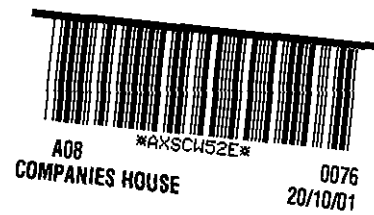


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MCARDLE SPORT-TEC LIMITED

**REPORTS AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2000**



REGISTERED NUMBER: 03692607

MCARDLE SPORT-TEC LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

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MCARDLE SPORT-TEC LIMITED

**COMPANY INFORMATION
AT 31 DECEMBER 2000**

DIRECTORS

J McArdle
J G McArdle
F Silvester
D J Parkes
R A Weedon

SECRETARY

F Silvester

REGISTERED OFFICE

McArdle House
Great Central Way
Wembley
Middlesex
HA9 0HR

BUSINESS ADDRESS

Church Street
Appleford
Abingdon
Oxfordshire
OX14 4PA

AUDITORS

Day Smith & Hunter
Chartered Accountants
24 Church Street
Rickmansworth
Hertfordshire
WD3 1DD

MCARDLE SPORT-TEC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their annual report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were the design, construction and commissioning of sport facilities of all types and sizes.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Turnover has increased by 4.25% on the previous year to £3,917,732.

The directors believe that this level of trading can be maintained in the coming year.

The period end position was considered satisfactory and the directors expect this to be maintained for the foreseeable future.

RESULTS AND DIVIDEND

The net profit after providing for taxation amounted to £92,839.

The directors recommend that no dividend be paid for the period.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year were as follows:

J McArdle
J G McArdle
F Silvester (Appointed 8th March 2000)
D J Parkes (Appointed 8th March 2000)
R A Weedon (Appointed 8th March 2000)

No director had a beneficial interest in the share capital of the company during the period. The interests of the directors in the share capital of the parent company are shown in the directors' report of that company.

The directors are not required to retire by rotation.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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 the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

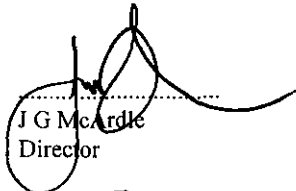
MCARDLE SPORT-TEC LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000**

AUDITORS

The auditors, Day Smith & Hunter, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

On behalf of the board:


J G McArdle
Director

Date: 11th October 2001

MCARDLE SPORT-TEC LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2000**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, 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.

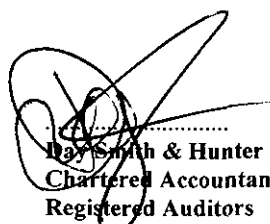
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of 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 explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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 state of affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Day Smith & Hunter
Chartered Accountants
Registered Auditors
24 Church Street
Rickmansworth
Hertfordshire
WD3 1DD

Date:

11th October 2001

MCARDLE SPORT-TEC LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
TURNOVER		3,917,732	3,757,928
Cost of sales		3,106,822	3,244,027
GROSS PROFIT		810,910	513,901
Distribution costs		44,029	18,584
Administrative expenses		627,832	389,264
OPERATING PROFIT	2	139,049	106,053
Investment income and interest receivable		5	-
Interest payable and similar charges	3	(3,055)	(2,824)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		135,999	103,229
Tax on profit on ordinary activities	6	(43,160)	(30,674)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		92,839	72,555

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

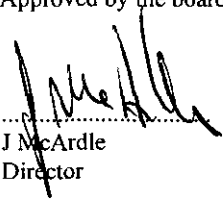
The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 7 to 11 form part of these financial statements.

MCARDLE SPORT-TEC LIMITED**BALANCE SHEET
AT 31 DECEMBER 2000**

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	7		29,920		39,894
CURRENT ASSETS					
Stocks		25,157		-	
Debtors	8	1,336,150		1,364,601	
Cash at bank and in hand		35,139		41,136	
		<u>1,396,446</u>		<u>1,405,737</u>	
CREDITORS: amounts falling due within one year	9	<u>(1,260,872)</u>		<u>(1,372,976)</u>	
NET CURRENT ASSETS			135,574		32,761
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>165,494</u>		<u>72,655</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Profit and loss account			165,394		72,555
TOTAL SHAREHOLDERS' FUNDS	11		<u>165,494</u>		<u>72,655</u>

Approved by the board of directors on 11th October 2001 and signed on its behalf by:


J McArdle
Director

The notes on pages 7 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****1. STATEMENT OF ACCOUNTING POLICIES**

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

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Motor vehicles 25% on written down value

Leasing commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Pension costs

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

Cash flow statement

As the company is a wholly owned subsidiary of J McArdle Contracts Limited, a company registered in England and Wales, it is exempt from the requirement to include a cash flow statement in these financial statements. A consolidated cash flow statement is included in the financial statements of the parent company.

2. OPERATING PROFIT

Operating profit is stated:	2000 £	1999 £
After charging:		
Depreciation of fixed assets	9,974	8,156
Auditors' remuneration	5,750	6,000
Operating lease rentals		
Land and buildings	19,825	8,129
Motor vehicles	6,970	-
Directors' emoluments	45,833	-

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On bank loans and overdrafts	3,055	2,824

MCARDLE SPORT-TEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****4. INFORMATION ON DIRECTORS AND EMPLOYEES**

	2000	1999
	£	£
Staff costs		
Wages and salaries	342,097	220,249
Social security costs	34,759	18,961
Other pension costs	1,934	-
Other costs	6,630	1,573
	<u>385,420</u>	<u>240,783</u>
	2000	1999
	No.	No.
The average number of employees during the year was made up as follows:		
Administration and management	9	7
Construction	1	-
	<u>10</u>	<u>7</u>
	2000	1999
	£	£
Directors' emoluments		
Emoluments	<u>45,833</u>	<u>-</u>

5. PENSION COSTS**Money purchase (defined contribution) pension scheme**

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,934 (1999: £nil).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
The taxation charge comprises:		
Corporation tax at 30% (1999 - 30/31%)	<u>43,160</u>	<u>30,674</u>

MCARDLE SPORT-TEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****7. TANGIBLE FIXED ASSETS**

	Motor vehicles £
Cost:	
At 1 January 2000 and at 31 December 2000	48,050
Depreciation:	
At 1 January 2000	8,156
Charge for year	9,974
At 31 December 2000	18,130
Net book value:	
At 31 December 2000	29,920
At 31 December 1999	39,894

8. DEBTORS

	2000 £	1999 £
Amounts falling due within one year:		
Amounts recoverable on contracts	806,499	1,152,074
Amounts owed by group undertakings	200,000	195,022
Amounts owed by companies under common control	128,472	-
Other debtors	32,580	250
Prepayments	35,453	17,255
	1,203,004	1,364,601
Amounts falling due after more than one year:		
Amounts recoverable on contracts	133,146	-
	1,336,150	1,364,601

9. CREDITORS: amounts falling due within one year

	2000 £	1999 £
Trade creditors	1,041,162	1,215,385
Amounts owed to group undertakings	120,832	12,526
Amounts owed to companies under common control	12,558	8,129
Corporation tax	43,160	30,674
Other taxes and social security costs	22,293	40,111
Accruals	20,867	66,151
	1,260,872	1,372,976

MCARDLE SPORT-TEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****10. SHARE CAPITAL**

	2000 £	1999 £
Authorised:		
Equity interests:		
500,000 Ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid:		
Equity interests:		
100 Ordinary shares of £1 each	100	100

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the year	92,839	72,555
New share capital subscribed	-	100
Net addition to shareholders' funds	92,839	72,655
Opening shareholders' funds	72,655	-
Closing shareholders' funds	165,494	72,655
Represented by:-		
Equity interests	165,494	72,655

12. ULTIMATE PARENT COMPANY

The ultimate parent company is J McArdle Contracts Limited, a company registered in Great Britain.

13. RELATED PARTY DISCLOSURES**CONTROL**

The ultimate parent company, J. McArdle Contracts Limited was controlled throughout the current and previous years by its directors, Mr J McArdle and Mrs R.P McArdle, by virtue of the fact that they own 100% of the issued share capital of the company.

Advantage of the exemption under paragraph 3(c) of the Financial Reporting Standard No. 8 available to subsidiary companies not to disclose related party transactions with group undertakings has been taken.

McARDLE ENVIRONMENTAL LIMITED

i) The transacting related parties are McArdle Sport-tec Limited and McArdle Environmental Limited.

ii) The relationship between the parties is the controlling equity interest of Mr J. McArdle and family in both companies. Mr J. McArdle and Mr J.G McArdle are directors of both companies.

iii) Transactions between the companies during the year ended 31st December 2000 were all at arms length and represented the provision of goods and services by McArdle Environmental Limited in the normal course of trade for McArdle Sport-tec Limited.

iv) The amounts of the transactions described in iii) above (excluding VAT) were: purchases £31,948 (1999: £19,877) and recharges by McArdle Environmental Limited of £50,000 (1999: £nil).

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

13. RELATED PARTY DISCLOSURES - (continued)

v) At 31st December 2000 McArdle Sport-tec Limited was indebted to McArdle Environmental Limited in the amount of £12,558 (1999: £8,129) which is included in creditors on the balance sheet.

McARDLE ENVIRONMENTAL AND CONSTRUCTION SERVICES LIMITED

i) The transacting related parties are McArdle Sport-tec Limited and McArdle Environmental and Construction Services Limited.

ii) The relationship between the parties is the controlling equity interest of Mr J. McArdle and family in both companies. Mr J. McArdle and Mr J.G McArdle are directors of both companies.

iii) Transactions between the companies during the year ended 31st December 2000 were all at arms length and represented the provision of goods and services by McArdle Environmental and Construction Services Limited in the normal course of trade for McArdle Sport-tec Limited.

iv) The amounts of the transactions described in iii) above (excluding VAT) were: purchases £1,300 (1999: £nil).

v) At 31st December 2000 McArdle Environmental and Construction Services Limited was indebted to McArdle Sport-tec Limited in the amount of £98,472 (1999: £nil) which is included in debtors on the balance sheet.

FIRST GEOTECHNICS LIMITED

i) The transacting related parties are McArdle Sport-tec Limited and First Geotechnics Limited.

ii) The relationship between the parties is the controlling equity interest of Mr J. McArdle and family in both companies. Mr J. McArdle and Mr J.G McArdle are directors of both companies.

iii) At 31st December 2000 First Geotechnics Limited was indebted to McArdle Sport-tec Limited in the amount of £30,000 (1999: £nil) which is included in debtors on the balance sheet.