

MCARDLE SPORT-TEC LIMITED

**REPORTS AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2001**

REGISTERED NUMBER: 03692607



MCARDLE SPORT-TEC LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

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MCARDLE SPORT-TEC LIMITED

**COMPANY INFORMATION
AT 31 DECEMBER 2001**

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 2001

The directors present their annual report with the financial statements of the company for the year ended 31 December 2001.

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 30.82% on the previous year to £5,125,258.

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 loss after providing for taxation amounted to £1,155.

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 (Resigned on 4th September 2002)
D J Parkes
R A Weedon

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.

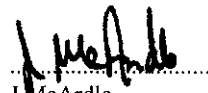
MCARDLE SPORT-TEC LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001**

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. McArdle
Director

Date: 27/9/02

MCARDLE SPORT-TEC LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2001**

We have audited the financial statements on pages 5 to 11 of McArdle Sport-tec Limited for the year ended 31 December 2001. These financial statements 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 Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 that 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 2001 and of its loss 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: 27.9.02

MCARDLE SPORT-TEC LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
TURNOVER		5,125,258	3,917,732
Cost of sales		4,120,308	3,106,822
GROSS PROFIT		1,004,950	810,910
Distribution costs		46,242	44,029
Administrative expenses		1,006,652	627,832
		(47,944)	139,049
Other operating income		58,200	-
OPERATING PROFIT	2	10,256	139,049
Investment income and interest receivable		-	5
Interest payable and similar charges	3	(10,321)	(3,055)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(65)	135,999
Tax on (loss) / profit on ordinary activities	6	(1,090)	(43,160)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(1,155)	92,839

Continuing operations

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

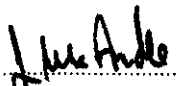
Total recognised gains and losses

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

MCARDLE SPORT-TEC LIMITED**BALANCE SHEET
AT 31 DECEMBER 2001**

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	7		22,440		29,920
CURRENT ASSETS					
Stocks		38,255		25,157	
Debtors	8	1,709,175		1,336,150	
Cash at bank and in hand		-		35,139	
		<u>1,747,430</u>		<u>1,396,446</u>	
CREDITORS: amounts falling due within one year	9	<u>(1,605,531)</u>		<u>(1,260,872)</u>	
NET CURRENT ASSETS			141,899		135,574
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>164,339</u>		<u>165,494</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Profit and loss account			164,239		165,394
TOTAL SHAREHOLDERS' FUNDS	11		<u>164,339</u>		<u>165,494</u>

Approved by the board of directors on 27/9/02 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 2001****1. STATEMENT OF ACCOUNTING POLICIES**

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

Turnover

Turnover represents the value of work done during the year net of value added tax. The value of work done is calculated as the certified work, plus the amount anticipated to be certified, adjusted for over and under measures.

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
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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:	2001 £	2000 £
After charging:		
Depreciation of fixed assets	7,480	9,974
Auditors' remuneration	6,000	5,750
Operating lease rentals		
Land and buildings	23,219	19,825
Motor vehicles	16,325	6,970
Directors' emoluments	81,667	45,833

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
On bank loans and overdrafts	10,321	3,055

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001****4. INFORMATION ON DIRECTORS AND EMPLOYEES**

	2001	2000
	£	£
Staff costs		
Wages and salaries	418,455	342,097
Social security costs	41,943	34,759
Other pension costs	2,114	1,934
Other costs	9,899	6,630
	<u>472,411</u>	<u>385,420</u>

	2001	2000
	No.	No.
The average number of employees during the year was made up as follows:		
Administration and management	11	9
Construction	1	1
	<u>12</u>	<u>10</u>

	2001	2000
	£	£
Directors' emoluments		
Emoluments	<u>81,667</u>	<u>45,833</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 £2,114 (2000: £1,934).

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001	2000
	£	£
The taxation charge comprises:		
Corporation tax at 20% (2000 - 30%)	-	43,160
Subvention payment	<u>1,090</u>	<u>-</u>
	<u>1,090</u>	<u>43,160</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001****7. TANGIBLE FIXED ASSETS**

	Motor vehicles £
Cost:	
At 1 January 2001 and at 31 December 2001	48,050
Depreciation:	
At 1 January 2001	18,130
Charge for year	7,480
At 31 December 2001	25,610
Net book value:	
At 31 December 2001	22,440
At 31 December 2000	29,920

8. DEBTORS

	2001 £	2000 £
Amounts falling due within one year:		
Amounts recoverable on contracts	1,133,823	806,499
Amounts owed by group undertakings	80,000	200,000
Amounts owed by companies under common control	345,153	128,472
Other debtors	-	32,580
Prepayments	35,217	35,453
	1,594,193	1,203,004
Amounts falling due after more than one year:		
Amounts recoverable on contracts	114,982	133,146
	1,709,175	1,336,150

9. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	357,141	-
Trade creditors	812,539	1,041,162
Amounts owed to group undertakings	17,461	120,832
Amounts owed to companies under common control	286,076	12,558
Corporation tax	-	43,160
Other taxes and social security costs	123,015	22,293
Other creditors	342	-
Accruals	8,957	20,867
	1,605,531	1,260,872

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

10. SHARE CAPITAL

	2001 £	2000 £
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

	2001 £	2000 £
(Loss) / profit for the year	(1,155)	92,839
Opening shareholders' funds	165,494	72,655
Closing shareholders' funds	164,339	165,494
Represented by:-		
Equity interests	164,339	165,494

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 2001 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 £41,679 (2000: £31,948) and recharges by McArdle Environmental Limited of £200,000 (2000: £50,000).

v) At 31st December 2001 McArdle Sport-tec Limited was indebted to McArdle Environmental Limited in the amount of £286,076 (2000: £12,558) which is included in creditors on the balance sheet.

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

13. RELATED PARTY DISCLOSURES - (continued)

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 2001 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 £nil (2000: £1,300).
- v) At 31st December 2001 McArdle Environmental and Construction Services Limited was indebted to McArdle Sport-tec Limited in the amount of £98,472 (2000: £98,472) 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 2001 there was no inter-company balance between First Geotechnics Limited and McArdle Sport-tec Limited (2000: £30,000 debtor).

McARDLE GOLF AND LEISURE LIMITED

- i) The transacting related parties are McArdle Sport-tec Limited and McArdle Golf and Leisure Limited.
- ii) The relationship between the parties is the controlling equity interest of Mr J. McArdle and family in both companies.
- iii) Transactions between the companies during the year ended 31st December 2001 were all at arms length and represented the provision of goods and services by/to McArdle Golf and Leisure Limited in the normal course of trade for/by McArdle Sport-tec Limited.
- iv) The amounts of the transactions described in iii) above (excluding VAT) were: purchases £68,676 (2000: £nil), sales £100,379 (2000: £nil) and recharges by McArdle Sport-tec Limited of £58,200 (2000: £nil) and recharges by McArdle Golf and Leisure Limited of £50,000 (2000: £nil).
- v) At 31st December 2001 McArdle Golf and Leisure Limited was indebted to McArdle Sport-tec Limited in the amount of £246,681 (2000: £nil) which is included in debtors on the balance sheet.