CARLISLE SCAFFOLDING LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD 10TH DECEMBER, 1998 TO 31ST MARCH, 2000

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COMPANY INFORMATION

COMPANY NUMBER 3682021

REGISTERED OFFICE 5 Cecil Street, Carlisle

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A49 0491
COMPANIES HOUSE 07/10/00

DIRECTORS K.D. Dobinson,
J.J. Hayhow
M.J. Graham

SECRETARY Mrs. J.A. Dobinson

BANKERS H.S.B.C. PLC.
29 English Street,
Carlisle

AUDITORS N.B. Lancaster and Co.,
Chartered Accountants,
and Registered Auditor,
5 Cecil Street,
Carlisle.

CARLISLE SCAFFOLDING LIMITED

DIRECTORS REPORT

The Directors present their first Annual Report from the Date of Incorporation on 10th December, 1998 to 31st March, 2000. The Company commenced trading on 1st April, 1999.

TRADING RESULTS

Profit on Ordinary Activities Before Tax	28,989
Taxation	6,618
Profit on Ordinary Activities After Tax	23,371

The Directors consider that the Company has traded satisfactorily during the period but do not recommend the payment of a Dividend.

PRINCIPAL ACTIVITIES

The Company's Principal Activity is the provision of Scaffolding Services to the Construction and Allied Trades.

FIXED ASSETS

The Company has acquired £13,013 of Plant and Motor Vehicles during the period.

DIRECTORS AND THEIR SHAREHOLDINGS

The Directors serving during the period were as follows:-

	As At 31.3.2000	
	Ord. Shares	Redeemable Preference Shares
K.D. Dobinson	510 (51%)	39,000
J.J. Hayhow	50 (5%)	-
M.J. Graham	50 (5%)	-

CARLISLE SCAFFOLDING LIMITED

DIRECTORS REPORT (CONTD.)

OTHER SUBSTANTIAL SHAREHOLDINGS

(In Excess of 3% of Issued Share of Capital)

	Ord. Shares
Mrs. J. A. Dobinson	390 (39%)

AUDITORS

The Directors have appointed Messrs. N.B. Lancaster and Co., Chartered Accountants of Carlisle as Auditors and having expressed their willingness to be re-elected in accordance with the Companies Acts a resolution re-appointing them as Auditors will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

J Dobinson

Mrs. J.A. Dobinson

19th SEPTEMBER, 2000

SECRETARY

CARLISLE SCAFFOLDING LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Directors are required by the Companies Act 1985 to prepare financial statements which give a true and fair view of the state of the Company's affairs at the end of the financial year and of the profit and loss for that period.

It is also the Directors responsibility to maintain adequate accounting records, safeguard the assets of the company and prevent and detect fraud and other irregularities.

The Directors confirm that suitable Accounting Policies, consistently applied and supported by responsible and prudent judgement and estimates, have been used in the preparation of the Financial Statements and that applicable Accounting Standards have been followed.

BY ORDER OF THE BOARD

K.D. DOBINSON

DIRECTOR

19TH SEPTEMBER, 2000

AUDITORS REPORT

TO THE MEMBERS OF

CARLISLE SCAFFOLDING LIMITED

We have audited the financial statements on pages 5 and 6 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 9.

Respective Responsibilities of Directors and Auditors

As described on page 3 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.

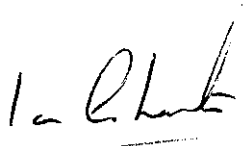
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination on a test basis, of the 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 explanation 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 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 affairs of the company as at 31st March, 2000 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



N.B. LANCASTER AND CO.
CHARTERED ACCOUNTANTS,
AND REGISTERED AUDITOR,
5 CECIL STREET,
CARLISLE

19th SEPTEMBER, 2000

CARLISLE SCAFFOLDING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2000

AS AT 10.12.1998

		ASSETS EMPLOYED		
		FIXED ASSETS		
	-	Tangible Assets (Note 11)		157273
		CURRENT ASSETS		
2		Debtors (Note 6)	115106	
-		Cash at Bank and In Hand	678	
2			115784	
		LESS CURRENT LIABILITIES		
-		Creditors Falling Due Within One Year (Note 7)	133214	
	2	**NET CURRENT ASSETS**		(17430)
	2	**TOTAL ASSETS LESS CURRENT LIABILITIES**		139843
	-	**LESS CREDITORS FALLING DUE AFTER ONE YEAR** (Note 8)		76472
	2	**NET ASSETS**		63371
		REPRESENTED BY:-		
		CAPITAL AND RESERVES		
	2	Called Up Share Capital (Note 9)		40000
		RESERVES:-		
	-	Profit and Loss Account		23371
	2	**CAPITAL EMPLOYED**		63371

The Accounts were approved by the Board of Directors on 19th September, 2000 and signed on their behalf by:-

K.D. Dobinson ..... Director

CARLISLE SCAFFOLDING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 10TH DECEMBER, 1998 TO 31ST MARCH, 2000

TURNOVER (Note 1(b))	430072
Less Cost of Sales (Note 2)	263086
GROSS PROFIT	166986
Less Administrative Expenses (Note 3)	127921
OPERATING PROFIT	39065
Add Interest Receivable	-
Less Interest Payable (Note 4)	10076
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	28989
TAXATION (Note 5)	5618
PROFIT ON ORDINARY ACTIVITIES AFTER TAX	23371
APPROPRIATIONS	
Dividend Paid	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	23371
Add Retained Earnings B/Fwd.	-
RETAINED EARNINGS	23371

NOTES:-

1. Continuing Operations

   The Company commenced trading on 1st April, 1999

2. Total Recognised Gains and Losses

   The Company has no rcognised Gains or Losses other than the Profit and Loss for the above financial perid.

CARLISLE SCAFFOLDING LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Basis of Preparation

The Accounts have been prepared under the Historical Cost Convention and comply except where otherwise stated with applicable Statements of Standard Accounting Practice.

(b) Turnover

Comprises the value of Invoiced Sales, Exclusive of Value Added Tax after provision for bad and doubtful debts.

(b) Depreciation

Depreciation is provided on Tangible Assets at the following rates computed by the Reducing Balance method for Plant and Motor Vehicles and the Straight Line Method for Freehold Premises in order that the cost of assets may be reduced to their estimated residual value over their estimated useful lives:-

Plant and Equipment	-	20% per Annum on Reducing Balance
Motor Vehicles	-	25% per Annum on Reducing Balance

2. COST OF SALES

Purchases of Materials, Services and Plant Hire	6,440
Staff Costs	192,107
Other Direct Costs	64,539
	263,086

3. ADMINISTRATIVE EXPENSES

Depreciation	40,241
Directors Remuneration	44,695
Auditors Remuneration and Accountancy Fees	1,800
Other Costs	41,185
	127,921

4. INTEREST PAYABLE

Short Term Bank Overdraft Interest	6,212
Bank Loan Interest (Under 5 Years)	3,126
Hire Purchase Interest	738
	10,076

CARLISLE SCAFFOLDING LIMITED

NOTES TO THE ACCOUNT

5. TAXATION

U.K. Corporation Tax on Profits at 20%	5,618

6. DEBTORS

Trade Debtors	115,106

7. CREDITORS FALLING DUE WITHIN ONE YEAR

Trade Creditors	25,722
Other Creditors (Including Taxation and Social Security)	37,144
Accruals	1,800
Hire Purchase (Under 12 Months)	1,250
Bank Overdraft	61,680
Provision for Corporation Tax	5,618
	133,214

8. CREDITORS FALLING DUE AFTER ONE YEAR

Directors Loan Account (K.D. Dobinson)	28,470
Bank Loan (Under 5 Years)	48,002
	76,472

A Loan of £50,000 was advanced during the period by HSBC PLC repayable over a 5 year term and secured by a Fixed and Floating Debenture over the Company's Assets.

9. CALLED UP SHARE CAPITAL

Authorised	1,000 Ordinary Shares of £1 each	1,000
	39,000 Redeemable Preference Shares of £1 each	39,000
		40,000
Issued	1.000 Ordinary Shares of £1 each, Fully Paid	1,000
	39,000 Redeemable Preference Shares of £1 each Fully Paid	39,000
		40,000

10. RELATED PARTY TRANSACTIONS

During the period the Company paid rent of £8,000 p.a. to Mr. K.D. Dobinson, a Director and Shareholder in the Company for the use of the Company's premises.

CARLISLE SCAFFOLDING LIMITED

NOTES TO THE ACCOUNTS

11. **TANGIBLE ASSETS**

	PLANT EQUIPMENT	MOTOR VEHICLES	TOTAL
Cost As At 1st April, 1999	171,129	13,372	184,501
Additions	11,613	1,400	13,013
Disposals	-	-	-
Cost As At 31st March, 2000	182,742	14,772	197,514
Depreciation As At 1st April, 1999	-	-	-
Elimination re Disposals	-	-	-
Provision for Year	36,548	3,693	40,241
Depreciation As At 31st March, 2000	36,548	3,693	40,241
Net Book Value As At 31st March, 2000	146,194	11,079	157,273