

JACK TIGHE LIMITED  
(Company registered number 834165)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 December 1998**

*Registers*



## **JACK TIGHE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998**

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

#### **BUSINESS REVIEW**

The principal activity of the company is industrial painting.

In common with the rest of the construction industry, trading conditions were difficult. The directors were satisfied with the trading results and are optimistic for the current year.

#### **PROFIT AND APPROPRIATIONS**

The profit for the year after taxation is shown on page 4. The directors do not recommend the payment of a dividend.

#### **YEAR 2000**

The directors have assessed the risks and uncertainties associated with the Year 2000 problem and consider that these are not material. Plans have been formulated to address any Year 2000 issues relating to the business and operations and the directors consider that the costs of these plans, including amounts to be spent in future periods, will not be significant.

#### **DIRECTORS**

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	<b>31 December 1998</b>	<b>31 December 1997</b>
Mr J D Tighe (As trustee)	50,000	50,000
Mrs S Tighe	50,000	50,000
Mr R A Kane	-	-

#### **STATEMENT OF 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **JACK TIGHE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

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.

#### **AUDITORS**

A resolution to re-appoint our auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

Approved by the Board

A handwritten signature in black ink, appearing to read 'G Kemshall', written in a cursive style.

G Kemshall  
Secretary

## AUDITORS' REPORT TO THE MEMBERS OF JACK TIGHE LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the financial statements as described on pages 1 and 2. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

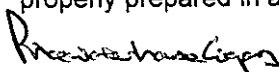
### Basis of audit opinion

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 at 31 December 1998 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors

4 May 1999

**JACK TIGHE LIMITED**

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

	Note	<u>1998</u>	<u>1997</u>
<b>TURNOVER – Continuing operations</b>		5,432,416	6,424,453
Cost of sales		<u>(4,529,816)</u>	<u>(5,473,621)</u>
Gross profit		902,600	950,832
Administrative expenses		<u>(737,800)</u>	<u>(1,006,310)</u>
<b>OPERATING PROFIT/(LOSS)</b>			
- Continuing operations	2	164,800	(55,478)
Interest payable	3	<u>(2,587)</u>	<u>(2,462)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		162,213	(57,940)
Taxation	5	<u>(50,541)</u>	<u>5,222</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		111,672	(52,718)
Dividends		<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) TRANSFERRED TO RESERVES</b>	11	<u>£111,672</u>	<u>£(52,718)</u>

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

# JACK TIGHE LIMITED

## BALANCE SHEET - 31 DECEMBER 1998

	Note	<u>1998</u>	<u>1997</u>
<b>FIXED ASSETS</b>			
Tangible assets	6	129,499	139,134
<b>CURRENT ASSETS</b>			
Stock and work in progress	7	81,231	52,029
Debtors	8	2,321,416	2,056,690
Cash at bank and in hand		<u>5,910</u>	<u>5,314</u>
		2,408,557	2,114,033
<b>CREDITORS - Amounts falling due within one year</b>	9	<u>(2,061,019)</u>	<u>(1,887,802)</u>
<b>NET CURRENT ASSETS</b>		<u>347,538</u>	<u>226,231</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£477,037</u>	<u>£365,365</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100,000	100,000
Profit and loss account	11	<u>377,037</u>	<u>265,365</u>
<b>SHAREHOLDERS' FUNDS - equity interests</b>	12	<u>£477,037</u>	<u>£365,365</u>

APPROVED BY THE BOARD ON

*4th May 1999*

J D Tighe

R A Kane

DIRECTORS

# **JACK TIGHE LIMITED**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1998**

	<b>Note</b>	<b>1998</b>	<b>1997</b>
Net cash outflow from operating activities	13(1)	(51,499)	(48,368)
Returns on investments and servicing of finance	13(2)	(2,587)	(2,462)
Taxation		3,128	(4,742)
Capital expenditure	13(3)	<u>(65,684)</u>	<u>(42,201)</u>
Cash flow before liquid resources and financing		(116,642)	(97,773)
<b>FINANCING</b>		<u>-</u>	<u>-</u>
<b>DECREASE IN CASH</b>	13(4)	<u>£(116,642)</u>	<u>£(97,773)</u>

# JACK TIGHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998

### 1 ACCOUNTING POLICIES

#### (1) Basis of accounting

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

#### (2) Turnover

Turnover represents amounts receivable for goods and services supplied to customers during the year, excluding value added tax.

#### (3) Depreciation

Depreciation of tangible fixed assets is calculated by reference to cost or valuation at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence.

The annual rates used are

Freehold land	Nil
Freehold buildings	2% on cost
Plant and equipment	15% to 33 <sup>1</sup> / <sub>3</sub> % on cost
Transport	25% or 33 <sup>1</sup> / <sub>3</sub> % on cost

#### (4) Stock and work in progress

Stock and work in progress are valued on a basis consistent with that of previous years at the lower of cost, including an addition for production overhead where appropriate, and net realisable value.

#### (5) Deferred taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

### 2 OPERATING PROFIT/(LOSS)

	1998	1997
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation	<u>£80,918</u>	<u>£78,310</u>
Auditors' remuneration	<u>£8,000</u>	<u>£6,000</u>
Surplus on sale of fixed assets	<u>£(5,599)</u>	<u>£(16,182)</u>
<b>Exceptional items:</b>		
Bad debt	<u>£-</u>	<u>£170,892</u>
Contract settlement	<u>£-</u>	<u>£152,000</u>



# JACK TIGHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998

	1998	1997
<b>3 INTEREST PAYABLE</b>		
Bank overdraft	<u>£2,587</u>	<u>£2,462</u>
<b>4 DIRECTORS AND EMPLOYEES</b>		
	<b>Number</b>	<b>Number</b>
<b>The average number of persons employed by the company (including directors) during the year was</b>		
Production	95	95
Administration	<u>10</u>	<u>10</u>
	105	105
	<u>1998</u>	<u>1997</u>
<b>The aggregate staff costs of these persons were</b>		
Wages and salaries	2,352,191	2,227,658
Social security costs	200,546	186,949
Other pension costs	<u>6,760</u>	<u>5,537</u>
	<u>£2,559,497</u>	<u>£2,420,144</u>
<b>Directors</b>		
Aggregate emoluments	79,121	75,930
Company payments to money purchase pension schemes	<u>2,528</u>	<u>2,348</u>
	<u>£81,649</u>	<u>£78,278</u>
<b>5 TAXATION</b>		
Corporation tax on profit on ordinary activities	53,670	-
<b>Adjustment in respect of prior years</b>		
Corporation tax	<u>(3,129)</u>	<u>(5,222)</u>
	<u>£50,541</u>	<u>£(5,222)</u>

# JACK TIGHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998

### 6 TANGIBLE FIXED ASSETS

	Plant and equipment	Transport	Total
<b>Cost</b>			
31 December 1997	192,978	349,318	542,296
Additions	25,508	52,625	78,133
Disposals	<u>(13,833)</u>	<u>(29,350)</u>	<u>(43,183)</u>
31 December 1998	<u>£204,653</u>	<u>£372,593</u>	<u>£577,246</u>
<b>Depreciation</b>			
31 December 1997	184,425	218,737	403,162
Charged for the year	9,547	71,371	80,918
Appropriated on disposals	<u>(8,930)</u>	<u>(27,403)</u>	<u>(36,333)</u>
31 December 1998	<u>£185,042</u>	<u>£262,705</u>	<u>£447,747</u>
<b>Net book value</b>			
31 December 1998	<u>£19,611</u>	<u>£109,888</u>	<u>£129,499</u>

### 7 STOCK AND WORK IN PROGRESS

	1998	1997
Raw materials	16,869	16,150
Work in progress	<u>64,362</u>	<u>35,879</u>
	<u>£81,231</u>	<u>£52,029</u>

### 8 DEBTORS

Trade debtors	2,028,781	1,682,995
Other debtors	214,734	267,739
Prepayments and accrued income	<u>77,901</u>	<u>105,956</u>
	<u>£2,321,416</u>	<u>£2,056,690</u>

### 9 CREDITORS - Amounts falling due within one year

Bank overdraft	605,164	487,926
Trade creditors	406,978	417,176
Other creditors	325,951	433,896
Corporation tax	53,670	-
Other taxes and social security	200,205	197,727
Accruals	<u>469,051</u>	<u>351,077</u>
	<u>£2,061,019</u>	<u>£1,887,802</u>

The company's bank facilities are secured by an unscheduled mortgage debenture dated 5 December 1984 in favour of National Westminster Bank plc.

# JACK TIGHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1997

### 10 CALLED UP SHARE CAPITAL

	<u>1998</u>		<u>1997</u>	
	Number	£	Number	£
<b>Ordinary shares of £1 each</b>				
Authorised, allotted, called up and fully paid	<u>100,000</u>	<u>£100,000</u>	<u>100,000</u>	<u>£100,000</u>

### 11 PROFIT AND LOSS ACCOUNT

31 December 1997	265,365
Profit for the year	<u>111,672</u>
31 December 1998	<u>£377,037</u>

### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1998</u>	<u>1997</u>
Profit/(loss) for the financial year	<u>111,672</u>	<u>(52,718)</u>
Net increase/(reduction to) shareholders' funds	111,672	(52,718)
Opening shareholders' funds	<u>365,365</u>	<u>418,083</u>
Closing shareholders' funds	<u>£477,037</u>	<u>£365,365</u>

### 13 NOTES TO THE CASH FLOW STATEMENT

#### (1) Reconciliation of operating profit/(loss) to net cash outflow from operating activities

Operating profit/(loss)	164,800	(55,478)
Depreciation charges	80,918	78,310
Surplus on sale of tangible fixed assets	(5,599)	(16,182)
Increase in stock and work in progress	(29,202)	(15,490)
(Increase) in debtors	(37,197)	(152,234)
(Decrease)/increase in creditors	<u>(225,219)</u>	<u>112,706</u>
Net cash outflow from operating activities	<u>£(51,499)</u>	<u>£(48,368)</u>

#### (2) Returns on investment and servicing of financing

Interest paid	<u>£(2,587)</u>	<u>£(2,462)</u>
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# JACK TIGHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998

### 13 NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

		1998	1997
(3)	Capital expenditure		
	Purchase of tangible fixed assets	(78,133)	(81,973)
	Sale of tangible fixed assets	<u>12,449</u>	<u>39,772</u>
		£(65,684)	£(42,201)
		<u><u>          </u></u>	<u><u>          </u></u>
		1997	Movement
(4)	Analysis of changes in net overdraft		1998
	Cash at bank	5,314	596
	Bank overdraft	<u>(487,926)</u>	<u>(117,238)</u>
			5,910
			<u>(605,164)</u>
	Net bank overdraft	£(482,612)	£(116,642)
			£(599,254)

### 14 CONTINGENT LIABILITIES

There are contingent liabilities in the ordinary course of business in connection with completed contracts and contracts in the course of completion.

### 15 RELATED PARTY TRANSACTIONS

Sales to and purchases from related parties (which were on normal commercial terms) can be summarised as follows:

	1998 Sales	Purchases	1997 Sales	Purchases
Jack Tighe Scunthorpe Limited	53,870	62,460	324,694	211,392
Jack Tighe Decorating Limited	45,206	364,983	51,919	270,573
Jack Tighe Coatings Limited	51,630	40,940	83,901	18,972
Jack Tighe Holdings Limited	-	40,000	-	12,000
Scangrit	-	172,155	1,300	251,317
Norlinc Limited	-	10,176	-	9,880

Within other debtors (note 8) is an amount of £214,000 (1997 £250,000) owed by Jack Tighe Holdings Limited.

Each of the parties referred to above are related by virtue of their ownership or control by common directorships of Mr J D Tighe.

The company has no ultimate controlling party.