

LEYDEN TRANSPORT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1999



LEYDEN TRANSPORT LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MARCH 1999

Company registration number:

597757

Registered office:

22 Melton Street
Euston Square
London
NW1 2BW

Directors:

P T McNicholas
K M McNicholas
C P McNicholas
M J Byrne
G C Daly

Secretary:

P M Silverman

Bankers:

Barclays Bank plc
London Corporate Banking
PO Box 15161
50 Pall Mall
London
SW1A 1QA

Solicitors:

Titmuss Sainer Dechert
2 Serjeants' Inn
London
EC4Y 1LT

Auditors:

Grant Thornton
Registered auditors
Chartered accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

LEYDEN TRANSPORT LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MARCH 1999

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LEYDEN TRANSPORT LIMITED

REPORT OF THE DIRECTORS

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

Principal activity

The principal activity of the company is that of servicing and maintenance of plant and vehicles.

Review of business and future developments

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

The directors do not propose payment of a dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

P T McNicholas
K M McNicholas
C P McNicholas
M J Byrne
G C Daly

None of the directors have any interest in the share capital of the company. The interests of those directors who are also directors of the ultimate parent undertaking in the share capital of that company are disclosed in its financial statements.

Directors' responsibilities for the financial statements

Company law requires the directors of the company 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
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for maintaining 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.

LEYDEN TRANSPORT LIMITED

REPORT OF THE DIRECTORS

Year 2000

The company reviewed its computer systems for the impact of the Year 2000 date change, prepared an action plan to address the issue and carried out all necessary measures. All systems have continued to operate properly over the year 2000 date change and through any roll-over procedures that occurred at a latter date.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. As all businesses are dependent on the compliance of their major customers, suppliers and other trading partners, any impact that has occurred on their systems will affect the company's business to a greater of lesser extent.

Auditors

During the year the auditors, Orr Shotliff, resigned having confirmed that there were no matters relating to their resignation which should be brought to the attention of shareholders or creditors. The directors appointed Grant Thornton to fill the vacancy arising. A resolution to re-appoint Grant Thornton will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



P M Silverman
Secretary
28 January 2000

REPORT OF THE AUDITORS TO THE MEMBERS OF

LEYDEN TRANSPORT LIMITED

We have audited the financial statements on pages 4 to 13 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 1 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.

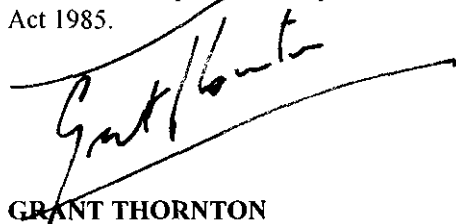
Basis of opinion

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 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

**LONDON
28 JANUARY 2000**

LEYDEN TRANSPORT LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

TURNOVER

Turnover is the total amount receivable by the company for services provided, excluding VAT.

DEPRECIATION

Depreciation is calculated so as to write off the cost less estimated residual value of all tangible fixed assets by equal instalments over their expected useful lives. The annual rates generally applicable are:

Furniture and equipment	- 20% on cost
Commercial vehicles	- 20% on cost
Motor vehicles	- 25% on cost

STOCKS

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

DEFERRED TAXATION

Deferred tax is provided for 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 will crystallise.

CONTRIBUTIONS TO PENSION FUNDS

Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the remaining service lives of current employees in the scheme.

LEYDEN TRANSPORT LIMITED

PRINCIPAL ACCOUNTING POLICIES

LEASED ASSETS

Asset 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 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.

LEYDEN TRANSPORT LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 MARCH 1999

	Note	1999 £	1998 £
Turnover	1	2,391,812	1,802,589
Cost of sales		<u>(1,777,309)</u>	<u>(1,296,697)</u>
Gross profit		614,503	505,892
Administrative expenses		<u>(387,121)</u>	<u>(331,404)</u>
Operating profit	2	227,382	174,488
Interest payable and similar charges	3	<u>(144,513)</u>	<u>(83,778)</u>
Profit on ordinary activities before taxation		82,869	90,710
Tax on profit on ordinary activities	5	<u>(9,553)</u>	<u>(2,017)</u>
Retained profit for the year	12	<u><u>73,316</u></u>	<u><u>88,693</u></u>

All transactions arose from continuing operations.

There were no recognised gains and losses other than the profit for the financial year.

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

LEYDEN TRANSPORT LIMITED**BALANCE SHEET AT 31 MARCH 1999**

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	6	3,216,281	2,303,229
Current assets			
Stocks	7	65,666	99,190
Debtors	8	1,194,810	1,336,499
Cash at bank and in hand		<u>342,565</u>	<u>306,400</u>
		1,603,041	1,742,089
Creditors: amounts falling due within one year	9	<u>(2,947,082)</u>	<u>(2,605,009)</u>
Net current liabilities		<u>(1,344,041)</u>	<u>(862,920)</u>
Total assets less current liabilities		1,872,240	1,440,309
Creditors: amounts falling due after more than one year	10	<u>(1,480,986)</u>	<u>(1,122,371)</u>
		<u>391,254</u>	<u>317,938</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	<u>390,254</u>	<u>316,938</u>
Equity shareholders' funds	13	<u>391,254</u>	<u>317,938</u>

The financial statements were approved by the Board of Directors on 28 January 2000


C P McNicholas

M J Byrne



)
) Directors
)

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

LEYDEN TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 1999

1 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

2 OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	1999 £	1998 £
Hire of plant and vehicles	88,190	18,948
Depreciation - owned assets	170,408	209,074
Depreciation - leased assets	664,602	401,884
Profit on disposal of fixed assets	(76,262)	(71,504)
Auditors' remuneration	<u>3,000</u>	<u>2,000</u>

3 INTEREST PAYABLE AND SIMILAR INCOME

	1999 £	1998 £
Finance charges in respect of finance leases	<u>144,513</u>	<u>83,788</u>

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	320,096	239,582
Social security costs	42,247	31,099
Other pension costs	<u>1,999</u>	<u>16,248</u>
	<u>364,342</u>	<u>286,929</u>

LEYDEN TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 1999

DIRECTORS AND EMPLOYEES (CONTINUED)

The average number of employees during the year was as follows:

	1999 Number	1998 Number
Production	18	13
Administration	<u>2</u>	<u>2</u>
	<u>20</u>	<u>15</u>
	£	£
Remuneration in respect of directors was as follows:		
Emoluments	43,876	42,104
Pension contributions	<u>3,120</u>	<u>2,800</u>
	<u>46,996</u>	<u>44,904</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1999 £	1998 £
UK Corporation tax at 21% (1998: 21%)	9,553	-
Under provision re prior years	<u>-</u>	<u>2,017</u>
	<u>9,553</u>	<u>2,017</u>

LEYDEN TRANSPORT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 1999

6 TANGIBLE FIXED ASSETS

	Furniture and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 1998	2,532,795	2,753,131	5,285,926
Additions	1,207,247	560,607	1,767,854
Disposals	<u>(179,510)</u>	<u>(395,102)</u>	<u>(574,612)</u>
At 31 March 1999	<u>3,560,532</u>	<u>2,918,636</u>	<u>6,479,168</u>
Depreciation			
At 1 April 1998	1,424,775	1,557,922	2,982,697
Charge for year	404,344	430,666	835,010
Disposals	<u>(179,510)</u>	<u>(375,310)</u>	<u>(554,820)</u>
At 31 March 1999	<u>1,649,609</u>	<u>1,613,278</u>	<u>3,262,887</u>
Net book value			
At 31 March 1999	<u>1,910,923</u>	<u>1,305,358</u>	<u>3,216,281</u>
At 31 March 1998	<u>1,108,020</u>	<u>1,195,209</u>	<u>2,303,229</u>

The net book value of tangible fixed assets included above held under finance leases or hire purchase contracts amounted to £2,706,873 (1998: £2,243,208). Total depreciation allocated to these assets during the year was £664,602 (1998: £401,884).

7 STOCKS

	1999 £	1998 £
Raw materials and consumables	<u>65,666</u>	<u>99,190</u>

LEYDEN TRANSPORT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 1999

8 DEBTORS

	1999 £	1998 £
Amounts owed by group undertakings	1,094,912	1,251,146
Other debtors	85,184	67,517
Prepayments	14,714	17,836
	<u>1,194,810</u>	<u>1,336,499</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Trade creditors	-	12,848
Amounts owed to group undertakings	1,894,776	1,919,446
Corporation tax	9,553	-
Social security and other taxes	18,398	16,825
Other creditors	60,095	11,832
Accruals and deferred income	18,822	7,227
Amounts due under finance leases	945,438	636,831
	<u>2,947,082</u>	<u>2,605,009</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £	1998 £
Amounts due under finance leases		
After one and within two years	650,836	555,347
After two and within five years	830,150	567,024
	<u>1,480,986</u>	<u>1,122,371</u>

LEYDEN TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 1999

11 SHARE CAPITAL

	1999 £	1998 £
Authorised, allotted, issued and fully paid: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12 PROFIT AND LOSS ACCOUNT

	£
At 1 April 1998	316,938
Retained profit for the year	<u>73,316</u>
At 31 March 1999	<u>390,254</u>

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	73,316	88,693
Opening shareholders' funds	<u>317,938</u>	<u>229,245</u>
Closing shareholders' funds	<u>391,254</u>	<u>317,938</u>

14 CAPITAL COMMITMENTS

There were no capital commitments as at 31 March 1999 or at 31 March 1998.

15 CONTINGENT LIABILITIES

Unlimited cross guarantees on liabilities of Group Companies.

LEYDEN TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 1999

16 PENSION COMMITMENTS

The company is a member of the defined benefit group pension scheme operated by McNicholas Construction (Holdings) Limited. Full details of the scheme are given in the notes to the financial statements of McNicholas Construction (Holdings) Limited.

Contributions to the defined contribution group pension scheme are charged to the profit and loss account as incurred.

The total pension cost for the company in the year ended 31 March 1999 was £1,999 (1998: £16,248).

17 LEASING COMMITMENTS

Operating lease payments amounting to £21,237 (1998: £16,869) are due within one year.

The leases to which these relate expire as follows:

	Other 1999 £	1998 £
Within one year	5,868	1,500
Between one and five years	<u>15,369</u>	<u>15,369</u>
	<u>21,237</u>	<u>16,869</u>

18 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of McNicholas Construction (Holdings) Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by McNicholas Construction (Holdings) Limited.

19 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of this company is McNicholas Construction (Holdings) Limited, incorporated in England and Wales. It is situated at Lismirrane Industrial Park, Elstree Road, Elstree, Hertfordshire and its financial statements are available from Companies House.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by McNicholas Construction (Holdings) Limited.