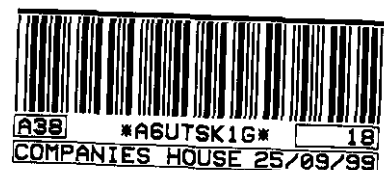


**TURNKEY DESIGN PARTNERSHIP LIMITED**  
**FINANCIAL STATEMENTS**  
**31ST DECEMBER 1998**

Company Registration Number 1588564

**CUSHING, FAIRBAIRN, WARDLE & CO.**  
Chartered Accountants  
1/3 STERLING COURT,  
LODDINGTON,  
KETTERING,  
NORTHAMPTONSHIRE,  
NN14 1RZ.



# **TURNKEY DESIGN PARTNERSHIP LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 1998**

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**The following pages do not form part of the financial statements**

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# TURNKEY DESIGN PARTNERSHIP LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31ST DECEMBER 1998

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31st December 1998.

#### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was 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 in the shares of the company were as follows:

|               | Ordinary Shares of £1 each |                   |
|---------------|----------------------------|-------------------|
|               | At 31 December 1998        | At 1 January 1998 |
| S D S GREGORY | 100                        | 100               |
| P C THACKER   | 100                        | 100               |

#### REPORTING ACCOUNTANTS

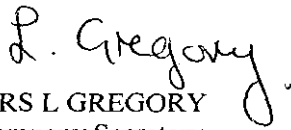
Messrs CUSHING, FAIRBAIRN, WARDLE & CO. will continue in office as reporting accountants for the ensuing year.

#### 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  
Northamptonshire  
NN14 1RZ

Signed by order of the directors

  
MRS L GREGORY  
Company Secretary

Approved by the directors on 25th March 1999

**TURNKEY DESIGN PARTNERSHIP LIMITED**  
**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 31ST DECEMBER 1998**

We report on the unaudited accounts for the year ended 31st December 1998 set out on pages 3 to 11 .

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE REPORTING ACCOUNTANTS**

As described on page 5 the directors of the company are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

**BASIS OF OPINION**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts 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. These procedures provide only the assurance expressed in our opinion.

**OPINION**

In our opinion:

- (a) the accounts 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 accounts 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 accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemptions specified in section 249B(1)(a) to (f).*

1/3 STERLING COURT,  
LODDINGTON,  
KETTERING,  
NORTHAMPTONSHIRE,  
NN14 1RZ.

CUSHING, FAIRBAIRN, WARDLE & CO.  
Chartered Accountants

25th March 1999

**TURNKEY DESIGN PARTNERSHIP LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST DECEMBER 1998**

|                                                          | Note     | 1998<br>£ | 1997<br>£ |
|----------------------------------------------------------|----------|-----------|-----------|
| <b>TURNOVER</b>                                          |          | 349,985   | 248,520   |
| <b>DIRECT COSTS</b>                                      |          | 134,087   | 100,708   |
| <b>GROSS PROFIT</b>                                      |          | 215,898   | 147,812   |
| Distribution costs                                       |          | 63,432    | 56,632    |
| Administrative expenses                                  |          | 35,456    | 48,849    |
| Other operating income                                   |          | (5,601)   | -         |
| <b>OPERATING PROFIT</b>                                  | <b>2</b> | 122,611   | 42,331    |
| Interest receivable                                      |          | 744       | -         |
| Interest payable                                         | <b>4</b> | (1,548)   | (4,244)   |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |          | 121,807   | 38,087    |
| Tax on profit on ordinary activities                     | <b>5</b> | 21,699    | 3,702     |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>AFTER TAXATION</b>  |          | 100,108   | 34,385    |
| Equity dividends paid                                    |          | 28,800    | 19,200    |
| <b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>            |          | 71,308    | 15,185    |
| Balance brought forward                                  |          | 27,002    | 11,817    |
| Balance carried forward                                  |          | 98,310    | 27,002    |

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 DESIGN PARTNERSHIP LIMITED****BALANCE SHEET****31ST DECEMBER 1998**

|                                                                | Note | 1998<br>£       | £             | 1997<br>£       | £              |
|----------------------------------------------------------------|------|-----------------|---------------|-----------------|----------------|
| <b>FIXED ASSETS</b>                                            |      |                 |               |                 |                |
| Tangible assets                                                | 6    |                 | 23,775        |                 | 21,938         |
| <b>CURRENT ASSETS</b>                                          |      |                 |               |                 |                |
| Debtors                                                        | 7    | 63,943          |               | 81,880          |                |
| Cash at bank and in hand                                       |      | 70,411          |               | 243             |                |
|                                                                |      | <u>134,354</u>  |               | <u>82,123</u>   |                |
| <b>CREDITORS: Amounts falling due within one year</b>          | 8    | <u>(59,403)</u> |               | <u>(74,383)</u> |                |
| <b>NET CURRENT ASSETS</b>                                      |      |                 | <u>74,951</u> |                 | <u>7,740</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                 | <u>98,726</u> |                 | <u>29,678</u>  |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 9    |                 | -             |                 | <u>(2,476)</u> |
|                                                                |      |                 | <u>98,726</u> |                 | <u>27,202</u>  |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                  |      |                 |               |                 |                |
| Deferred taxation                                              | 10   |                 | (216)         |                 | -              |
|                                                                |      |                 | <u>98,510</u> |                 | <u>27,202</u>  |

The balance sheet continues on the following page.

**TURNKEY DESIGN PARTNERSHIP LIMITED****BALANCE SHEET** *(continued)***31ST DECEMBER 1998**

|                                | Note      | 1998<br>£     | 1997<br>£     |
|--------------------------------|-----------|---------------|---------------|
| <b>CAPITAL AND RESERVES</b>    |           |               |               |
| Called-up equity share capital | <b>13</b> | 200           | 200           |
| Profit and loss account        |           | 98,310        | 27,002        |
| <b>SHAREHOLDERS' FUNDS</b>     | <b>14</b> | <u>98,510</u> | <u>27,202</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(2), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

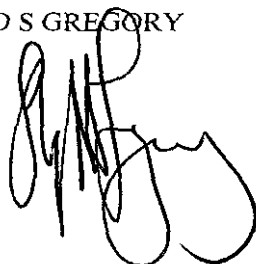
The directors acknowledge their responsibilities for:

- (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.

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 25th March 1999 and are signed on their behalf by:

S D S GREGORY



P C THACKER



# TURNKEY DESIGN PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1998

### 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:

|                  |   |                       |
|------------------|---|-----------------------|
| Office Furniture | - | 15% on Net Book Value |
| Motor Vehicles   | - | 25% on Net Book Value |
| Office Equipment | - | 15% on Net Book Value |

#### 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.

#### Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

### 2. OPERATING PROFIT

Operating profit is stated after charging:

|                                    | 1998<br>£    | 1997<br>£    |
|------------------------------------|--------------|--------------|
| Depreciation                       | 4,767        | 10,836       |
| Operating lease costs:<br>Vehicles | <u>9,591</u> | <u>2,731</u> |

# TURNKEY DESIGN PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31ST DECEMBER 1998

#### 3. DIRECTORS' EMOLUMENTS

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

|                      | 1998<br>£ | 1997<br>£ |
|----------------------|-----------|-----------|
| Aggregate emoluments | 41,296    | 37,381    |

#### 4. INTEREST PAYABLE

|                 | 1998<br>£    | 1997<br>£    |
|-----------------|--------------|--------------|
| Finance charges | 1,273        | 3,224        |
| Other interest  | 275          | 1,020        |
|                 | <u>1,548</u> | <u>4,244</u> |

#### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

|                                                                          | 1998<br>£     | 1997<br>£    |
|--------------------------------------------------------------------------|---------------|--------------|
| In respect of the year:                                                  |               |              |
| Corporation tax based on the results for the year at 21% (1997 - 24.21%) | 25,083        | 3,702        |
| Increase in deferred tax provision (Note 10):                            |               |              |
| Capital allowances                                                       | 216           | -            |
|                                                                          | <u>25,299</u> | <u>3,702</u> |
| Adjustment in respect of previous years:                                 |               |              |
| Corporation tax                                                          | (3,600)       | -            |
|                                                                          | <u>21,699</u> | <u>3,702</u> |

# TURNKEY DESIGN PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1998

### 6. TANGIBLE FIXED ASSETS

|                              | Office Motor Vehicles |               | Office        | Total         |
|------------------------------|-----------------------|---------------|---------------|---------------|
|                              | Furniture             |               | Equipment     |               |
|                              | £                     | £             | £             | £             |
| <b>COST</b>                  |                       |               |               |               |
| At 1st January 1998          | 4,571                 | 18,000        | 25,756        | 48,327        |
| Additions                    | -                     | -             | 6,604         | 6,604         |
| <b>At 31st December 1998</b> | <u>4,571</u>          | <u>18,000</u> | <u>32,360</u> | <u>54,931</u> |
| <b>DEPRECIATION</b>          |                       |               |               |               |
| At 1st January 1998          | 4,207                 | 8,249         | 13,933        | 26,389        |
| Charge for the year          | 55                    | 2,437         | 2,275         | 4,767         |
| <b>At 31st December 1998</b> | <u>4,262</u>          | <u>10,686</u> | <u>16,208</u> | <u>31,156</u> |
| <b>NET BOOK VALUE</b>        |                       |               |               |               |
| <b>At 31st December 1998</b> | <u>309</u>            | <u>7,314</u>  | <u>16,152</u> | <u>23,775</u> |
| At 31st December 1997        | <u>364</u>            | <u>9,751</u>  | <u>11,823</u> | <u>21,938</u> |

#### Hire purchase agreements

Included within the net book value of £23,775 is £12,158 (1997 - £15,450) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £3,292 (1997 - £8,550).

### 7. DEBTORS

|                            | 1998          | 1997          |
|----------------------------|---------------|---------------|
|                            | £             | £             |
| Trade debtors              | 47,976        | 65,933        |
| Directors current accounts | 3,699         | -             |
| Other debtors              | 12,268        | 15,947        |
|                            | <u>63,943</u> | <u>81,880</u> |

# TURNKEY DESIGN PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31ST DECEMBER 1998

#### 8. CREDITORS: Amounts falling due within one year

|                              | 1998   |               | 1997   |               |
|------------------------------|--------|---------------|--------|---------------|
|                              | £      | £             | £      | £             |
| Bank loans and overdrafts    |        | 288           |        | 7,123         |
| Trade creditors              |        | 6,454         |        | 18,991        |
| Other creditors including:   |        |               |        |               |
| Advance Corporation Tax      | 3,000  |               | 4,800  |               |
| Corporation tax              | 17,883 |               | 3,702  |               |
| PAYE and social security     | 3,291  |               | 2,974  |               |
| VAT                          | 17,912 |               | 15,636 |               |
| Hire purchase agreements     | 3,750  |               | 8,274  |               |
| Other creditors              | -      |               | 1,980  |               |
| Directors current accounts   | -      |               | 166    |               |
|                              |        | 45,836        |        | 37,532        |
| Accruals and deferred income |        | 6,825         |        | 10,737        |
|                              |        | <u>59,403</u> |        | <u>74,383</u> |

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

|                          | 1998 | 1997  |
|--------------------------|------|-------|
|                          | £    | £     |
| Hire purchase agreements | -    | 2,476 |

#### 10. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

|                           | 1998       | 1997     |
|---------------------------|------------|----------|
|                           | £          | £        |
| Provision for year        | 216        | -        |
| Provision carried forward | <u>216</u> | <u>-</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

|                                                                 | 1998       | 1997     |
|-----------------------------------------------------------------|------------|----------|
|                                                                 | £          | £        |
| Excess of taxation allowances over depreciation on fixed assets | <u>216</u> | <u>-</u> |

# TURNKEY DESIGN PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31ST DECEMBER 1998

#### 11. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

|                                                              | 1998<br>£ | 1997<br>£ |
|--------------------------------------------------------------|-----------|-----------|
| Amounts payable within 1 year                                | -         | 8,274     |
| Amounts payable between 2 to 5 years                         | -         | 4,441     |
|                                                              | <hr/>     | <hr/>     |
|                                                              | -         | 12,715    |
| Less interest and finance charges relating to future periods | -         | (1,965)   |
|                                                              | <hr/>     | <hr/>     |
|                                                              | -         | 10,750    |
|                                                              | <hr/>     | <hr/>     |

#### 12. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

#### 13. SHARE CAPITAL

##### Authorised share capital:

|                                  | 1998<br>£ | 1997<br>£ |
|----------------------------------|-----------|-----------|
| 1,000 Ordinary shares of £1 each | 1,000     | 1,000     |
|                                  | <hr/>     | <hr/>     |

##### Allotted, called up and fully paid:

|                        | 1998<br>£ | 1997<br>£ |
|------------------------|-----------|-----------|
| Ordinary share capital | 200       | 200       |
|                        | <hr/>     | <hr/>     |

# TURNKEY DESIGN PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1998

### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                                    | 1998<br>£     | 1997<br>£     |
|------------------------------------|---------------|---------------|
| Profit for the financial year      | 100,108       | 34,385        |
| Dividends                          | (28,800)      | (19,200)      |
|                                    | <u>71,308</u> | <u>15,185</u> |
| Opening shareholders' equity funds | 27,202        | 12,017        |
| Closing shareholders' equity funds | <u>98,510</u> | <u>27,202</u> |