



REPORT AND ACCOUNTS

LEISUREDECK LIMITED

for the year ended March 31, 1998

DIRECTORS: R Clark
A J Simpson
J R Millett
P J Henman

FCIOB FBEng
JP FCIOB

SECRETARY AND REGISTERED OFFICE:

P R Woodcraft
Neville House
Marsh Road
Leagrave
Luton
LU3 2RZ

AUDITORS: Ernst & Young
400 Capability Green
Luton
LU1 3LU

COMPANY REGISTRATION NUMBER: 2771761

DIRECTORS' REPORT

The Directors submit their report and accounts for the period ended March 31, 1998.

Statement of Directors' responsibilities in respect of the accounts

Company law requires the Directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

Results and dividends

The results for the year are shown in the Profit and Loss account on page 4 of the attached accounts.

The Directors do not recommend payment of a dividend.

Review of the business

The company's principal activities during the year continued to be in building timber decking and patios for the residential and commercial market.

Year 2000 Compliance

A company - wide programme , designed to address the impact of the year 2000 on our business, has been actioned by the Board and is well under way. Time and monies have been allocated and the board receives regular reports on progress.

Most of the costs of implementing such work will be taken into account in the normal outgoings of the company during 1998 and 1999. The total costs of such work are not yet detailed enough to note in these accounts.

LEISUREDECK LIMITED

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DIRECTORS REPORT

(continued)

Directors and their interests

The Directors during the year were as follows:

P J Henman	JP FCIOB
J R Millett	FCIOB FBEng
R Clark	
A J Simpson	

P J Henman and J R Millett retire by rotation and, being eligible, offer themselves for re-election.

Mrs. VML Trumper resigned as Company Secretary on the 3rd April 1998 and Mr PR Woodcraft was appointed in her place.

No Director had a beneficial interest in the share capital of the company at the end of the financial period. P J Henman has an interest in the share capital of the ultimate parent company, which is shown in that company's accounts.

Auditors

The Directors have appointed Ernst & Young as auditors for the current period under review.

A resolution is in place in accordance with Section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors. This was passed on 16th December 1996 and accordingly Ernst and Young deem themselves reappointed.

BY ORDER OF THE BOARD



25th November 1998

P R Woodcraft
Secretary

REPORT OF THE AUDITORS
TO THE MEMBERS OF LEISUREDECK LTD

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

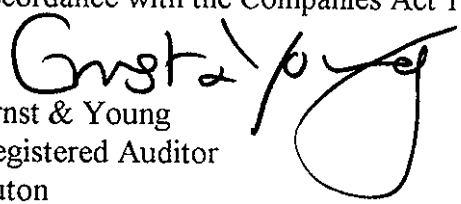
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in the accounts concerning the availability of finance. The accounts have been prepared on a going concern basis, the validity of which depends upon future funding being available. The accounts do not include any adjustments which would result from a failure to obtain funding. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Registered Auditor
Luton

11 DECEMBER 1998

**PROFIT AND LOSS ACCOUNT AND STATEMENT OF RETAINED PROFIT
FOR THE YEAR ENDED MARCH 31, 1998**

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Turnover	2	32,099	15,954
Cost of Sales		30,215	6,420
		-----	-----
GROSS PROFIT		1,884	9,534
Administrative expenses		10,539	24,328
		-----	-----
(Loss)/Profit on ordinary activities before taxation	3	(8,655)	(14,794)
Tax on (loss)/profit on ordinary activities	5	(3,016)	(4,882)
		-----	-----
(Loss)/Profit on ordinary activities after taxation		(5,639)	(9,912)
Adverse reserves brought forward		(19,693)	(9,781)
		-----	-----
Adverse reserves carried forward		£(25,332)	£(19,693)
		=====	=====

There are no recognised gains and losses other than the loss for the period ended March 31, 1998.

The historical cost (loss)/profit is as shown above.

The notes on pages 6 to 8 form part of these accounts.

BALANCE SHEET AT MARCH 31, 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Current assets:			
Stocks/Work in Progress		-	-
Debtors	6	7,910	12
Cash at bank and in hand		18,200	1,212
		-----	-----
		26,110	1,224
Creditors: amounts falling			
due within one year	7	51,440	20,915
		-----	-----
		£(25,330)	£(19,691)
		=====	=====
Capital and reserves:			
Called up share capital	8	2	2
Profit and loss account		(25,332)	(19,693)
		-----	-----
		£(25,330)	£(19,691)
		=====	=====

P J Henman



Directors

J R Millett



25 NOVEMBER 1998

The notes on pages 6 to 8 form part of these accounts.

NOTES TO THE ACCOUNTS AT MARCH 31, 1998**1. Accounting policies***Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts have been prepared on a going concern basis on the assumption that continuing support will be made available by T & E Neville Ltd.

The company has taken advantage of the exemptions under FRS 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Stocks.

- (a) Stocks are stated at the lower of cost and net realisable value
- (b) Work in progress on short term contracts is valued at the lower of direct costs and net realisable value. Net realisable value is based on estimated total value less further costs expected to be incurred to completion.

Deferred taxation

Deferred taxation is fully provided for by the liability method on all timing differences expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2. Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax) all of which is for UK customers. Turnover is attributable to continuing activities.

3. (Loss)/Profit on ordinary activities before taxation

This is stated after charging/(crediting) :

	<u>1998</u>	<u>1997</u>
	£	£
Directors remuneration	-	-
Auditors remuneration - audit services	260	250
Auditors remuneration - non audit services	-	-
	<u> </u>	<u> </u>

The (loss)/profit on ordinary activities before taxation is stated after accounting for income and expenditure in respect of intergroup trading and group management fees.

NOTES TO THE ACCOUNTS AT MARCH 31, 1998**(continued)****4. Staff costs**

There were no employees during the current or comparative period.

5. Tax on (loss)/profit on ordinary activities

	<u>1998</u>	<u>1997</u>
	£	£
Based on the (loss)/profit for the period		
Corporation Tax recoverable at 27%(1997:24%)	<u>(3,016)</u>	<u>(4,882)</u>

6. Debtors

	<u>1998</u>	<u>1997</u>
	£	£
Due within one year:		
Prepayments	12	12
Amounts owed by group undertakings	7,898	-
	<u>£7,910</u>	<u>£12</u>

7. Creditors: amounts falling due within one year

	<u>1998</u>	<u>1997</u>
	£	£
Trade creditors	818	-
Amounts owed to group undertakings	45,595	19,874
Payments on account	1,660	-
Accruals	3,367	1,041
	<u>£51,440</u>	<u>£20,915</u>

NOTES TO THE ACCOUNTS AT MARCH 31, 1998
(continued)**8. Share capital**

	<u>1998</u>	<u>Authorised</u>	<u>Allotted, called up</u>	
	<u>No.</u>	<u>1997</u>	<u>and fully paid</u>	
	<u>No.</u>	<u>No.</u>	<u>1998</u>	<u>1997</u>
			<u>£</u>	<u>£</u>
Ordinary shares of £1 each	100	100	£2	£2

9. Reconciliation of movements in shareholders' funds

	<u>1997</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Balance at April 1	(19,691)	(9,779)
(Loss)/Profit for the period	(5,639)	(9,912)
Balance at March 31	£(25,330)	£(19,691)

10. Contingent liabilities

For VAT purposes the company is grouped with other companies in the Neville Trust group; under these arrangements the company has a joint and several liability for amounts due to Customs and Excise by certain companies in the Neville Trust group.

11. Related Parties

The Company has taken advantage of the exemptions in paragraph 3c of FRS 8 from disclosing transactions with related parties that are part of the Neville Trust Ltd group.

The company's immediate parent undertaking is T & E Neville Ltd, a company registered in England and Wales. The ultimate parent undertaking of the group of undertakings, for which group accounts are drawn up and of which the company is a member, is Neville Trust Limited which is registered in England and Wales and is the ultimate parent company. Copies of the accounts of Neville Trust Limited can be obtained from:

THE COMPANY SECRETARY
NEVILLE HOUSE
MARSH ROAD
LEAGRAVE
LUTON
LU3 2RZ