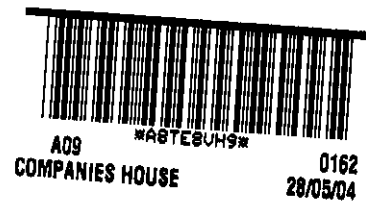


Registered number:
03692607

MCARDLE SPORT-TEC LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003



MCARDLE SPORT-TEC LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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MCARDLE SPORT-TEC LIMITED
COMPANY INFORMATION

1

DIRECTORS

J McArdle
R A Weedon
M L Freeman

SECRETARY

Miss C McArdle

AUDITORS

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

PRINCIPAL PLACE OF BUSINESS

Church Street
Appleford
Abingdon
Oxon
OX14 4PA

REGISTERED OFFICE

McArdle House
Great Central Way
Wembley
Middlesex
HA9 0HR

REGISTERED NUMBER

03692607

MCARDLE SPORT-TEC LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003**

The directors present their annual report together with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year under review was that of design, construction and commissioning of sports facilities of all types and sizes.

On 1 January 2003 the trade of McArdle Golf & Leisure Limited, whose principal activity was that of a supplier of golfing equipment, was transferred to McArdle Sport-tec Limited. This is shown as an acquired operation in the profit and loss account.

REVIEW OF BUSINESS

The results for the year are set out in the annexed profit and loss account.

Turnover has increased by 28.94% during the year to £7,633,002.

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

The period end position was considered satisfactory.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year.

DIRECTORS

The directors who held office during the year were as follows:

J McArdle (Appointed 4 February 2003)
R A Weedon
J J Thompson (Resigned 4 February 2003)
M L Freeman (Appointed 4 February 2003)

No director had a beneficial interest in the share capital of the company during the year. 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.

FIXED ASSETS

The movements in the fixed assets of the company are disclosed in note 7 to the financial statements.

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. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

MCARDLE SPORT-TEC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003
(continued)

AUDITORS

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

Approved by the board of directors on 24th May 2004 and signed on their behalf by:



R A Weedon
Director

MCARDLE SPORT-TEC LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the financial statements on pages 5 to 14 of McArdle Sport-tec Limited for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention and on the basis of accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of 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 within it.

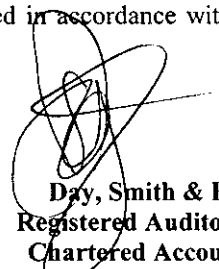
Basis of audit opinion

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 the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Day, Smith & Hunter
Registered Auditors and
Chartered Accountants

24 Church Street
Rickmansworth
Hertfordshire
WD3 1DD

24 May 2004

MCARDLE SPORT-TEC LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	<i>Continuing operations</i> <i>Acquisi-</i> <i>tions</i>			2003	2002
		£	£	£	£	£
TURNOVER		7,234,518	398,484	-	7,633,002	5,919,831
Cost of sales		6,342,814	326,253	-	6,669,067	4,953,683
GROSS PROFIT		891,704	72,231	-	963,935	966,148
Administration expenses		724,269	559	-	724,828	863,436
Other operating income		167,435	71,672	-	239,107	102,712
		-	-	-	-	89,478
OPERATING PROFIT	2	167,435	71,672	-	239,107	192,190
Interest payable and similar charges	4				(11,225)	(9,137)
PROFIT on ordinary activities before taxation					227,882	183,053
TAXATION on profit on ordinary activities	6				(50,972)	(58,086)
PROFIT on ordinary activities after taxation					176,910	124,967
SURPLUS BROUGHT FORWARD					289,206	164,239
SURPLUS CARRIED FORWARD					466,116	289,206

None of the company's activities were acquired or discontinued during the comparative year.

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

MCARDLE SPORT-TEC LIMITED
BALANCE SHEET - 31 DECEMBER 2003

	Note	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		25,106		40,560
CURRENT ASSETS					
Stock		11,861		133,470	
Debtors	8	1,201,965		1,921,009	
Cash at bank and in hand		347,075		8,982	
		1,560,901		2,063,461	
CREDITORS:					
Amounts falling due within one year	9	(1,112,478)		(1,797,652)	
NET CURRENT ASSETS			448,423		265,809
TOTAL ASSETS LESS CURRENT LIABILITIES			473,529		306,369
CREDITORS:					
Amounts falling due after more than one year	10		(7,313)		(17,063)
NET ASSETS			466,216		289,306
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss account			466,116		289,206
SHAREHOLDERS' FUNDS	12		466,216		289,306

Approved by the board of directors on 24th Jan and signed on its behalf.

J McArdle
J McArdle
Director

MCARDLE SPORT-TEC LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities (note 13)		410,069		376,272
Returns on investments and servicing of finance				
Interest and similar charges paid	(10,275)		(8,876)	
Interest element of finance lease and hire purchase payments	(950)		(261)	
		(11,225)		(9,137)
Taxation paid		(58,086)		-
Capital expenditure				
Payments to acquire tangible fixed assets	-		(325)	
Receipts from sale of tangible fixed assets	7,085		4,500	
		7,085		4,175
		347,843		371,310
Financing				
Capital repayments on finance lease and hire purchase contracts	(9,750)		(5,187)	
		(9,750)		(5,187)
Net increase in cash		£338,093		£366,123
Reconciliation of net cash flow to movement in net debt (note 14)				
Net increase in cash		338,093		366,123
Cash inflow from movement in debt and lease financing		9,750		5,187
Change in net debt resulting from cash flows		347,843		371,310
New hire purchase contracts		-		(32,000)
Changes in net funds		347,843		339,310
Net debt at 1 January 2003		(17,831)		(357,141)
Net funds/2002 debt at 31 December 2003		£330,012		(£17,831)

The notes on pages 8 to 14 form part of these financial statements.

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

1 ACCOUNTING POLICIES

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below.

Basis of accounting

The financial statements have been prepared in accordance with United Kingdom Accounting Standards 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.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life. The principal annual rates in use are:

Motor vehicles	25% on written down value
----------------	---------------------------

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the benefit and risk of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the lease term.

Stock

Stock and work in progress is valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

Pension scheme

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.

2 OPERATING PROFIT

The operating profit is stated after charging:

	2003	2002
	£	£
Directors' emoluments	118,393	66,750
Depreciation of owned assets	961	5,440
Depreciation of assets under finance leases and hire purchase	7,408	2,694
Loss on disposal of fixed assets	-	1,571
Auditors' remuneration	7,805	7,830
Operating lease rentals - motor vehicles	13,667	39,677
Operating lease rentals - land and buildings	31,021	27,250

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003
(continued)**3 STAFF COSTS**

Staff costs including directors' remuneration were as follows:

	2003	2002
	£	£
Wages and salaries	694,596	463,714
Social security costs	81,495	42,371
Other pension costs	13,658	2,922
Other costs	10,640	18,575
	<u>800,389</u>	<u>527,582</u>

The average weekly number of employees during the year was as follows:

Administration and management	17	10
Construction	4	1
	<u>21</u>	<u>11</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
On loans repayable within five years:		
Bank loans and overdrafts	10,275	8,876
Finance lease and hire purchase interest	950	261
	<u>11,225</u>	<u>9,137</u>

5 PENSION SCHEME**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 £13,658 (2002: £2,922).

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003
(continued)

6 TAXATION

	2003	2002
	£	£
Corporation tax on ordinary activities at 30% (2002: 30%)	50,972	58,086
Profit on activities before tax	227,882	183,053
Corporation tax at the rate of 30% (2002: 30%)	68,365	54,916
Effects of:		
Expenses not deductible for tax purposes	2,728	3,072
Depreciation for period in excess of capital allowances	1,381	98
Utilisation of losses	(21,502)	-
	50,972	58,086

Losses of £151,324 have been transferred from the trade of McArdle Golf & Leisure Limited to be used against profits of the same trade.

7 TANGIBLE FIXED ASSETS

	Motor vehicles	Total
	£	£
<u>Cost</u>		
At 1 January 2003	64,375	64,375
Disposals	(21,450)	(21,450)
At 31 December 2003	42,925	42,925
<u>Depreciation</u>		
At 1 January 2003	23,815	23,815
Charge for the year	8,369	8,369
Released on disposal	(14,365)	(14,365)
At 31 December 2003	17,819	17,819
<u>Net book value</u>		
At 31 December 2003	25,106	25,106
At 31 December 2002	40,560	40,560

The net book value of fixed assets at 31 December 2003 includes £22,223 (2002 £29,631) in respect of assets leased under finance leases or under hire purchase contracts.

	2003	2002
	£	£
Motor vehicles	22,223	29,631

The depreciation charge for the year includes £7,408 (2002 £2,694) in respect of assets leased under finance leases or under hire purchase contracts.

	2003	2002
	£	£
Motor vehicles	7,408	2,694

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003
(continued)**8 DEBTORS**

	2003	2002
	£	£
Amounts recoverable on contracts	730,061	1,227,636
Other debtors	40,882	-
Amounts owed by companies under common control	310,690	606,324
Prepayments	47,341	32,578
	1,128,974	1,866,538
Amounts falling due after more than one year:		
Amounts recoverable on contracts	72,991	54,471
	1,201,965	1,921,009

9 CREDITORS: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	992,976	1,241,024
Amounts owed to companies under common control	4,991	332,053
Other creditors	537	1,250
Corporation tax	50,972	58,086
Other tax and social security	43,402	144,255
Obligations under finance leases and hire purchase contracts	9,750	9,750
Accruals and deferred income	9,850	11,234
	1,112,478	1,797,652

10 CREDITORS: amounts falling due after more than one year

	2003	2002
	£	£
Obligations under finance leases and hire purchase contracts	7,313	17,063

11 CALLED UP SHARE CAPITAL

	2003	2002
	£	£
Authorised		
Ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the year	176,910	124,967
Shareholders' funds at 1 January 2003	289,306	164,339
Shareholders' funds at 31 December 2003	466,216	289,306

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003
(continued)**13 RECONCILIATION OF OPERATING RESULTS TO
OPERATING CASH FLOWS**

	2003	2002
	£	£
Operating profit	239,107	192,190
Depreciation charges	8,369	8,134
Loss on sale of fixed assets	-	1,571
	247,476	201,895
Decrease/(increase) in stock	121,609	(95,215)
Decrease/(increase) in debtors	719,044	(211,834)
(Decrease)/increase in creditors	(678,060)	481,426
Net cash inflow from operating activities	410,069	376,272

14 ANALYSIS OF CHANGES IN NET DEBT

	Brought forward £	Cash flows £	Other changes £	Carried forward £
Cash at bank and in hand	8,982	338,093	-	347,075
Debt due within one year	(9,750)	-	-	(9,750)
Debt due after more than one year	(17,063)	9,750	-	(7,313)
	(17,831)	347,843	-	330,012

15 FINANCIAL COMMITMENTS

Operating leases

At 31 December 2003 the company had annual commitments under non cancellable operating leases as set out below:

	2003		2002	
	Land and buildings	Other	Land and buildings	Other
Operating leases which expire:				
Within one year	-	4,215	-	-
Within two to five years	28,000	41,730	28,000	41,541
	28,000	45,945	28,000	41,541

16 ULTIMATE PARENT COMPANY

Up to 28 October 2002, the ultimate parent company was J McArdle Contracts Limited, a company registered in Great Britain. At that date the entire share capital of McArdle Sport-tec Limited was acquired by McArdle Holdings Limited, a company registered in Great Britain.

MCARDLE SPORT-TEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003**
(continued)**17 RELATED PARTIES****CONTROL**

Up to 28 October 2002, the former ultimate parent company, J McArdle Contracts Limited was controlled by its directors, Mr J McArdle and Mrs R P McArdle, by virtue of the fact that they own 90% of the issued share capital of that company. The new ultimate parent company, McArdle Holdings Limited, is controlled by Mr J McArdle and his family, who together own 100% of the issued share capital of that company.

J McARDLE CONTRACTS LIMITED

- i) The transacting related parties are McArdle Sport-tec Limited and J McArdle Contracts Limited.
- ii) The relationship between the parties is the controlling equity interest of Mr J. McArdle and family in both companies. Mr J. McArdle, is a director of both companies..
- iii) Transactions between the companies during the year ended 31 December 2003 were all at arms length and represented the provision of goods and services by/to J McArdle Contracts 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 £38,431 (2002: £53,504), sales £nil (2002: £47), car sale £3,322 (2002: £nil) and recharges by J McArdle Contracts Limited of £50,000 (2002: £nil).
- v) At 31 December 2003 J McArdle Contracts Limited was indebted to McArdle Sport-tec Limited in the amount of £108,260 (2002: £314,126) which is included in debtors on the balance sheet.

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 is a director of both companies .
- iii) Transactions between the companies during the year ended 31 December 2003 were all at arms length and represented the provision of goods and services by/to McArdle Environmental 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 £43,288 (2002: £39,207), car sale £3,763 (2002: £nil) and recharges by McArdle Environmental Limited of £25,000 (2002: £100,000).
- v) At 31 December 2003 McArdle Environmental Limited was indebted to McArdle Sport-tec Limited in the amount of £50,005 (2002: £331,095 creditor) which is included in debtors 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 is a director of both companies.
- iii) At 31 December 2003 McArdle Sport-tec Limited was indebted to McArdle Environmental and Construction Services Limited in the amount of £3,816 (2002: £nil) which is included in creditors on the balance sheet.

MCARDLE SPORT-TEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003
(continued)**

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 is a director of both companies.
- iii) At 31 December 2003 First Geotechnics Limited was indebted to McArdle Sport-tec Limited in the amount of £958 (2002: £958 creditor) which is included in debtors on the balance sheet.

McARDLE STABILISATION LIMITED

- i) The transacting related parties are McArdle Sport-tec Limited and McArdle Stabilisation Limited.
- ii) The relationship between the parties is the controlling equity interest of Mr J. McArdle and family in both companies. Mr J. McArdle is a director of both companies..
- iii) Transactions between the companies during the year ended 31 December 2003 were all at arms length and represented the provision of goods and services by McArdle Stabilisation 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 £1,000 (2002: £19,000).
- v) At 31 December 2003 McArdle Sport-tec Limited was indebted to McArdle Stabilisation Limited in the amount of £1,175 (2002: £61,000 debtor) which is included in creditors on the balance sheet.

McARDLE GOLF & LEISURE LIMITED

- i) The transacting related parties are McArdle Sport-tec Limited and McArdle Golf & Leisure Limited.
- ii) The relationship between the parties is the controlling equity interest of Mr J. McArdle and family in both companies. J McArdle is a director of both companies.
- iii) Transactions between the companies during the year ended 31 December 2003 were all at arms length. On 1 January 2003 the trade of McArdle Golf & Leisure Limited was transferred to McArdle Sport-tec Limited. Prior to this the transactions between the companies represented the provision of goods and services to McArdle Golf & Leisure Limited in the normal course of trade by McArdle Sport-tec Limited.
- iv) The amounts of the transactions described in iii) above (excluding VAT) were sales £nil (2002: £72,500) and recharges by McArdle Sport-tec Limited of £nil (2002: £88,068).
- v) At 31 December 2003 McArdle Golf & Leisure Limited was indebted to McArdle Sport-tec Limited in the amount of £134,491 (2002: £231,197) which is included in debtors on the balance sheet.