	<u> </u>	<u> </u>

T C L CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 1998

4. DEBTORS

	1998 £	1997 £
Amounts owed by group undertakings	123,740	43,892
VAT recoverable	11,036	1
Other debtors	38,249	-
	<u>173,025</u>	<u>43,893</u>

5. CREDITORS: Amounts falling due within one year

	1998 £	1997 £
Trade creditors	45,397	-
Other taxation and social security	811	-
Other creditors	607	13,308
	<u>46,815</u>	<u>13,308</u>

6. RELATED PARTY TRANSACTIONS

The company was under the ultimate control of Mr. J.A.C. Leach and Ms. P.A. Leach, the directors of Greenclose Limited, the holding company. Their interests in Greenclose Limited are disclosed in the parent company accounts.

At the year-end the inter-group balances owed to the company were as follows:

Greenclose Limited	£10,102 (1997 £(69,746))
Imperial Hotel (Llandudno) Limited	£113,638 (1997 £113,638)

During the year the company traded exclusively with Greenclose Limited. The turnover and profit shown in the profit and loss account on page 5 are derived from this trade with the exception of old purchase ledger balances released in the year.

There were no transactions during the year between the company and the ultimate controlling parties.

7. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

T C L CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 1998

7. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	<u>8,900</u>	<u>8,900</u>

8. ULTIMATE PARENT COMPANY

The ultimate holding company is Greenclose Limited, a company incorporated in England and Wales.