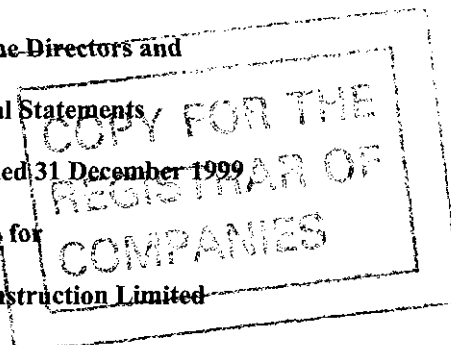


Report of the Directors and
Financial Statements
for the Year Ended 31 December 1999
for
Termrim Construction Limited



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Termrim Construction Limited

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for the Year Ended 31 December 1999**

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Termrim Construction Limited
Company Information
for the Year Ended 31 December 1999

DIRECTORS:

P J Patrick
Mrs R S Patrick
N Cowking
D R Bray
A J Patrick

SECRETARY:

Mrs R S Patrick

REGISTERED OFFICE:

21 Old Leeds Road
Huddersfield
Yorkshire
HD1 1SG

REGISTERED NUMBER:

1263512

AUDITORS:

Wilson Braithwaite Scholey
Registered Auditor
Chartered Accountants
21-27 St Paul's Street
Leeds
LS1 2ER

Termrim Construction Limited

**Report of the Directors
for the Year Ended 31 December 1999**

The directors present their report with the financial statements of the company for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of contracting in the construction industry.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIRECTORS

The directors during the year under review were:

P J Patrick
Mrs R S Patrick
N Cowking
D R Bray
A J Patrick (appointed 1 July 1999)

The beneficial interests of the directors holding office on 31 December 1999 in the issued share capital of the ultimate parent company were as follows:

Ordinary £1 shares	31.12.99	1.1.99
P J Patrick	25,000	25,000
Mrs R S Patrick	25,000	25,000
N Cowking	-	-
D R Bray	-	-
A J Patrick	-	-

STATEMENT OF 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 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 keeping 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

.....*R. S. Patrick*
Mrs R S Patrick - SECRETARY

Dated: 4/4/2000

Termrim Construction Limited

**Report of the Auditors to the Shareholders of
Termrim Construction Limited**

We have audited the financial statements on pages four to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wilson Braithwaite Scholey
Registered Auditor
Chartered Accountants
21-27 St Paul's Street
Leeds
LS1 2ER



Dated: 4.4.00.

Termrim Construction Limited

**Profit and Loss Account
for the Year Ended 31 December 1999**

		31.12.99	31.12.98
	Notes	£	£
TURNOVER		5,246,644	6,224,476
Cost of sales		<u>4,584,837</u>	<u>5,678,245</u>
GROSS PROFIT		661,807	546,231
Administrative expenses		<u>533,843</u>	<u>532,120</u>
		<u>127,964</u>	<u>14,111</u>
Other operating income		<u>249</u>	<u>-</u>
OPERATING PROFIT	2	128,213	14,111
Interest receivable and similar income		<u>4,447</u>	<u>4,031</u>
		<u>132,660</u>	<u>18,142</u>
Interest payable and similar charges		<u>3,280</u>	<u>7,545</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		129,380	10,597
Tax on profit on ordinary activities	3	<u>26,815</u>	<u>3,132</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		102,565	7,465
Retained profit brought forward		<u>283,912</u>	<u>276,447</u>
RETAINED PROFIT CARRIED FORWARD		<u>£386,477</u>	<u>£283,912</u>

The notes form part of these financial statements

Termrim Construction Limited

**Balance Sheet
31 December 1999**

		<u>31.12.99</u>		<u>31.12.98</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		30,265		38,949
CURRENT ASSETS:					
Stocks			-	56,953	
Debtors	5	998,302		1,403,734	
Cash at bank and in hand		314,021		665	
		<u>1,312,323</u>		<u>1,461,352</u>	
CREDITORS: Amounts falling due within one year	6	<u>956,011</u>		<u>1,216,289</u>	
NET CURRENT ASSETS:			<u>356,312</u>		<u>245,063</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£386,577</u></u>		<u><u>£284,012</u></u>
CAPITAL AND RESERVES:					
Called up share capital	9		100		100
Profit and loss account			386,477		283,912
Shareholders' funds			<u><u>£386,577</u></u>		<u><u>£284,012</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

ON BEHALF OF THE BOARD:



P J Patrick - DIRECTOR

Approved by the Board on 4/4/2000

Termrim Construction Limited

**Notes to the Financial Statements
for the Year Ended 31 December 1999**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Buildings	- 25% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.99	31.12.98
	£	£
Depreciation - owned assets	6,125	9,648
Loss on disposal of fixed assets	1,539	-
Auditors' remuneration	6,125	6,000
Pension costs	14,441	14,175
	<u>106,860</u>	<u>87,909</u>
Directors' emoluments and other benefits etc	106,860	87,909

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.99	31.12.98
	£	£
UK corporation tax	26,815	3,132

UK corporation tax has been charged at 20.25% (1998 - 21%).

Termrim Construction Limited

**Notes to the Financial Statements
for the Year Ended 31 December 1999**

4. TANGIBLE FIXED ASSETS

	Buildings	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 1999	15,270	60,478	58,041	133,789
Additions	-	2,380	-	2,380
Disposals	-	-	(34,212)	(34,212)
At 31 December 1999	15,270	62,858	23,829	101,957
DEPRECIATION:				
At 1 January 1999	13,872	33,129	47,839	94,840
Charge for year	350	4,460	1,315	6,125
Eliminated on disposals	-	-	(29,273)	(29,273)
At 31 December 1999	14,222	37,589	19,881	71,692
NET BOOK VALUE:				
At 31 December 1999	1,048	25,269	3,948	30,265
At 31 December 1998	1,398	27,349	10,202	38,949

**5. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.99	31.12.98
	£	£
Trade debtors	799,983	1,249,543
Other debtors	13,865	841
Prepayments & accrued income	60,647	79,746
Amount owed by Group		
Undertakings	123,807	73,604
	998,302	1,403,734

**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.99	31.12.98
	£	£
Bank loans and overdrafts	-	175,595
Trade creditors	855,400	973,699
Other creditors	850	-
Social security & other taxes	42,693	38,130
Taxation	26,815	3,132
Accrued expenses	30,253	25,733
	956,011	1,216,289

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 1999

7. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	31.12.99 £	31.12.98 £
Expiring:		
Within one year	10,152	5,515
Between one and five years	39,846	70,904
	<u>49,998</u>	<u>76,419</u>

8. SECURED DEBTS

The bank overdraft is secured by an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company.

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.99 £	31.12.98 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

10. ULTIMATE PARENT COMPANY

The directors regard Patrick Construction (Holdings) Limited as being the company's ultimate parent company at 31 December 1999.

11. RELATED PARTY DISCLOSURES

Control relationship

The company was controlled throughout the current and previous year by two of its directors, P.J.Patrick and Mrs R.S.Patrick, by virtue of the fact that between them they held all the ultimate parent company's share capital.

Transactions and balances

£30,000 has been charged in the accounts in respect of management charges payable to the company's ultimate parent company. Included in debtors at note 5 is an amount of £123,807 due from the company's ultimate parent company at 31 December 1999.