

TURNKEY MANAGEMENT SERVICES LIMITED
FINANCIAL STATEMENTS
31ST DECEMBER 1997

Company Registration Number 1588564

CUSHING, FAIRBAIRN, WARDLE & CO.,

Chartered Accountants
1-3 Sterling Court,
Loddington, Kettering,
Northants,
NN14 1RZ



TURNKEY MANAGEMENT SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

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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.,
Chartered Accountants
1-3 Sterling Court,
Loddington, Kettering,
Northants,
NN14 1RZ

BANKERS

Midland Bank plc
Cathedral Square
Peterborough
Cambridgeshire
PE1 1BR

TURNKEY MANAGEMENT SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 1997

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31st December 1997.

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 year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1.00 each	
	At 31 Dec 97	At 1 Jan 97
S.D.S. Gregory	100	95
P.C. Thacker	<u>100</u>	<u>10</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
1-3 Sterling Court
Loddington
Kettering
Northants
NN14 1RZ

Signed on behalf of the directors



Mrs.L.Gregory
Company secretary

Approved by the directors on 8th May 1998

TURNKEY MANAGEMENT SERVICES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST DECEMBER 1997**

	Note	1997 £	1996 £
TURNOVER:		248,519	202,782
Cost of sales		(100,707)	(96,587)
GROSS PROFIT		<u>147,812</u>	<u>106,195</u>
Distribution costs		(56,632)	(51,102)
Administrative expenses		(48,849)	(39,493)
OPERATING PROFIT	2	<u>42,331</u>	<u>15,600</u>
Interest payable and similar charges	4	(4,244)	(1,645)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>38,087</u>	<u>13,955</u>
Tax on profit on ordinary activities	5	(3,702)	132
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>34,385</u>	<u>14,087</u>
Dividends		(19,200)	(19,200)
RETAINED PROFIT/(DEFICIENCY) FOR THE FINANCIAL YEAR		<u>15,185</u>	<u>(5,113)</u>
Balance brought forward		<u>11,817</u>	<u>16,930</u>
BALANCE CARRIED FORWARD		<u><u>27,002</u></u>	<u><u>11,817</u></u>

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

31ST DECEMBER 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		21,938		32,402
CURRENT ASSETS					
Debtors	7	81,880		68,070	
Cash at bank and in hand		243		215	
		<u>82,123</u>		<u>68,285</u>	
CREDITORS: Amounts falling due					
within one year	8	<u>(74,383)</u>		<u>(77,337)</u>	
NET CURRENT			7,740		(9,052)
ASSETS/(LIABILITIES)					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,678</u>		<u>23,350</u>
CREDITORS: Amounts falling due					
after more than one year	9		<u>(2,476)</u>		<u>(11,333)</u>
NET ASSETS			<u>27,202</u>		<u>12,017</u>

The balance sheet continues on the following page.

The notes on pages 6 to 10 form part of these financial statements.

TURNKEY MANAGEMENT SERVICES LIMITED

BALANCE SHEET *(continued)*

31ST DECEMBER 1997

	Note	1997 £	1996 £
CAPITAL AND RESERVES			
Called-up equity share capital	11	200	200
Profit and loss account		27,002	11,817
SHAREHOLDERS' FUNDS	12	<u>27,202</u>	<u>12,017</u>

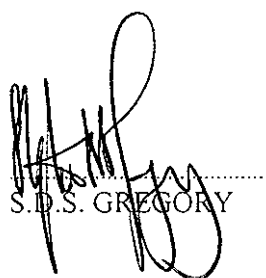
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

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.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 8th May 1998 and are signed on their behalf by:



S.D.S. GREGORY



P.C. THACKER

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

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, less its estimated residual value, 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 the profit and loss account.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

2. OPERATING PROFIT

Operating profit is stated after charging:

	1997 £	1996 £
Depreciation	10,836	10,409
Loss on disposal of fixed assets	1,349	1,454
Operating lease costs:		
Vehicles	<u>2,731</u>	<u>-</u>

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	1997	1996
	£	£
Aggregate emoluments	37,381	33,040

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1997	1996
	£	£
Finance charges	3,224	1,243
Other interest and similar charges	1,020	402
	<u>4,244</u>	<u>1,645</u>

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996
	£	£
Corporation tax based on the results for the year at 24&21% (1996 - -%)	3,702	-
Adjustment to provision in previous years	-	(132)
	<u>3,702</u>	<u>(132)</u>

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

6. TANGIBLE FIXED ASSETS

	Office Furniture £	Motor Vehicles £	Office Equipment £	Total £
COST				
At 1st January 1997	4,546	32,000	29,644	66,190
Additions	277	-	8,694	8,971
Disposals	(252)	(14,000)	(12,582)	(26,834)
At 31st December 1997	<u>4,571</u>	<u>18,000</u>	<u>25,756</u>	<u>48,327</u>
DEPRECIATION				
At 1st January 1997	4,241	6,458	23,089	33,788
Charge for the year	218	7,333	3,285	10,836
On disposals	(252)	(5,542)	(12,441)	(18,235)
At 31st December 1997	<u>4,207</u>	<u>8,249</u>	<u>13,933</u>	<u>26,389</u>
NET BOOK VALUE				
At 31st December 1997	<u>364</u>	<u>9,751</u>	<u>11,823</u>	<u>21,938</u>
At 31st December 1996	<u>305</u>	<u>25,542</u>	<u>6,555</u>	<u>32,402</u>

Hire purchase agreements

Included within the net book value of £21,938 is £15,450 (1996 - £25,452) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £8,550 (1996 - £6,458).

7. DEBTORS

	1997 £	1996 £
Trade debtors	65,933	53,927
ACT recoverable against future taxation	9,200	5,600
Prepayments and accrued income	6,747	8,543
	<u>81,880</u>	<u>68,070</u>

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

8. CREDITORS: Amounts falling due within one year

	1997	1996
	£	£
Bank loans and overdrafts	7,125	25,935
Trade creditors	18,989	20,348
Other creditors including:		
Advance Corporation Tax	4,800	1,200
Corporation Tax	3,702	-
PAYE and social security	2,974	3,584
VAT	15,636	4,806
Hire purchase agreements	8,274	8,000
Other creditors	1,980	-
Directors current accounts	166	802
	<u>37,532</u>	<u>18,392</u>
Accruals and deferred income	10,737	12,662
	<u>74,383</u>	<u>77,337</u>

The Bank loan and overdraft are secured.

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

	1997	1996
	£	£
Hire purchase agreements	<u>2,476</u>	<u>11,333</u>

10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	1997	1996
	£	£
Amounts payable within 1 year	8,274	9,841
Amounts payable between 2 to 5 years	4,441	13,890
	<u>12,715</u>	<u>23,731</u>
Less interest and finance charges relating to future periods	(1,965)	(4,398)
	<u>10,750</u>	<u>19,333</u>

TURNKEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

11. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>200</u>	<u>200</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	34,385	14,087
Dividends	(19,200)	(19,200)
	<u>15,185</u>	<u>(5,113)</u>
Opening shareholders' equity funds	12,017	17,130
Closing shareholders' equity funds	<u>27,202</u>	<u>12,017</u>