

TOWER ACCESS LIMITED

AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

31 DECEMBER 1998

Registered number: 2713608

HOUGHTON STONE

REGISTERED AUDITORS

Hambrook



TOWER ACCESS LIMITED AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

for the year ended 31 December 1998

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TOWER ACCESS LIMITED AND ITS SUBSIDIARY

COMPANY INFORMATION

31 December 1998

NUMBER	2713608
DIRECTORS	A G Fowles R D Armitage FCCA
SECRETARY	R D Armitage FCCA
REGISTERED OFFICE	Unit 17a Barton Hill Trading Estate Barton Hill Bristol BS5 9RD
BANKERS	Bank of Scotland 21 Prince Street Bristol BS99 7JG
SOLICITORS	Laytons St Bartholomews Lewins Mead Bristol BS99 7JG
AUDITORS	Houghton Stone Registered Auditors The Conifers Filton Road Hambrook Bristol BS16 1QG

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

DIRECTORS' REPORT

31 December 1998

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

Principal activity

The principal activity of the company continues to be that of suppliers of scaffolding cradles and related equipment. The subsidiary is engaged in the hire of scaffolding equipment.

Business review

The group's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £157,514.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

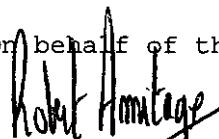
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31 December 1998 Ordinary shares	1 January 1998 Ordinary shares
A G Fowles	80	80
R D Armitage FCCA	60	60

Auditors

Houghton Stone have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



R D Armitage FCCA
Secretary

Unit 17a
Barton Hill Trading Estate
Barton Hill
Bristol BS5 9RD

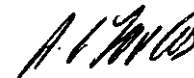
TOWER ACCESS LIMITED AND ITS SUBSIDIARY
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 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.

On behalf of the board



A G Fowles
Director

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

AUDITORS' REPORT

Auditors' report to the members of
Tower Access Limited

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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.

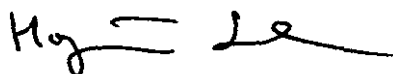
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion, we considered the adequacy of the disclosures made in the financial statements concerning the suitability of the going concern basis to prepare these financial statements. This basis relies upon the continued support of the company's bankers and creditors. Details of the circumstances relating to this fundamental uncertainty are described in note 18. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



22.10.99

Houghton Stone
Registered Auditors

The Conifers
Filton Road
Hambrook
Bristol BS16 1QG

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1998

	Note	1998 £	1997 £
Turnover		763,755	530,239
Cost of sales		(411,187)	(267,332)
Gross profit		352,568	262,907
Net operating expenses			
Administrative expenses		(299,340)	(274,230)
Operating profit/(loss)	2	53,228	(11,323)
Investment income	4	18,377	7,350
Interest payable	5	(40,931)	(37,996)
Profit/(loss) on ordinary activities before taxation		30,674	(41,969)
Taxation	6	-	-
Profit/(loss) on ordinary activities after taxation		30,674	(41,969)
retained for the year	16		

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1998 or 1997 other than the profit/(loss) for the year.

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

BALANCE SHEET

at 31 December 1998

		Group		Company	
	Note	1998 £	1997 £	1998 £	1997 £
Fixed assets					
Intangible assets	7	59,295	67,537	24,070	27,280
Tangible assets	8	433,630	381,020	355,490	298,644
Investments	9	-	-	99	99
		<u>492,925</u>	<u>448,557</u>	<u>379,659</u>	<u>326,023</u>
Current assets					
Debtors	10	264,410	135,051	235,499	105,010
Cash at bank and in hand		39,168	74,918	450	50,302
		<u>303,578</u>	<u>209,969</u>	<u>235,949</u>	<u>155,312</u>
Creditors: amounts falling due within one year	11	<u>(332,036)</u>	<u>(164,434)</u>	<u>(394,399)</u>	<u>(223,230)</u>
Net current (liabilities)/assets		<u>(28,458)</u>	<u>45,535</u>	<u>(158,450)</u>	<u>(67,918)</u>
Total assets less current liabilities		464,467	494,092	221,209	258,105
Creditors: amounts falling due after more than one year	12	<u>(306,953)</u>	<u>(367,252)</u>	<u>(306,953)</u>	<u>(367,252)</u>
		<u>157,514</u>	<u>126,840</u>	<u>(85,744)</u>	<u>(109,147)</u>
Capital and reserves					
Called up share capital	14	62,257	62,257	62,257	62,257
Other reserves	15	169,750	169,750	-	-
Profit and loss account	16	<u>(74,493)</u>	<u>(105,167)</u>	<u>(148,001)</u>	<u>(171,404)</u>
Shareholders' funds	13	<u>157,514</u>	<u>126,840</u>	<u>(85,744)</u>	<u>(109,147)</u>

The financial statements on pages 5 to 13 were approved by the board of directors
on 22.10.99 and signed on its behalf by:


A G Fowles
Director

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

NOTES ON FINANCIAL STATEMENTS

31 December 1998

1 Accounting policies**Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Basis of consolidation

The consolidated financial statements include those of the parent company and its subsidiary company, which are made up to 31 December 1998.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Intangible fixed assets

Goodwill represents the difference between the fair value of the consideration paid on acquisition of a business and the fair value of its separable net assets at the date of acquisition. Goodwill is amortised over its estimated useful life of 10 years.

Trademark are depreciated over their estimated useful lives of 10 years.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold improvements	1 year
Plant and machinery	4 - 10 years
Motor vehicles	2 - 4 years
Fixtures and fittings	4 - 5 years

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

NOTES ON FINANCIAL STATEMENTS

31 December 1998

2 Operating profit/(loss)

	1998 £	1997 £
Operating profit/(loss) is stated after crediting:		
Profit on sale of assets	1,933	-
and after charging:		
Auditors' remuneration	5,200	3,817
Operating leases:		
Hire of plant and machinery	79,640	34,070
Loss on sale of assets	-	1,262
Depreciation of tangible fixed assets (note 8):		
Owned assets	46,087	28,270
Leased assets	21,583	16,590
Amortisation of intangible fixed assets	8,242	3,210
	75,912	48,070

3 Directors

	1998 £	1997 £
Directors' emoluments	31,658	33,735
Directors' fees	14,400	23,990
	46,058	57,725

Defined contribution pension scheme

The company operates a defined contribution 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 £2,400 (1997 £3,090) including contributions in respect of employees.

Contributions totalling £0 (1997 £0) were payable to the fund at 31 December 1998 and are included in creditors.

4 Other operating income

	1998 £	1997 £
Insurance claims	12,000	-
Bank interest received	6,377	5,132
Net rental income	-	928
	18,377	6,060

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

NOTES ON FINANCIAL STATEMENTS

31 December 1998

5 Interest payable

	1998 £	1997 £
Bank interest	-	8
Hire purchase interest	8,970	5,160
Other interest payable	31,961	32,828
	<u>40,931</u>	<u>37,996</u>

6 Taxation

No liability for corporation tax arises on the results for the year.

7 Intangible fixed assets

	Goodwill on Consolidation £	The Company £	The Group £
Cost			
1 January 1998 and 31 December 1998	<u>50,321</u>	<u>32,095</u>	<u>82,416</u>
Amortisation			
1 January 1998	10,064	4,815	14,879
Charge for the year	<u>5,032</u>	<u>3,210</u>	<u>8,242</u>
31 December 1998	<u>15,096</u>	<u>8,025</u>	<u>23,121</u>
Net book amount			
31 December 1998	<u>35,225</u>	<u>24,070</u>	<u>59,295</u>
1 January 1998	<u>40,257</u>	<u>27,280</u>	<u>67,537</u>

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

NOTES ON FINANCIAL STATEMENTS

31 December 1998

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Leasehold Improvements £	Total £
1 January 1998	56,212	424,726	5,994	-	486,932
Additions	31,860	89,673	10,015	681	132,229
Disposals	(18,674)	-	-	-	(18,674)
31 December 1998	69,398	514,399	16,009	681	600,487
Depreciation					
1 January 1998	24,134	77,686	4,093	-	105,913
Charge for the year	12,005	49,294	6,035	336	67,670
Disposals	(6,726)	-	-	-	(6,726)
31 December 1998	29,413	126,980	10,128	336	166,857
Net book amount					
31 December 1998	39,985	387,419	5,881	345	433,630
1 January 1998	32,078	347,041	1,901	-	381,020

The net book amount of fixed assets includes £137,628 (1997 £106,480) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2.

9 Fixed asset investments at cost

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Investment in subsidiary: Tower Access Hire and Sales Limited	-	-	99	99

10 Debtors

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Amounts falling due within one year				
Trade debtors	252,348	121,072	223,437	92,048
Other debtors	2,942	1,000	2,942	-
Prepayments and accrued income	9,120	12,979	9,120	12,962
	264,410	135,051	235,499	105,010

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

NOTES ON FINANCIAL STATEMENTS

31 December 1998

11 Creditors: amounts falling due within one year

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Bank overdrafts	41,024	17,011	41,024	17,011
Trade creditors	119,555	66,564	119,163	63,532
Bank loans	55,000	-	55,000	-
Corporation tax	1,043	1,043	1,043	1,043
Other taxation and social security	55,951	36,854	55,046	25,379
Other creditors	6,762	15,947	71,182	90,010
Accruals and deferred income	21,353	6,533	20,593	5,773
Obligations under finance leases and hire purchase contracts	31,348	20,482	31,348	20,482
	<u>332,036</u>	<u>164,434</u>	<u>394,399</u>	<u>223,230</u>

12 Creditors: amounts falling due after more than one year

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Other liabilities				
Other loans	50,000	50,000	50,000	50,000
Bank loans	187,917	250,000	187,917	250,000
Obligations under finance leases and hire purchase contracts	69,036	67,252	69,036	67,252
	<u>306,953</u>	<u>367,252</u>	<u>306,953</u>	<u>367,252</u>

Amounts falling due after more than five years:

Bank loans	-	50,000	-	50,000
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>

Obligations under finance leases and hire purchase contracts

These are repayable over varying periods by monthly instalments as follows:

In the next year	31,348	20,482	31,348	20,482
In the second to fifth years	69,036	67,253	69,036	67,253
	<u>100,384</u>	<u>87,735</u>	<u>100,384</u>	<u>87,735</u>

Bank loans and overdrafts are secured by a debenture over all the assets of Tower Access Limited and a cross guarantee between Tower Access Limited and its subsidiary, Tower Access Hire and Sales Limited.

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

NOTES ON FINANCIAL STATEMENTS

31 December 1998

13 Reconciliation of movements in shareholders' funds

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Profit/(loss) for the financial year representing a Net addition to/(subtraction from) shareholders' funds	30,674	(41,969)	23,403	(118,541)
Opening shareholders' funds	126,840	168,809	(109,147)	9,394
Closing shareholders' funds	157,514	126,840	(85,744)	(109,147)

14 Called up share capital
The Group and the company

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
A'Ordinary shares of £1 each	100,000	100,000	100,000	100,000
B'Ordinary shares of £1 each	100,000	100,000	100,000	100,000
		200,000		200,000
Allotted, called up and fully paid				
A'Ordinary shares of £1 each	200	200	200	200
B'Ordinary shares of £1 each	62,057	62,057	62,057	62,057
		62,257		62,257

15 Other reserves

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Other reserves	169,750	169,750	-	-

16 Profit and loss account

	Group	Company
	1998	1998
	£	£
1 January 1998	(105,167)	(171,404)
Retained profit for the year	30,674	23,403
31 December 1998	(74,493)	(148,001)

TOWER ACCESS LIMITED AND ITS SUBSIDIARY

NOTES ON FINANCIAL STATEMENTS

31 December 1998

17 Guarantees and other financial commitments

Bank borrowings are secured by a Corporate Cross Guarantee covering all borrowings of the company and those of its subsidiary, Tower Access Hire and Sales Limited.

18 Fundamental uncertainty

These financial statements have been prepared on a going concern basis.

The suitability of this basis depends on the continued support of the company's bankers and creditors.