

Terrapin Limited
Abbreviated Financial Statements
For the 53 weeks Ended 1 October 1995



Terrapin Limited

Abbreviated Financial Statements

For the 53 weeks ended 1 October 1995

Company Registration Number: 687831

Registered Office: South House
Bond Avenue
Milton Keynes
MK1 1JJ

Directors: P M Cheshire
P T Gill
T Mason
M G McLellan
G W M Orr
N S Whitehouse

Secretary: M P Holiday

Bankers: Lloyds Bank Plc
Central Milton Keynes

Solicitors: Fennemores
Central Milton Keynes

Jansons
London

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Central Milton Keynes

Terrapin Limited

Abbreviated Financial Statements

For the 53 weeks ended 1 October 1995

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Report of the Directors

The directors present their report together with financial statements for the 53 weeks ended 1 October 1995.

1. Principal activities

The company is principally engaged in the design, manufacture and construction of buildings and building components for sale, lease and contract hire.

2. Results and dividends

The loss for the period after taxation amounted to £475,000. The directors do not recommend payment of a dividend and the loss has been transferred to reserves.

3. Business review

A difficult year with certain parts of the business unable to reach budgeted turnover and margins in all parts of the business under severe pressure. However, activity did pick up giving an improved second half and the year finished with a high level of work in hand.

Additional finance was raised to provide further components to fulfil new building hire agreements. This investment has resulted in forward hire rental income, due to the company in future years, increasing by more than £1,750,000. Hiring activity therefore continues to provide a sound, profitable base to the company's operations.

4. Research and development

The company carries out research and development to ensure that its products remain competitive and, where appropriate, utilise the latest technologies.

5. Directors

The directors in office at the end of the year are listed overleaf. All served throughout the year. Messrs Mason and McLellan retire by rotation and being eligible offer themselves for re-election.

No director had any interest in the shares of the company at any time during the period.

The interests of the directors in the shares of the parent undertaking as at 26 September 1994 and at 1 October 1995 were as follows:

		Ordinary shares
P M Cheshire		220
P T Gill		4
T Mason		50
M G McLellan		100
G W M Orr	} per parent undertaking's financial statements	
N S Whitehouse		

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business.

Report of the Directors (continued)

6. Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- i select suitable accounting policies and then apply them consistently;
- ii make judgements and estimates that are reasonable and prudent;
- iii state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- iv 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 keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

7. Fixed assets

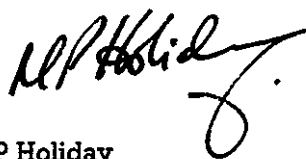
Additions to fixed assets in the year totalled £210,000, with £1,012,000 being added to components held for hiring.

The net book amount of fixed assets sold or scrapped during the year was £76,000.

8. Auditors

A resolution concerning the re-appointment of Grant Thornton, who offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985, will be submitted to the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



M P Holiday
Secretary

18 January 1996

Terrapin Limited

Report of the Auditors to the Directors of Terrapin Limited pusuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 5 to 17 together with the full financial statements of Terrapin Limited prepared under section 226 of the Companies Act 1985 for the year ended 1 October 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 8 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 to 249 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 1 October 1995, and the abbreviated accounts on pages 5 to 17 have been properly prepared in accordance with that Schedule.

On 25 January 1996 we reported, as auditors of Terrapin Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 1 October 1995 and our audit report was as follows:

"We have audited the financial statements on pages 4 to 16 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 2 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, of 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.

Terrapin Limited

**Report of the Auditors
to the Directors of Terrapin Limited
pusuant to Paragraph 24 of Schedule 8
to the Companies Act 1985 (continued)**

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 1 October 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985".



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Central Milton Keynes**

25 January 1996

Terrapin Limited

Principal Accounting Policies

For the 53 weeks ended 1 October 1995

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year, and are set out below.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

In the case of long term contracts, turnover reflects the contract activity in the period.

Operating lease income is taken to turnover in equal monthly instalments over the period of hire and amounts received in advance attributable to the subsequent accounting period are treated as deferred income.

Costs associated with hire contracts

Rehabilitation costs incurred in preparing components and building units for hire and the associated installation costs are treated as deferred charges and amortised on a straight line basis over the period of hire.

Annual estimates are made of the costs that will be incurred in dismantling and returning components at the termination of each contract and a provision is created by charging amounts to Profit and Loss Account on a straight line basis.

Depreciation

Depreciation is calculated to write down the cost of fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are:

Motor vehicles	25% - 33%
Furniture and equipment	10% - 50%
Plant and machinery	20% - 33%

Research and development

Regularly recurring costs of development are written off as incurred.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Long term contracts

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Terrapin Limited

Principal Accounting Policies (continued)

For the 53 weeks ended 1 October 1995

Long term contracts (continued)

Costs associated with long term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover.

Long term contract balances included in stocks are stated at cost after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse, and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Components and building units for hiring

Components and building units for hiring are stated at cost less accumulated amortisation. Amortisation is calculated to write off the cost of a unit by equal monthly instalments over the estimated useful life of each of its principal components.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Finance leases

Transactions relating to the finance leasing of assets are recorded as an investment in finance lease debtor, recoverable over the lease term. Interest on the investment is calculated to provide an equal return over the lease term. Interest is included in the profit and loss account on a receivable basis.

Contributions to defined benefit pension scheme

The pension costs charged against profits are based on the actuarial methods and assumptions designed to spread the anticipated costs of providing benefits over the service lives of the employees entitled to receive them, so as to ensure that the regular costs of providing benefits represent a substantially level percentage of current and expected future payroll.

Variations from regular cost are spread over the expected remaining service lives of employees currently entitled to receive benefits.

Terrapin Limited

Abbreviated Profit and Loss Account

For the 53 weeks ended 1 October 1995

	Note	53 weeks 1995 £000	52 weeks 1994 £000
Gross profit		2,367	2,846
Administrative expenses			
- normal		2,850	2,856
- exceptional	2	-	(257)
		<u>2,850</u>	<u>2,599</u>
Operating (loss)/profit		<u>(483)</u>	<u>247</u>
Net interest	3	<u>16</u>	<u>43</u>
(Loss)/profit on ordinary activities before taxation	1	(499)	204
Tax on profit on ordinary activities	5	(24)	56
Loss for the financial period, retained	16	<u>(475)</u>	<u>148</u>

There were no recognised gains or losses other than the loss for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

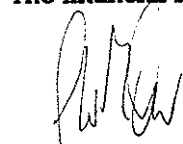
Terrapin Limited

Abbreviated Balance Sheet

	Note	1 October 1995		25 September 1994	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	6		266		134
Components for hiring	7		3,198		2,810
			<u>3,464</u>		<u>2,944</u>
Current assets					
Stocks	8	1,383		975	
Debtors - due outside one year	9	1,469		1,759	
Debtors - falling due within one year	9	3,378		3,448	
		<u>6,230</u>		<u>6,182</u>	
Creditors - amounts falling due within one year	10	4,806		4,263	
		<u></u>		<u></u>	
Net current assets			1,424		1,919
Total assets less current liabilities			<u>4,888</u>		<u>4,863</u>
Creditors- amounts falling due after more than one year	11	1,024		499	
Provisions for liabilities and charges	13	931		956	
		<u></u>	1,955	<u></u>	1,455
			<u>2,933</u>		<u>3,408</u>
Capital and reserves					
Called up share capital	15		500		500
Profit and loss account	16		2,433		2,908
Shareholders' funds	17		<u>2,933</u>		<u>3,408</u>

In preparing these abbreviated financial statements, we have relied upon the exemptions for individual financial statements conferred by Section B of Part III of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a medium company.

The financial statements were approved by the Board of Directors on 18 January 1996.



G W M Orr Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Abbreviated Financial Statements

For the 53 weeks ended 1 October 1995

1 Profit on ordinary activities before taxation

In the opinion of the directors there is one class of business as described in the report of the directors.

The profit on ordinary activities is stated after:

	1995 £000	1994 £000
Auditors' remuneration	29	29
Depreciation and amortisation		
Tangible fixed assets	78	76
Components on hire	515	557
Hire of plant and machinery	5	5
Other operating lease rentals	368	407
	<hr/>	<hr/>

Turnover includes income of £ 3,515,000 (1994 £3,297,000) in respect of operating leases and £19,000 (1994 £22,000) in respect of finance leases.

2 Exceptional item

In 1994, the company benefited from the resolution in the group's favour of a rating appeal.

3 Net interest

	1995 £000	1994 £000
Interest payable:		
On bank loans repayable wholly or partly in more than 5 years	(59)	(61)
Other interest receivable and similar income	43	18
	<hr/>	<hr/>
	(16)	(43)

Terrapin Limited

Notes to the Abbreviated Financial Statements (contd)

For the 53 weeks ended 1 October 1995

4 Directors and employees

Staff costs during the period were as follows:

	1995 £000	1994 £000
Wages and salaries	2,125	1,986
Social security costs	180	171
Other pension costs	106	107
	<u>2,411</u>	<u>2,264</u>

The company is a member of a funded group defined benefit pension scheme. The financial statements of the holding company, Terrapin International Limited, contains details of the actuarial valuation of the group scheme.

Pension costs are assessed in accordance with the advice of a qualified actuary. The most recent valuation was at 1 October 1993.

The average number of employees of the company during the period was 142 (1994:136).

Remuneration in respect of directors was as follows:-

	1995 £000	1994 £000
Management remuneration	<u>166</u>	<u>171</u>

The emoluments of the directors, excluding pension contributions, were as follows:

	1995 £000	19934 £000
The chairman	-	-
The highest paid director	<u>40</u>	<u>38</u>

The emoluments of the directors, excluding pension contributions, fell within the following ranges:-

	1995 Number	1994 Number
£0 to £ 5,000	2	1
£10,001 to £15,000	-	1
£30,001 to £35,000	-	2
£35,001 to £40,000	3	2
£40,001 to £45,000	<u>1</u>	<u>-</u>

Notes to the Abbreviated Financial Statements (contd)

For the 53 weeks ended 1 October 1995

5 Tax on profit on ordinary activities

The taxation charge based on the profit for the period is made up as follows:-

	1995 £000	1994 £000
Corporation tax at 33%	(11)	(91)
Deferred tax	(16)	145
	<u>(27)</u>	<u>54</u>
Adjustments in respect of prior periods:		
Corporation tax	3	2
	<u>(24)</u>	<u>56</u>

The corporation tax credit will be partly settled by surrender to group companies, for which payment will be made.

The tax credit is £125,000 lower than would have been expected due to tax relief on £500,000 losses only being obtainable by offset against future trading profits.

6 Tangible fixed assets

	Total £000	Furniture and equipment £000	Motor vehicles £000	Plant and machinery £000
Cost				
At 26 September 1994	626	300	113	213
Additions	210	24	63	123
Disposals	(38)	-	(37)	(1)
At 1 October 1995	<u>798</u>	<u>324</u>	<u>139</u>	<u>335</u>
Depreciation				
At 26 September 1994	492	249	79	164
Provided in the period	78	32	23	23
Eliminated on disposals	(38)	-	(37)	(1)
At 1 October 1995	<u>532</u>	<u>281</u>	<u>65</u>	<u>186</u>
Net book amount				
At 1 October 1995	<u>266</u>	<u>43</u>	<u>74</u>	<u>149</u>
Net book amount				
At 26 September 1994	<u>134</u>	<u>51</u>	<u>34</u>	<u>49</u>

Notes to the Abbreviated Financial Statements (contd)

For the 53 weeks ended 1 October 1995

6 Tangible fixed assets (continued)

The figures stated above include assets held under finance leases and similar hire purchase contracts as follows:

	£000
Net book amount at 1 October 1995	61
Net book amount at 25 September 1994	22
Depreciation provided in the period	15

The cost of assets held for the purpose of letting under finance leases is £95,000.

7 Components for hiring

	£000
Cost	
At 26 September 1994	6,142
Additions	1,012
Disposals	(208)
At 1 October 1995	6,946
Amounts written off	
At 26 September 1994	3,332
Provided in the period	548
Eliminated on disposals	(132)
At 1 October 1995	3,748
Net book amount	
At 1 October 1995	3,198
Net book amount	
At 25 September 1994	2,810

Terrapin Limited

Notes to the Abbreviated Financial Statements (contd)

For the 53 weeks ended 1 October 1995

8 Stocks

	1995 £000	1994 £000
Long-term contract balances	142	196
Raw materials	351	282
Short term work in progress	353	15
Finished goods	537	482
	<u>1,383</u>	<u>975</u>

9 Debtors

	1995 £000	1994 £000
Amounts falling due after more than one year		
Trade debtors	73	172
Deferred charges	1,345	1,524
Net investment in finance leases	51	63
	<u>1,469</u>	<u>1,759</u>

Amounts falling due within one year

Trade debtors	1,835	1,633
Amounts recoverable on contracts	52	101
Amounts owed by fellow subsidiary undertaking	-	271
Deferred charges	1,324	1,124
Other debtors	103	263
Prepayments and accrued income	52	46
Net investment in finance leases	12	10
	<u>3,378</u>	<u>3,448</u>

Notes to the Abbreviated Financial Statements (contd)

For the 53 weeks ended 1 October 1995

10 Creditors - amounts falling due within one year

	1995 £000	1994 £000
Block discounting loan facility	233	-
Secured loan (Note 11)	35	38
Payments received on account	-	117
Trade creditors	1,287	1,450
Amounts owed to parent undertaking and fellow subsidiary undertakings	444	192
Social security and other taxes	69	57
Other creditors	22	78
Accruals	742	730
Deferred income	1,954	1,598
Amounts due under finance lease	20	6
	<u>4,806</u>	<u>4,263</u>

11 Creditors: amounts falling due after more than one year

	1995 £000	1994 £000
Block discounting loan facility	544	-
Secured loan	453	488
Amounts due under finance leases	27	11
	<u>1,024</u>	<u>499</u>

The block discounting loan facility is repayable by monthly instalments over 3 years ending in 1998 and bears interest at 12.99%. The loan is secured by a charge over certain operating leases.

The secured loan is repayable by quarterly instalments over 20 years ending in 2009 and bears interest at 11.25%. The loan is secured by a fixed charge over specific components for hiring.

Notes to the Abbreviated Financial Statements (contd)

For the 53 weeks ended 1 October 1995

12 Borrowings

Borrowings are repayable as follows:

	1995 £000	1994 £000
Within one year		
Block discounting loan facility	233	-
Secured loan	35	35
Finance leases	20	6
After one and within two years		
Block discounting loan facility	268	-
Secured loan	35	35
Finance leases	18	7
After two and within five years		
Block discounting loan facility	276	-
Secured loan	104	105
Finance leases	9	4
After five years		
Secured loan	314	348
	<u>1,312</u>	<u>540</u>

Borrowings repayable partly after five years are repayable by instalments.

13 Provisions for liabilities and charges

	Deferred taxation (note 15) £000	Return and dismantling provision £000	Total £000
At 26 September 1994	712	245	957
Provisions	-	277	277
Included in accruals	-	-	-
	<u>712</u>	<u>522</u>	<u>1,234</u>
Provided during the period	-	172	172
Utilised during the period	(16)	(113)	(129)
	<u>696</u>	<u>581</u>	<u>1,277</u>
Included in accruals	-	(346)	(346)
At 1 October 1995	<u>696</u>	<u>235</u>	<u>931</u>

Terrapin Limited

Notes to the Abbreviated Financial Statements (contd)

For the 53 weeks ended 1 October 1995

14 Deferred taxation

	Amount provided	
	1995	1994
	£000	£000
Accelerated capital allowances	7	10
Deferred charges	881	874
Return and dismantling provision	(192)	(172)
	<u>696</u>	<u>712</u>
	<u> </u>	<u> </u>

15 Share capital

	1995 and 1994
	£000
Authorised, allotted, called up and fully paid 500,000 ordinary shares of £1 each	500
	<u> </u>

16 Profit and loss account

	£000
At 26 September 1994	2,908
Retained loss for the period	(475)
	<u> </u>
At 1 October 1995	2,433
	<u> </u>

17 Reconciliation of movements in shareholders' funds

	1995	1994
	£000	£000
(Loss)/profit for the financial period	(591)	148
Shareholders funds at beginning of period	3,408	3,260
	<u> </u>	<u> </u>
Shareholders funds at end of period	2,817	3,408
	<u> </u>	<u> </u>

18 Contingent liabilities

The company has performance bonds outstanding at the period end with a value of £114,000 (1994: £45,000).

The company has cross guarantees with other group companies to a limit of £500,000.

Notes to the Abbreviated Financial Statements (contd)

For the 53 weeks ended 1 October 1995

19 Leasing commitments

Operating lease payments amounting to £365,000 (1994:£365,000) are due within one year. The leases to which these amounts relate expire as follows:

	1995		1994	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
In one year or less	-	20	-	3
Between one and five years	-	78	-	95
In five years or more	267	-	267	-
	<u>267</u>	<u>98</u>	<u>267</u>	<u>98</u>

20 Ultimate holding company

The ultimate holding company is Terrapin International Limited, a company registered in England and Wales.

The largest and smallest group of companies for which accounts are prepared is headed by Terrapin International Limited. Copies of the group accounts can be obtained from the registered office, Bond Avenue, Bletchley, Milton Keynes, MK1 1JJ.