

T.S.G. Building Services plc

Report and Accounts

For the year ended

30th April 2002



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COMPANIES HOUSE

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• **MICHAEL J. LODGE & CO** •

CHARTERED CERTIFIED ACCOUNTANTS

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COMPANY INFORMATION

Directors

R P Thrussell Esq
B P Thrussell Esq

Secretary

P F Brigden Esq

Company Number

3908728

Registered Office

16 Fairways
New River Trading Estate
Cheshunt
Hertfordshire
EN8 ONJ

Auditors

Michael J Lodge & Co
Building 4, St Cross Chambers
Upper Marsh Lane
Hoddesdon
Hertfordshire
EN11 8LQ

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2002

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DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 30th April 2002.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity during the year continued to be that of a holding company, the subsidiary undertakings engaging in building and construction and property development. Details of the subsidiary undertakings are shown in the notes to the accounts.

The directors consider the profit achieved on ordinary activities before taxation to be in line with expectations, and they anticipate that a similar level of business should be achieved for the subsequent year of trading.

The results for the year are set out on page 3. The directors recommend a final dividend of £100,000 (£4 per share).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the shares of the company were:

	<u>30/04/02</u>	<u>30/04/01</u>
	<u>£</u>	<u>£</u>
R.P. Thrussell Esq	20,000	20,000
B.P. Thrussell Esq	2,000	2,000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 group, and of the profit or loss of the company and group 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.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CREDITOR PAYMENT POLICY

It is the company and group's policy to maintain good relationships with its suppliers. Suppliers are made aware of the terms of payment, which are agreed with them in advance, and these terms are adhered to, as far as is practicable.

DIRECTORS' REPORT (continued)

AUDITORS

Michael J Lodge & Co were appointed as auditors in January 2003 and will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.



REGISTERED OFFICE

16 Fairways
New River Trading Estate
Cheshunt
Hertfordshire
EN8 ONJ

ON BEHALF OF THE BOARD

P F Brigden
Company Secretary

25th March 2003

TO THE SHAREHOLDERS OF T.S.G. BUILDING SERVICES PLC

We have audited the accounts of T.S.G. Building Services plc for the year ended 30th April 2002 on pages 3 to 11. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities on page 1, the company's directors are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, if the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding Directors' remuneration and transactions with the group 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 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 group'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.

Qualified Audit Opinion Arising from Disagreement about Accounting Treatment

Included in fixed assets are long leasehold properties held as investments by the group, which have been included in the accounts as at 30th April 2001 and 30th April 2002 at their costs to the company. In our opinion, these properties should be accounted for in the balance sheet at their open market values as required by Statement of Standard Accounting Practice 19, and we are unable to quantify the differences between the costs and market values which should be taken to the statement of total recognised gains and losses and included in an investment revaluation reserve. The accounts do not include an explanation for the departure from an applicable accounting standard as required by the Companies Act 1985.

Except for the failure to account for investment properties referred to above as required by SSAP 19, in our opinion, the accounts give a true and fair view of the state of affairs of the company and of the group as at 30th April 2002 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Michael J Lodge & Co
Chartered Certified Accountants and Registered Auditors
Building 4
St Cross Chambers
Upper Marsh Lane
Hoddesdon
Herts
EN11 8LQ

25th March 2003

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 2002

		<u>2002</u>	<u>2001</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
TURNOVER	2	11,371,404	12,632,046
Cost of sales		(9,339,380)	(10,678,258)
GROSS PROFIT		2,032,024	1,953,788
Administrative expenses		(1,938,051)	(1,585,552)
OPERATING PROFIT	3	93,973	368,236
Income from fixed asset investments		23,268	25,121
		117,241	393,357
Interest receivable		1,330	13,678
Interest payable	6	(53,319)	(89,089)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		65,252	317,946
Taxation on profit on ordinary activities	7	(16,518)	(71,898)
PROFIT FOR THE FINANCIAL YEAR		48,734	246,048
Dividends - proposed		(100,000)	(100,000)
RETAINED (LOSS)/PROFIT FOR THE YEAR		(51,266)	146,048

All figures in the profit and loss account relate to continuing operations.

The company has no recognised gains and losses other than those included in the profit and loss account.

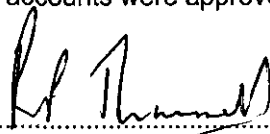
The attached notes form an integral part of these accounts and should be read in conjunction therewith.

GROUP BALANCE SHEET

AS AT 30TH APRIL 2002

	<u>Note</u>	<u>£</u>	<u>2002</u>	<u>£</u>	<u>2001</u>	<u>£</u>
FIXED ASSETS						
Tangible assets	8		77,902		98,797	
Investments	9		288,297		203,122	
			<hr/>		<hr/>	
			366,199		301,919	
CURRENT ASSETS						
Freehold properties for sale and development		1,242,957		1,529,966		
Stocks	10	920,607		688,221		
Debtors	11	1,000,218		1,155,337		
Cash at bank and in hand		720,264		577,226		
		<hr/>		<hr/>		
		3,884,046		3,950,750		
CREDITORS - amounts falling due within one year	12	(3,233,416)		(3,100,082)		
		<hr/>		<hr/>		
NET CURRENT ASSETS			650,630		850,668	
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>		<hr/>	
			1,016,829		1,152,587	
CREDITORS - amounts falling due after more than one year	13		(150,000)		(234,492)	
			<hr/>		<hr/>	
NET ASSETS			866,829		918,095	
			<hr/>		<hr/>	
CAPITAL AND RESERVES						
Called up share capital	14		25,000		25,000	
Profit and loss account	15		841,829		893,095	
			<hr/>		<hr/>	
EQUITY SHAREHOLDERS' FUNDS	16		866,829		918,095	
			<hr/>		<hr/>	

The accounts were approved by the Board on 25th March 2003 and were signed on their behalf by:


 R.P. Thrussell, Director

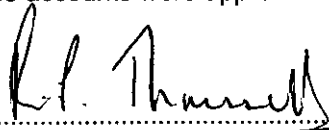
The attached notes form an integral part of these accounts and should be read in conjunction therewith.

COMPANY BALANCE SHEET

AS AT 30TH APRIL 2002

	<u>Note</u>	<u>£</u>	<u>2002</u>	<u>£</u>	<u>2001</u>	<u>£</u>
FIXED ASSETS						
Investments	9		25,000		25,000	
CURRENT ASSETS						
Debtors	11	100,000		100,000		
CREDITORS - amounts falling due within one year	12	(100,000)		(100,000)		
NET CURRENT ASSETS						
TOTAL ASSETS LESS CURRENT LIABILITIES						
			25,000		25,000	
CAPITAL AND RESERVES						
Called up share capital	14		25,000		25,000	
Profit and loss account			-		-	
EQUITY SHAREHOLDERS' FUNDS						
			25,000		25,000	

The accounts were approved by the Board on 25th March 2003 and were signed on their behalf by:


 R.P. Thrussell - Director

The attached notes form an integral part of these accounts and should be read in conjunction therewith.

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH APRIL 2002

		<u>2002</u>		<u>2001</u>	
	Note	£	£	£	£
Net cash flow from operating activities	21		647,120		384,961
Returns on investments and servicing of finance					
Income from leasehold property investments		23,253		25,106	
Purchase of investments		(85,175)		(71,955)	
Interest received		1,330		13,678	
Interest paid		(53,319)		(89,089)	
Dividends received		15		15	
Net cash outflow from returns on investments and servicing of finance			(113,896)		(122,245)
			533,224		262,716
Taxation					
Corporation tax paid			(75,179)		(129,564)
			458,045		133,152
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(41,999)		(53,365)	
Receipts from sales of tangible fixed assets		29,000		7,700	
Net cash outflow from capital expenditure and financial investment			(12,999)		(45,665)
Equity dividends paid			(100,000)		(100,000)
Increase/(decrease) in cash	22		345,046		(12,513)

The attached notes form an integral part of these accounts and should be read in conjunction therewith.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2002

1 ACCOUNTING POLICIES**a) Basis of Preparation of Financial Statements**

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

b) Basis of Consolidation

The group accounts consolidate the accounts of T.S.G. Building Services plc and all its subsidiary undertakings drawn up to the 30th April 2002. Intra-group transactions are eliminated on consolidation.

The acquisition method of accounting has been adopted, and under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. No profit and loss account is presented for T.S.G. Building Services plc, as provided by Section 230 of the Companies Act 1985. The company's profit for the financial period, determined in accordance with the Act was £Nil (2001 - £Nil).;

c) Turnover

Turnover, which is stated net of Value Added Tax, represents the value of goods and services supplied by the group.

d) Fixed Assets

All fixed assets are stated at cost, less depreciation, except for investments which are stated at their original costs.

e) Depreciation

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 expected useful life as follows:

Motor vehicles	- 25% of cost per annum
Plant and machinery	- 25% of cost per annum
Computer equipment	- 25% of cost per annum

f) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

g) Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes all costs incurred as follows:

Raw materials	- purchase cost on a first-in, first out basis
Work in progress	- cost of direct materials and labour

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30TH APRIL 2002

1 ACCOUNTING POLICIES (continued)

h) Deferred Taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. In accordance with FRS19, deferred tax is not recognised on revaluation gains. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

i) Pensions

The group contributes to defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

2 TURNOVER

The total turnover of the group for the year has been derived from the principal activities of the group undertakings wholly undertaken in the United Kingdom.

3 OPERATING PROFIT

	<u>2002</u>	<u>2001</u>
This is stated after charging	<u>£</u>	<u>£</u>
Depreciation of own fixed assets	28,701	37,586
Loss on disposal of fixed assets	5,193	8,485
Auditors' remuneration	14,500	1,250
Operating lease rentals		
- hire of plant and machinery	98,996	73,930
- other	30,000	30,000
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30TH APRIL 2002

4 STAFF COSTS

Staff costs were as follows:

	<u>2002</u> £	<u>2001</u> £
Wages and salaries	2,089,834	2,024,489
Social security costs	194,543	193,209
Other pension costs	29,549	28,454
	<u>2,313,926</u>	<u>2,246,152</u>

The average monthly number of employees, including directors, during the year was as follows:

	<u>2002</u>	<u>2001</u>
Office and administration	30	28
Production and site	60	71
	<u>90</u>	<u>99</u>

5 DIRECTORS' REMUNERATION

	<u>2002</u> £	<u>2001</u> £
Aggregate emoluments	103,226	82,973
Pension costs	24,000	24,000
	<u>127,226</u>	<u>106,973</u>

During the year retirement benefits were accruing to 1 director (2001 - 1)

6 INTEREST PAYABLE

	<u>2002</u> £	<u>2001</u> £
On bank loans and overdrafts	40,944	76,714
Pension fund loan	12,375	12,375
	<u>53,319</u>	<u>89,089</u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30TH APRIL 2002

7 TAXATION

	<u>2002</u> £	<u>2001</u> £
Analysis of tax charge in year		
Current tax		
UK Corporation tax on profits for the year	13,257	71,918
Adjustments in respect of prior periods	3,261	(20)
	<hr/>	<hr/>
Total current tax	16,518	71,898
	<hr/>	<hr/>
Profit on ordinary activities before tax	64,724	317,946
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.9% (2001 - 20%)	12,761	70,618
Expenses not deductible for tax purposes	1,934	2,600
Capital allowances in excess of depreciation	(1,438)	(1,300)
Adjustments to tax charge in respect of prior years and underprovisions	3,261	(20)
	<hr/>	<hr/>
	16,518	71,898
	<hr/>	<hr/>

There were no factors that may affect future tax charges.

8 TANGIBLE FIXED ASSETS

<u>Group</u>	<u>Plant and</u> <u>Equipment</u> £	<u>Motor</u> <u>Vehicles</u> £	<u>Total</u> £
Cost:			
At 1st May 2001	35,248	201,428	236,676
Additions	-	41,999	41,999
Disposals in the year	(23,586)	(97,280)	(120,866)
	<hr/>	<hr/>	<hr/>
At 30th April 2002	11,662	146,147	157,809
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1st May 2001	32,787	105,092	137,879
Provided during the year	469	28,232	28,701
On disposals	(22,484)	(64,189)	(86,673)
	<hr/>	<hr/>	<hr/>
At 30th April 2002	10,772	69,135	79,907
	<hr/>	<hr/>	<hr/>
Net book value at 30th April 2002	<u>890</u>	<u>77,012</u>	<u>77,902</u>
Net book value at 30th April 2001	<u>2,461</u>	<u>96,336</u>	<u>98,797</u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30TH APRIL 2002

9 INVESTMENTS

Group

	<u>Long Leasehold Properties</u>	<u>Listed Investments</u>	<u>Total</u>
	£	£	£
Cost:			
At 1st May 2001	192,484	10,638	203,122
Additions	85,175	-	85,175
At 30th April 2002	277,659	10,638	288,297

The market value of listed investments was £1,350 (2001 - £675)

Company

	<u>2002</u>	<u>2001</u>
	£	£
Shares in group undertakings	25,000	25,000

The company's subsidiary undertaking is The Swiftheat Company Limited.

The group subsidiary undertakings are:-

	<u>Holding</u>	<u>Nature of Business</u>
The Swiftheat Company Limited	100%	Holding company
TSG Mechanical Services Limited	100% *	Mechanical and heating contractors
TSG Construction Limited	100% *	Building contractors
TSG Gas Services Limited	100% *	Gas servicing contractors
Tolldene Estates Limited	100% *	Property development

* Held by The Swiftheat Company Limited.

All five companies above are registered in the United Kingdom.

10 STOCKS

Group

	<u>2002</u>	<u>2001</u>
	£	£
Raw materials and consumables	160,000	110,000
Work in progress	760,607	578,221
	920,607	688,221

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30TH APRIL 2002

11 DEBTORS

<u>Group</u>	<u>2002</u> £	<u>2001</u> £
Trade debtors	967,681	1,135,834
Other debtors	32,537	19,503
	<u>1,000,218</u>	<u>1,155,337</u>
 <u>Company</u>		
Dividend receivable	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

12 CREDITORS - amounts falling due within one year

<u>Group</u>	<u>2002</u> £	<u>2001</u> £
Bank loans	748,000	865,516
Trade creditors	1,933,233	1,582,069
Corporation tax	13,257	71,918
Other taxes and social security costs	356,986	324,344
Other creditors	73,440	150,985
Accruals and deferred income	8,500	5,250
Proposed dividends	100,000	100,000
	<u>3,233,416</u>	<u>3,100,082</u>
 <u>Company</u>		
Proposed dividend	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

The bank loans are secured by fixed and floating charges on freehold properties held at the balance sheet date.

13 CREDITORS - amounts falling due after more than one year

<u>Group</u>	<u>2002</u> £	<u>2001</u> £
Bank loans	-	84,492
Pension fund loan	150,000	150,000
	<u>150,000</u>	<u>234,492</u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30TH APRIL 2002

14 SHARE CAPITAL

	<u>2002</u> £	<u>2001</u> £
Authorised:		
25,000 Ordinary shares of £1 each	25,000	25,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
25,000 Ordinary shares of £1 each	25,000	25,000
	<u> </u>	<u> </u>

15 RESERVES

<u>Group</u>	Profit and Loss Account £
Balance at 1st May 2001	893,095
Loss retained for the year	(51,266)
	<u> </u>
Balance at 30th April 2002	841,829
	<u> </u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<u>Group</u>	<u>2002</u> £	<u>2001</u> £
At 1st May 2001	918,095	772,047
Profit for the year	48,734	246,048
Dividend	(100,000)	(100,000)
	<u> </u>	<u> </u>
At 30th April 2002	866,829	918,095
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30TH APRIL 2002

17 PENSION COMMITMENTS

The group contributes to defined contribution pension schemes for certain of its employees. The assets of the schemes are held separately from those of the company in independently administered funds.

18 CONTINGENT LIABILITIES

- a) The company has given an unlimited guarantee in respect of the indebtedness of other group companies to their banks.

	<u>2002</u>	<u>2001</u>
	£	£
b) Bonds to Local Authorities	311,978	39,928
	<u> </u>	<u> </u>

19 OTHER COMMITMENTS

At 30th April 2002 there were annual commitments under non-cancellable operating leases as follows:

	<u>Land and Buildings</u>		<u>Hire of Plant and Equipment</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	£	£	£	£
Expiry date:				
Within one year	-	-	8,955	-
Between two and five years	13,000	13,000	50,418	67,801
After five years	17,000	17,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30TH APRIL 2002

20 RELATED PARTY TRANSACTIONS

The group has borrowed £150,000 from the pension scheme operated on behalf of the director R.P. Thrussell, who is also a trustee. Interest is paid on normal commercial terms and amounted to £12,375 (2001 - £12,375) charged in the profit and loss account for the year.

In addition, Messrs Brigden & Company a firm of which Mr P.F. Brigden, the company secretary and a shareholder, is a principal, received fees from the group of £27,560 exclusive of VAT, for accountancy services rendered throughout the year, and Messrs Ashleigh Insurance Consultants, of which Mr P.F. Brigden is a partner, received fees of £33,000 for bookkeeping services, rendered throughout the year.

21 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2002</u> £	<u>2001</u> £
Operating profit	93,973	368,236
Depreciation	28,701	37,586
Loss on sale of assets	5,193	8,485
(Increase)/decrease in stocks	(232,386)	324,996
Decrease/(increase) in freehold properties	287,009	(363,947)
Decrease in debtors	155,119	38,810
Increase/(decrease) in creditors	309,511	(29,205)
	<hr/>	<hr/>
Net cash inflow from operating activities	647,120	384,961
	<hr/> <hr/>	<hr/> <hr/>

22 ANALYSIS OF CHANGES IN NET DEBT

	<u>01-05-01</u> £	<u>Cash flow</u> £	<u>30-04-02</u> £
Cash at bank and in hand	577,226	143,038	720,264
Bank loans	(950,008)	202,008	(748,000)
	<hr/>	<hr/>	<hr/>
	(372,782)	345,046	(27,736)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>