

1998

Company Registration No. 02744918

(England and Wales)

QUATTRO (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998

McCORMACK & ASSOCIATES

REGISTERED AUDITORS

CHARTERED CERTIFIED ACCOUNTANTS

LONDON N20 9BH



QUATTRO (UK) LIMITED

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QUATTRO (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report and financial statements for the year ended 31 December 1998.

Principal activities and review of the business

The principal activity of the company continued to be that of Haulier and Tipper Contractors.

Results and dividends

The results for the year are set out on page 4.

Year 2000

We are in the process of assessing the risks to the business in detail. We are considering not only our own systems but also those of our major suppliers and customers. Once our assessment is complete we will develop detailed plans to deal with any such risk as are identified.

Directors

The following directors have held office since 1 January 1998:

T H James Esq
E O'Loughlin Esq
M O McGee Esq

(Appointed 15 April 1998)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 1998	1 January 1998
T H James Esq	25,000	25,000
E O'Loughlin Esq	-	-
M O McGee Esq	-	-

QUATTRO (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

Charitable contributions

During the year the company made charitable donations of £3,211 (1997 : £2,194).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that McCormack & Associates be reappointed as auditors of the company will be put to the Annual General Meeting.

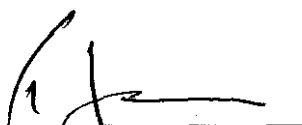
Directors' responsibilities

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.

By order of the board



T H James Esq
Director

28 July 1999

QUATTRO (UK) LIMITED

AUDITORS' REPORT TO QUATTRO (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the year ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.



**MCCORMACK & ASSOCIATES
REGISTERED AUDITORS
CHARTERED CERTIFIED ACCOUNTANTS
4TH FLOOR, EURO HOUSE
1394 -1400 HIGH ROAD
WHETSTONE, LONDON N20 9BH**

28 July 1999

QUATTRO (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	1998 £	1997 £
Gross profit		1,225,458	918,915
Administrative expenses		(816,919)	(417,880)
Operating profit	2	408,539	501,035
Other interest receivable and similar income	3	887	-
Interest payable and similar charges	4	(44,928)	(52,732)
Profit on ordinary activities before taxation		364,498	448,303
Tax on profit on ordinary activities	5	(109,197)	(141,613)
Profit on ordinary activities after taxation	14	255,301	306,690


QUATTRO (UK) LIMITED


ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	6		98,416		135,224
Current assets					
Stocks	7	29,075		60,796	
Debtors	8	2,595,593		1,405,093	
Cash at bank and in hand		30,220		20,625	
		<u>2,654,888</u>		<u>1,486,514</u>	
Creditors: amounts falling due within one year	9	<u>(1,850,877)</u>		<u>(953,279)</u>	
Net current assets			804,011		533,235
Total assets less current liabilities			<u>902,427</u>		<u>668,459</u>
Creditors: amounts falling due after more than one year	10		(10,667)		(32,000)
Provisions for liabilities and charges	11		(8,000)		(8,000)
			<u>883,760</u>		<u>628,459</u>
Capital and reserves					
Called up share capital	13	25,000		25,000	
Profit and loss account	14	858,760		603,459	
Shareholders' funds	15	<u>883,760</u>		<u>628,459</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 28 July 1999


T H James Esq
Director


E O'loughlin Esq
Director

QUATTRO (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1998

	1998 £	1997 £
Net cash outflow from operating activities	(363,316)	(497,405)
Returns on investments and servicing of finance		
Interest paid	(44,452)	(52,473)
Net cash outflow for returns on investments and servicing of finance	(44,452)	(52,473)
Taxation	(132,478)	668
Capital expenditure		
Payments to acquire tangible assets	(11,653)	(152,695)
Receipts from sales of tangible assets	-	76,000
Net cash outflow for capital expenditure	(11,653)	(76,695)
Net cash outflow before management of liquid resources and financing	(551,899)	(625,905)
Decrease in cash in the year	(551,899)	(625,905)

QUATTRO (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1998

1	Reconciliation of operating profit to net cash outflow from operating activities	1998		1997	
		£		£	
	Operating profit	408,539		501,035	
	Depreciation of tangible assets	48,461		39,924	
	Profit on disposal of tangible assets	-		(4,887)	
	Decrease/(increase) in stocks	31,721		(60,796)	
	Increase in debtors	(1,189,613)		(1,405,093)	
	Increase in creditors within one year	337,576		432,412	
	Net cash outflow from operating activities	(363,316)		(497,405)	
2	Analysis of net debt	1 January 1998	Cash flow	Other non-cash changes	31 December 1998
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	20,625	9,595		30,220
	Debt:				
	Finance leases	(53,333)	21,333	-	(32,000)
	Debts falling due within one year	(364,994)	(582,827)	-	(947,821)
		(418,327)	(561,494)	-	(979,821)
	Net debt	(397,702)	(551,899)	-	(949,601)
3	Reconciliation of net cash flow to movement in net debt	1998		1997	
		£		£	
	Increase in cash in the year	9,595		20,625	
	Cash inflow from increase in debt and lease financing	(561,494)		(418,327)	
	Movement in net debt in the year	(551,899)		(397,702)	
	Opening net debt	(397,702)		-	
	Closing net debt	(949,601)		(397,702)	

QUATTRO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Assets under finance leases	25% on cost straight line basis
Plant and machinery	25% on cost straight line basis
Fixtures, fittings & equipment	25% on cost straight line basis
Motor vehicles	25% on cost straight line basis

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	1998 £	1997 £
Operating profit is stated after charging:		
Depreciation of tangible assets	48,461	39,924
Operating lease rentals		
- Plant and machinery	103,092	46,625
Auditors' remuneration	10,800	13,100

QUATTRO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

3	Other interest receivable and similar income	1998	1997
		£	£
	Bank interest	887	-
		<u>887</u>	<u>-</u>
4	Interest payable	1998	1997
		£	£
	Hire purchase interest	2,848	1,765
	Discounting interest paid	41,509	50,667
	Interest payable on overdue tax	476	259
	Interest payable on bank overdraft	95	41
		<u>44,928</u>	<u>52,732</u>
5	Taxation	1998	1997
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1997 - 30%)	111,000	134,000
	Transfer to (from) deferred taxation	-	8,000
		<u>111,000</u>	<u>142,000</u>
	Prior years		
	U.K. corporation tax	(1,803)	(387)
		<u>109,197</u>	<u>141,613</u>

QUATTRO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

6 Tangible fixed assets

	Assets under finance leases	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 1998	23,247	155,968	6,296	49,857	235,368
Additions	-	1,540	10,113	-	11,653
At 31 December 1998	23,247	157,508	16,409	49,857	247,021
Depreciation					
At 1 January 1998	17,436	39,251	2,877	40,580	100,144
Charge for the year	5,811	34,776	1,534	6,340	48,461
At 31 December 1998	23,247	74,027	4,411	46,920	148,605
Net book value					
At 31 December 1998	-	83,481	11,998	2,937	98,416
At 31 December 1997	5,811	116,717	3,419	9,277	135,224

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 1998	50,000	-	50,000
At 31 December 1997	70,000	9,811	79,811
Depreciation charge for the year			
31 December 1998	20,000	-	20,000
31 December 1997	10,000	9,811	19,811

7 Work in progress

	1998 £	1997 £
Work in progress	29,075	60,796

QUATTRO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

8 Debtors	1998	1997
	£	£
Trade debtors	1,517,742	984,039
Amount due from Quattro Holdings Limited	893,747	158,160
Amount due from the business "Thomas James"	111,882	244,414
Amount due from Quattro Environmental Limited	478	313
Prepayments	61,744	16,467
Directors' loan accounts	-	-
Other debtors	10,000	1,700
	<u>2,595,593</u>	<u>1,405,093</u>
9 Creditors: amounts falling due within one year	1998	1997
	£	£
Net obligations under hire purchase contracts	21,333	21,333
Trade creditors	493,139	304,082
Amount due to Confidential Invoice Discounting Limited	-	364,994
Amount due to BNY International Limited	947,821	-
Taxation and social security	143,635	74,735
Directors' current accounts	-	-
Corporation tax	111,000	134,281
Other creditors	21,960	-
Accruals	111,989	53,854
	<u>1,850,877</u>	<u>953,279</u>

QUATTRO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

10 Creditors: amounts falling due after more than one year	1998	1997
	£	£
Net obligations under finance leases and hire purchase agreements	10,667	32,000
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	24,182	24,181
Repayable between one and five years	12,090	36,272
	36,272	60,453
Finance charges and interest allocated to future accounting periods	(4,272)	(7,120)
	32,000	53,333
Included in liabilities falling due within one year	(21,333)	(21,333)
	10,667	32,000
11 Provisions for liabilities and charges		Deferred taxation £
Profit and loss account		8,000
12 Pension costs		
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,394 (1997 - £NIL).		
13 Share capital	1998	1997
	£	£
Authorised		
250,000 Ordinary shares of £1 each	250,000	250,000
Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	25,000	25,000

QUATTRO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 1998	603,459
Retained profit for the year	255,301
Balance at 31 December 1998	<u>858,760</u>

15 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	255,301	306,690
Opening shareholders' funds	628,459	321,769
Closing shareholders' funds	<u>883,760</u>	<u>628,459</u>

16 Employees

Employment costs	1998 £	1997 £
Wages and salaries	1,377,461	1,016,048
Other pension costs	11,394	-
	<u>1,388,855</u>	<u>1,016,048</u>

17 Directors' remuneration

The amount payable (excluding pension contributions of £8,694 (1997 - £NIL)) is as follows:

	1998 £	1997 £
T H James Esq	34,327	31,731
E O'Loughlin Esq	34,327	31,538
M O McGee Esq	24,526	-
	<u>93,180</u>	<u>63,269</u>

QUATTRO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

18 Related party transactions

During the year the Company:

- (a) paid service charges to Quattro Holdings Limited, a company controlled by T H James Esq, amounting to £1,062,000 (1997 - £531,000);
- (b) paid rents to Quattro Holdings Limited, a company controlled by T H James Esq amounting to £313,197 (1997 - £176,000).

19 Guarantees and charges

During the year ended 31st December 1998, the Company has given the following charges in favour of BNY International Limited:

- (a) by way of fixed equitable charge on all discounted debts and other debts; and
- (b) by way of floating charge on the receipts of other debts.