

Registered number:
03692607

MCARDLE SPORT-TEC LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004



MCARDLE SPORT-TEC LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

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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

McArdle House
1 Thames Park
Lester Way
Wallingford
OX10 9TA

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 2004**

The directors present their annual report together with the financial statements of the company for the year ended 31 December 2004.

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.

REVIEW OF BUSINESS

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

Turnover has increased by 53.22% during the year to £11,695,242.

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

The period end position was considered satisfactory.

DIVIDENDS

An interim dividend of £500,000 (£5,000 per share) was paid on 3 August 2004.

The directors do not recommend the payment of a final dividend.

DIRECTORS

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

J McArdle
R A Weedon
M L Freeman

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 8 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

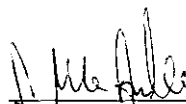
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

(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 22/6/2005 and signed on their behalf by:


J McArdle
Director

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

We have audited the financial statements on pages 5 to 15 of McArdle Sport-tec Limited for the year ended 31 December 2004. 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.

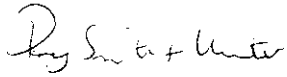
Basis of audit opinion

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 2004 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

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24/6/2005

MCARDLE SPORT-TEC LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		£	£
TURNOVER		11,695,242	7,633,002
Cost of sales		<u>10,261,702</u>	<u>6,669,067</u>
GROSS PROFIT		1,433,540	963,935
Administration expenses		<u>924,077</u>	<u>724,828</u>
OPERATING PROFIT	2	509,463	239,107
Interest payable and similar charges	4	<u>(5,022)</u>	<u>(11,225)</u>
PROFIT on ordinary activities before taxation		504,441	227,882
TAXATION on profit on ordinary activities	6	<u>(147,140)</u>	<u>(50,972)</u>
PROFIT on ordinary activities after taxation		357,301	176,910
DIVIDENDS	7	<u>500,000</u>	<u>-</u>
(DEFICIT)/RETAINED PROFIT for the financial year		(142,699)	176,910
SURPLUS BROUGHT FORWARD		<u>466,116</u>	<u>289,206</u>
SURPLUS CARRIED FORWARD		<u><u>323,417</u></u>	<u><u>466,116</u></u>

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

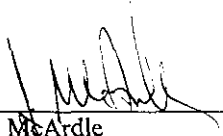
There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

MCARDLE SPORT-TEC LIMITED
BALANCE SHEET - 31 DECEMBER 2004

	Note	2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		24,342		25,106
CURRENT ASSETS					
Stock			-		11,861
Debtors	9	2,316,292		1,201,965	
Cash at bank and in hand		538,599		347,075	
		<u>2,854,891</u>		<u>1,560,901</u>	
CREDITORS:					
Amounts falling due within one year	10	<u>(2,555,716)</u>		<u>(1,112,478)</u>	
NET CURRENT ASSETS			<u>299,175</u>		<u>448,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>323,517</u>		<u>473,529</u>
CREDITORS:					
Amounts falling due after more than one year	11		-		<u>(7,313)</u>
NET ASSETS			<u><u>323,517</u></u>		<u><u>466,216</u></u>
CAPITAL AND RESERVES					
Called up share capital	12		100		100
Profit and loss account			<u>323,417</u>		<u>466,116</u>
SHAREHOLDERS' FUNDS	13		<u><u>323,517</u></u>		<u><u>466,216</u></u>

Approved by the board of directors on 22/6/2005 and signed on its behalf.


 J McArdle
 Director

MCARDLE SPORT-TEC LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	2004		2003	
	£	£	£	£
Net cash inflow from operating activities (note 14)		840,848		410,069
Returns on investments and servicing of finance				
Interest and similar charges paid	(4,072)		(10,275)	
Interest element of finance lease and hire purchase payments	(950)		(950)	
		(5,022)		(11,225)
Taxation paid		(127,172)		(58,086)
Capital expenditure				
Payments to acquire tangible fixed assets	(8,080)		-	
Receipts from sale of tangible fixed assets	700		7,085	
		(7,380)		7,085
		701,274		347,843
Equity dividends paid		(500,000)		-
Financing				
Capital repayments on finance lease and hire purchase contracts	(9,750)		(9,750)	
		(9,750)		(9,750)
Net increase in cash		<u>£191,524</u>		<u>£338,093</u>
Reconciliation of net cash flow to movement in net funds (note 15)				
Net increase in cash		191,524		338,093
Reduction in finance lease and hire purchase contracts		9,750		9,750
Changes in net funds		201,274		347,843
Net funds/(debt) at 1 January 2004		330,012		(17,831)
Net funds at 31 December 2004		<u>£531,286</u>		<u>£330,012</u>

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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
Equipment, fixtures and fittings	25% on written down value and 33.33% on cost

Leasing and hire purchase commitments

Where assets are financed by leasing or hire purchase agreements that give rights approximating to ownership the assets are treated as if they had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases and hire purchase agreements. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element charged against profit so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

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.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

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:

	2004	2003
	£	£
Directors' emoluments	168,063	118,393
Depreciation of owned assets	585	961
Depreciation of assets under finance leases and hire purchase	5,556	7,408
Loss on disposal of fixed assets	2,003	-
Auditors' remuneration	10,405	7,805
Related company loan write off	151,467	-
Operating lease rentals - motor vehicles	26,696	13,667

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004
(continued)**3 STAFF COSTS**

Staff costs including directors' remuneration were as follows:

	2004	2003
	£	£
Wages and salaries	576,831	694,596
Social security costs	63,151	81,495
Other pension costs	8,944	13,658
Other costs	23,242	10,640
	<u>672,168</u>	<u>800,389</u>

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

Administration and management	14	17
Construction	2	4
	<u>16</u>	<u>21</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
On loans repayable within five years:		
Bank loans and overdrafts	4,072	10,275
Finance lease and hire purchase interest	950	950
	<u>5,022</u>	<u>11,225</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 £8,944 (2003: £13,658).

6 TAXATION

	2004	2003
	£	£
Corporation tax on ordinary activities at 28.72% (2003: 30%)	<u>147,140</u>	<u>50,972</u>
Profit on activities before tax	<u>504,441</u>	<u>227,882</u>
Corporation tax at the rate of 28.72% (2003: 30%)	144,894	68,365
Effects of:		
Expenses not deductible for tax purposes	2,618	2,728
Capital allowances for period in excess of depreciation	(372)	-
Depreciation for period in excess of capital allowances	-	98
Utilisation of losses	-	(21,502)
	<u>147,140</u>	<u>49,689</u>

MCARDLE SPORT-TEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004
(continued)

7 DIVIDENDS

	<u>2004</u>	<u>2003</u>
	£	£
Interim dividend on ordinary shares paid	<u>500,000</u>	<u>-</u>

8 TANGIBLE FIXED ASSETS

	Equipment, fixtures and fittings	Motor vehicles	Total
	£	£	£
<u>Cost</u>			
At 1 January 2004	-	42,925	42,925
Additions	8,080	-	8,080
Disposals	-	(10,600)	(10,600)
At 31 December 2004	<u>8,080</u>	<u>32,325</u>	<u>40,405</u>
<u>Depreciation</u>			
At 1 January 2004	-	17,819	17,819
Charge for the year	405	5,736	6,141
Released on disposal	-	(7,897)	(7,897)
At 31 December 2004	<u>405</u>	<u>15,658</u>	<u>16,063</u>
<u>Net book value</u>			
At 31 December 2004	<u>7,675</u>	<u>16,667</u>	<u>24,342</u>
At 31 December 2003	<u>-</u>	<u>25,106</u>	<u>25,106</u>

The net book value of fixed assets at 31 December 2004 includes £16,667 (2003 £22,223) in respect of assets leased under finance leases or under hire purchase contracts.

	<u>2004</u>	<u>2003</u>
	£	£
Motor vehicles	<u>16,667</u>	<u>22,223</u>

The depreciation charge for the year includes £5,556 (2003 £7,408) in respect of assets leased under finance leases or under hire purchase contracts.

	<u>2004</u>	<u>2003</u>
	£	£
Motor vehicles	<u>5,556</u>	<u>7,408</u>

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004
(continued)

9 DEBTORS

	2004	2003
	£	£
Amounts recoverable on contracts	1,904,527	730,061
Other debtors	100	40,882
Amounts owed by companies under common control	258,668	310,690
Prepayments	33,445	47,341
	<u>2,196,740</u>	<u>1,128,974</u>
Amounts falling due after more than one year:		
Amounts recoverable on contracts	119,552	72,991
	<u>2,316,292</u>	<u>1,201,965</u>

10 CREDITORS: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	2,177,534	992,976
Amounts owed to companies under common control	12,557	4,991
Other creditors	-	537
Corporation tax	70,940	50,972
Other tax and social security	274,291	43,402
Obligations under finance leases and hire purchase contracts	7,313	9,750
Accruals and deferred income	13,081	9,850
	<u>2,555,716</u>	<u>1,112,478</u>

Obligations under finance leases and hire purchase are secured on the related assets.

The bank facilities are secured by way of a mortgage debenture over the assets of the company.

The bank facilities are also secured by way of an unlimited cross company guarantee. At the year end, the total amounts owed to the bank by companies under this guarantee was £173,982. The total amounts on deposit with the bank by companies under this guarantee were in excess of this amount at the year end.

11 CREDITORS: amounts falling due after more than one year

	2004	2003
	£	£
Obligations under finance leases and hire purchase contracts	-	7,313

12 CALLED UP SHARE CAPITAL

	2004	2003
	£	£
Authorised		
Ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

MCARDLE SPORT-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004
(continued)

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the year	357,301	176,910
Dividends	(500,000)	-
(Deficit)/profit for the year	(142,699)	176,910
Shareholders' funds at 1 January 2004	466,216	289,306
Shareholders' funds at 31 December 2004	323,517	466,216

14 RECONCILIATION OF OPERATING RESULTS TO
OPERATING CASH FLOWS

	2004	2003
	£	£
Operating profit	509,463	239,107
Depreciation charges	6,141	8,369
Loss on sale of fixed assets	2,003	-
	517,607	247,476
Decrease in stock	11,861	121,609
(Increase)/decrease in debtors	(1,114,327)	719,044
Increase/(decrease) in creditors	1,425,707	(678,060)
Net cash inflow from operating activities	840,848	410,069

15 ANALYSIS OF CHANGES IN NET DEBT

	Brought forward £	Cash flows £	Other changes £	Carried forward £
Cash at bank and in hand	347,075	191,524	-	538,599
Debt due within one year	(9,750)	2,437	-	(7,313)
Debt due after more than one year	(7,313)	7,313	-	-
	330,012	201,274	-	531,286

16 ULTIMATE PARENT COMPANY

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

MCARDLE SPORT-TEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004
(continued)**

17 RELATED PARTIES**CONTROL**

Throughout the current and previous year the ultimate parent company was McArdle Holdings Limited and was 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 2004 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 £35,441 (2003: £38,431), sales £452 (2003: £nil), car sale £nil (2003: £3,322) and recharges by J McArdle Contracts Limited of £nil (2003: £50,000).
- v) At 31 December 2004 J. McArdle Contracts Limited was indebted to McArdle Sport-tec Limited in the amount of £118,263 (2003: £108,260) 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 2004 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 £30,944 (2003: £43,288), car sale £nil (2003: £3,763) and recharges by McArdle Environmental Limited of £30,000 (2003: £25,000).
- v) At 31 December 2004 McArdle Environmental Limited was indebted to McArdle Sport-tec Limited in the amount of £25,147 (2003: £50,005) which is included in debtors on the balance sheet.

MCARDLE SPORT-TEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004**
(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 is a director of both companies.
- iii) Transactions between the companies during the year ended 31 December 2004 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 £86 (2003: £nil).
- v) At 31 December 2004 McArdle Sport-tec Limited was indebted to McArdle Environmental and Construction Services Limited in the amount of £6,689 (2003: £3,816) which is included in creditors 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 is a director of both companies.
- iii) Transactions between the companies during the year ended 31 December 2004 were all at arms length and represented the provision of goods and services by First Geotechnics 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 £5,642 (2003: £nil).
- v) At 31 December 2004 McArdle Sport-tec Limited was indebted to First Geotechnics Limited in the amount of £5,671 (2003: £958 debtor) which is included in creditors 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 2004 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 £17,325 (2003: £1,000).
- v) At 31 December 2004 there was no inter-company balance between McArdle Sport-tec Limited and McArdle Stabilisation Limited (2003: £1,175 creditor).

MCARDLE SPORT-TEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004
(continued)**

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 and Mr R. A. Weedon are directors of both companies.
- iii) During the year McArdle Sport-tec Limited wrote off amounts owing from McArdle Golf & Leisure Limited of £151,467 (2003: £nil).
- iv) At 31 December 2004 McArdle Golf & Leisure Limited was indebted to McArdle Sport-tec Limited in the amount of £nil (2003: £151,467) which is included in debtors on the balance sheet.

McARDLE EQUESTRIAN SURFACES LIMITED

- i) The transacting related parties are McArdle Sport-tec Limited and McArdle Equestrian Surfaces 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 2004 were all at arms length and represented the provision of goods and services to McArdle Equestrian Surfaces 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 £140,718 (2003: £nil).
- v) At 31 December 2004 McArdle Equestrian Surfaces Limited was indebted to McArdle Sport-tec Limited in the amount of £114,600 (2003: £nil) which is included in debtors on the balance sheet.

BARRIER LINING SYSTEMS LIMITED

- i) The transacting related parties are McArdle Sport-tec Limited and Barrier Lining Systems 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 2004 were all at arms length and represented the provision of goods and services by Barrier Lining Surfaces 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 £168 (2003: £nil).
- v) At 31 December 2004 McArdle Sport-tec Limited was indebted to Barrier Lining Systems Limited in the amount of £197 (2003: £nil) which is included in creditors on the balance sheet.