

TURNKEY MANAGEMENT SERVICES LIMITED

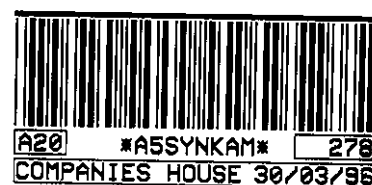
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

Company Registration Number 1588564

CUSHING FAIRBAIRN WARDLE & CO.

Chartered Accountants
1 - 3 Sterling Court
Loddington
Kettering
Northamptonshire NN14 1RZ



TURNKEY MANAGEMENT SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

S.D.S. Gregory
P.C. Thacker

COMPANY SECRETARY

Mrs.L.Gregory

REGISTERED OFFICE

1 - 3 Sterling Court
Loddington
Kettering
Northants NN14 1RZ

ACCOUNTANTS

Cushing Fairbairn Wardle & Co.
1 - 3 Sterling Court
Loddington
Kettering
Northamptonshire NN14 1RZ

TURNKEY MANAGEMENT SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 1995

The directors have pleasure in presenting their report and financial statements of the company for the year ended 31 December 1995.

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of building and design services to the construction industry and project management services.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 Dec 95	At 1 Jan 95
D.J. Duckworth	-	95
S.D.S. Gregory	100	95
P.C. Thacker	100	10

D.J. Duckworth resigned as a director on 1 December 1995

REPORTING ACCOUNTANTS

Messrs Cushing Fairbairn Wardle & Co. will continue in office as reporting accountants for the ensuing year.

SMALL COMPANY EXEMPTIONS

In preparing the directors' report, the directors have taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

Registered office:

1 -3 Sterling Court
Loddington
Kettering
Northants NN14 1RZ

Signed on behalf of the directors

L. Gregory

Mrs.L. Gregory
Company secretary

Approved by the directors on 12 March 1996

TURNKEY MANAGEMENT SERVICES LIMITED

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS

YEAR ENDED 31 DECEMBER 1995

We have examined, without carrying out an audit, the financial statements for the year ended 31 December 1995 set out on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE REPORTING ACCOUNTANTS.

As described on page 6 the directors of the company are responsible for the preparation of the financial statements, and the directors believe that the company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, to report our opinion, as set out below, to the shareholders.

BASIS OF OPINION

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the financial statements. Therefore our examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

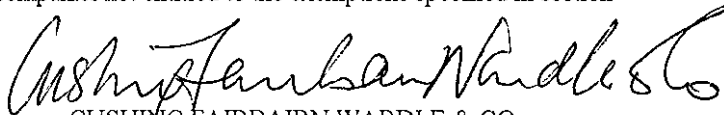
OPINION

In our opinion:

- (a) the financial statements are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemptions specified in section 249B(1)(a) to (f).

Loddington
Kettering
Northamptonshire NN14 1RZ

12 March 1996


CUSHING FAIRBAIRN WARDLE & CO.
Chartered Accountants

TURNKEY MANAGEMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1995

	Note	1995 £	1994 £
TURNOVER		182,695	233,588
Cost of sales		(105,327)	(146,536)
GROSS PROFIT		77,368	87,052
Administrative expenses		(84,285)	(109,589)
OPERATING LOSS	2.	(6,917)	(22,537)
Interest receivable and similar income	3.	261	-
Interest payable and similar charges	4.	(3,000)	(3,469)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,656)	(26,006)
Tax on loss on ordinary activities		-	5,820
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(9,656)	(20,186)
Extraordinary items	5.	(12,428)	-
LOSS FOR THE FINANCIAL YEAR		(22,084)	(20,186)
Dividends		(3,200)	-
RETAINED LOSS FOR THE FINANCIAL YEAR		(25,284)	(20,186)
Balance brought forward		42,214	62,400
BALANCE CARRIED FORWARD		16,930	42,214

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

TURNKEY MANAGEMENT SERVICES LIMITED

BALANCE SHEET

31 DECEMBER 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	6.	16,565	34,250
CURRENT ASSETS			
Debtors	7.	61,639	75,819
Cash at bank and in hand		249	10,409
		<u>61,888</u>	<u>86,228</u>
CREDITORS: Amounts falling due within one year	8.	<u>(61,323)</u>	<u>(74,175)</u>
NET CURRENT ASSETS		565	12,053
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,130</u>	<u>46,303</u>
CREDITORS: Amounts falling due after more than one year	9.	-	(3,889)
NET ASSETS		<u>17,130</u>	<u>42,414</u>
CAPITAL AND RESERVES			
Equity share capital	11.	200	200
Profit and loss account		16,930	42,214
SHAREHOLDERS FUNDS		<u>17,130</u>	<u>42,414</u>

The balance sheet continues on the following page.

The notes on pages 7 to 10 form part of these financial statements.

TURNKEY MANAGEMENT SERVICES LIMITED

BALANCE SHEET *(continued)*

31 DECEMBER 1995

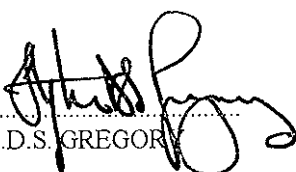
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(2), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

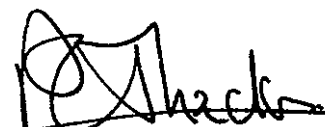
The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

In preparing these accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

These financial statements were approved by the board of directors on the 12th March 1996 and are signed on their behalf by:


S.D.S. GREGORY


P.C. THACKER

The notes on pages 7 to 10 form part of these financial statements.

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention using the following accounting policies:

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

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

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Computer and Electrical Equipment	20% of Cost
Motor Vehicles	25% of Cost
Office Furniture and Fittings	10% of Cost

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to profit and loss account.

2. OPERATING LOSS

Operating loss is stated after charging:

	1995 £	1994 £
Directors' emoluments	70,392	75,707
Depreciation	12,594	20,097
Profit on disposal of fixed assets	(968)	(2,381)

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £	1994 £
Bank interest receivable	261	-

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Finance charges	2,252	3,469
Other interest and similar charges	748	-
	<u>3,000</u>	<u>3,469</u>

5. EXTRAORDINARY ITEMS

Compensation for loss of office	<u>12,428</u>	<u>-</u>
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6. FIXED ASSETS

	Office Furniture & Fittings £	Motor Vehicles £	Computers & Electrical Equipment £	Total £
COST				
At 1st January 1995	4,546	48,578	55,039	108,163
Additions	-	-	587	587
Disposals	-	(17,795)	(12,115)	(29,910)
	<u>4,546</u>	<u>30,783</u>	<u>43,511</u>	<u>78,840</u>
At 31st December 1995				
DEPRECIATION				
At 1st January 1995	3,780	23,466	46,667	73,913
Charge for year	250	9,692	2,652	12,594
On disposals	-	(13,112)	(11,120)	(24,232)
	<u>4,030</u>	<u>20,046</u>	<u>38,199</u>	<u>62,275</u>
At 31st December 1995				
NET BOOK VALUE				
At 31st December 1995	<u>516</u>	<u>10,737</u>	<u>5,312</u>	<u>16,565</u>
At 1st January 1995	<u>766</u>	<u>25,112</u>	<u>8,372</u>	<u>34,250</u>

Hire purchase agreements

Included within the net book value £16,565 is £10,737 (1994 - £20,724) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £7,904 (1994 - £10,195).

7. DEBTORS

	1995 £	1994 £
Trade debtors	52,582	52,806
Others	9,057	23,013
	<u>61,639</u>	<u>75,819</u>

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

8. CREDITORS: Amounts falling due within one year

	1995 £	1994 £
Bank loans and overdrafts	6,804	14,351
Trade creditors	26,622	25,798
Other creditors	27,897	34,026
	<u>61,323</u>	<u>74,175</u>

9. CREDITORS: Amounts falling due after more than one year

	1995 £	1994 £
Other creditors	-	3,889
	<u>-</u>	<u>3,889</u>

10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

	1995 £	1994 £
Amounts payable within 1 year	5,142	9,085
Amounts payable between 2 to 5 years	-	5,142
	<u>5,142</u>	<u>14,227</u>
Less interest and finance charges relating to future periods	(1,253)	(3,505)
	<u>3,889</u>	<u>10,722</u>

11. SHARE CAPITAL

Authorised share capital:

	1995 £	1994 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1995 £	1994 £
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1995 £	1994 £
Loss for the financial period	(22,084)	(20,186)
Dividends	(3,200)	-
	(25,284)	(20,186)
Opening shareholders funds	42,414	62,600
Closing shareholders funds	17,130	42,414