

REPORT AND ACCOUNTS

LEISUREDECK LIMITED

for the period ended March 31, 1997

DIRECTORS: R Clark
A J Simpson
J R Millett MCI OB
P J Henman JP FCI OB

SECRETARY AND REGISTERED OFFICE:

V Trumper
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, 1997.

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

During the year the company was acquired by T & E Neville Ltd.

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

Fixed assets

There were no movements in fixed assets during the year.

DIRECTORS REPORT

(continued)

Directors and their interests

The Directors during the year were as follows:

P J Henman	JP FCI OB	(Appointed 16.12.96)
J R Millett	MCI OB	(Appointed 16.12.96)
R Clark		(Appointed 16.12.96)
A J Simpson		(Appointed 16.12.96)
P L Lardi		(Resigned 16.12.96)
R W Cox		(Resigned 16.12.96)

P J Henman, J R Millett, R Clark and A J Simpson, having been appointed during the year, retire by rotation and, being eligible, offer themselves for re-election.

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, Neville Trust Limited, which is shown in that company's accounts.

P L Lardi and R W Cox held one share each at the beginning of the accounting period.

Auditors

Morton Thornton resigned as auditors on the 10th February 1997.

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

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

Victoria Trumper

26th November 1997

V Trumper
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 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Chartered Accountants
Registered Auditor
Luton

Gusta Young
18/12/97

PROFIT AND LOSS ACCOUNT AND STATEMENT OF RETAINED PROFIT
FOR THE PERIOD ENDED MARCH 31, 1997

	<u>Notes</u>	<u>1997</u> 11 mths £	<u>1996</u> Year £
Turnover	2	15,954	137,735
Cost of Sales		6,420	96,270
GROSS PROFIT		----- 9,534	----- 41,465
Administrative expenses		24,328	19,048
(Loss)/Profit on ordinary activities before taxation	3	----- (14,794)	----- 22,417
Tax on (loss)/profit on ordinary activities	5	(4,882)	0
(Loss)/Profit on ordinary activities after taxation		----- (9,912)	----- 22,417
Adverse reserves brought forward		(9,781)	(32,198)
Adverse reserves carried forward		----- £(19,693)	----- £(9,781)

There are no recognised gains and losses other than the loss for the period ended March 31, 1997.

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

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

LEISUREDECK LIMITED

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BALANCE SHEET AT MARCH 31, 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
Current assets:			
Stocks/Work in Progress		-	1,277
Debtors	6	12	28,963
Cash at bank and in hand		1,212	-
		-----	-----
		1,224	30,240
Creditors: amounts falling due within one year			
	7	20,915	40,019
		-----	-----
		£(19,691)	£(9,779)
		=====	=====
Capital and reserves:			
Called up share capital	8	2	2
Profit and loss account		(19,693)	(9,781)
		-----	-----
		£(19,691)	£(9,779)
		=====	=====

P J Henman



J R Millett



Directors

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

NOTES TO THE ACCOUNTS AT MARCH 31, 1997**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>1997</u>	<u>1996</u>
	£	£
Directors remuneration	-	-
Auditors remuneration - audit services	250	445
Auditors remuneration - non audit services	-	1,100
	<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.

LEISUREDECK LIMITED

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NOTES TO THE ACCOUNTS AT MARCH 31, 1997
(continued)**4. Staff costs**

There were no employees during the current or comparative period.

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

	<u>1997</u>	<u>1996</u>
	£	£
Based on the (loss)/profit for the period		
Corporation Tax recoverable at 24%(1996:25%)	<u>(4,882)</u>	=

6. Debtors

	<u>1997</u>	<u>1996</u>
	£	£
Due within one year:		
Trade debtors	-	12,115
Other Debtors	-	16,767
Prepayments	12	81
	-----	-----
	£12	£28,963
	=====	=====

7. Creditors: amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Bank overdraft	-	908
Trade creditors	-	12,826
Other taxes and social security	-	285
Amounts owed to group undertakings	19,874	-
Other creditors	-	26,000
Accruals	1,041	-
	-----	-----
	£20,915	£40,019
	=====	=====

NOTES TO THE ACCOUNTS AT MARCH 31, 1997
(continued)**8. Share capital**

	<u>1997</u>	<u>Authorised</u>	<u>Allotted, called up</u>	
			<u>and fully paid</u>	
	<u>No.</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
		<u>No.</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>1996</u>
	<u>£</u>	<u>£</u>
Balance at April 1		
(Loss)/Profit for the period	(9,779)	(32,196)
	(9,912)	22,417
Balance at March 31	£(19,691)	£(9,779)

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