

HARP HEATING LIMITED  
REPORT OF THE DIRECTORS

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The Directors submit their report and the audited accounts for the year ended 31 December 1980.

ACTIVITIES

The principal activity of the Company continues to be the installation and servicing of domestic central heating systems.

RESULTS AND DIVIDENDS

The trading profit for the year as set out in the Profit and Loss Account amounted to £735,450. (1979 Loss £242,867).

In view of the Company's current and future requirements for the development of the business the Directors do not recommend the payment of a dividend. (1979 Nil).

EXPORTS

There were no exports during the year. (1979 Nil).

DIRECTORS

The Directors of the Company throughout the year were as follows:-

G E T Granter  
R St John Hayes (Resigned 15.10.1980)  
M Rayfield  
P R Chance

Mr D J K Greggains was appointed a director of the company on 9 April 1981.

As all the directors are also directors of United Heating Services Limited this company's holding company, their interests are not required to be recorded in this company's Register of Directors Interests.

No Director had any material interest in any contract entered into by the company.

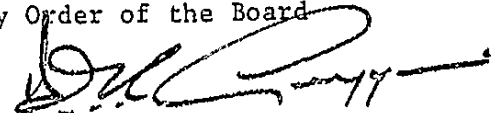
CLOSE COMPANY STATUS

The Directors are of the opinion that the company is 'close' within the meaning contained in the provisions of the Income and Corporation Taxes Act 1970, as amended.

AUDITORS

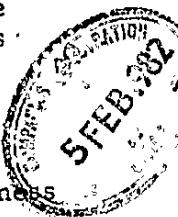
The auditors, Peat, Marwick, Mitchell & Co have signified their willingness to continue in office and offer themselves for reappointment under the provisions of the Companies Act 1976.

By Order of the Board

  
Secretary

Registered Office:  
Old Homesdale Road  
Bromley, Kent

7 July 1981





HARP HEATING LIMITED

REPORT OF THE AUDITORS  
TO THE MEMBERS OF HARP HEATING LIMITED

We have audited the accounts on pages 3 to 9 in accordance with approved Auditing Standards.

In our opinion the accounts which have been prepared on the basis of the accounting policies set out on page 6 give a true and fair view of the state of the Company's affairs at 31 December 1980 and of its profit and source and application of funds for the year to that date and comply with the Companies Acts 1948 to 1980.



Chartered Accountants

London

7 July 1981



HARP HEATING LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31 December 1980

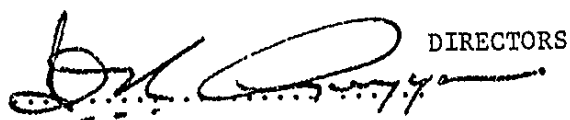
	<u>Note</u>	<u>1980</u>	<u>1979</u>
		£	£
<u>TURNOVER</u>		<u>£10,818,948</u>	<u>£11,691,000</u>
<u>PROFIT/(LOSS) BEFORE TAXATION</u>	1	735,450	(242,867)
Taxation	2	<u>2,720</u>	<u>-</u>
<u>PROFIT/(LOSS) AFTER TAXATION</u>		732,730	(242,867)
Balance brought forward		<u>(37,637)</u>	<u>205,230</u>
<u>BALANCE CARRIED FORWARD</u>		<u>£695,093</u>	<u>(£37,637)</u>



HARP HEATING LIMITED  
BALANCE SHEET 31 DECEMBER 1980

	<u>Note</u>	<u>1980</u> £	<u>1979</u> £
<u>FIXED ASSETS</u>	3	212,664	335,697
<u>CURRENT ASSETS</u>			
Stock and Work in Progress	4	277,675	432,631
Debtors		822,715	1,166,401
Cash in Hand		-	4,992
		<u>1,100,390</u>	<u>1,604,024</u>
<u>CURRENT LIABILITIES</u>			
Corporation Tax	2	2,720	-
Creditors		365,880	530,810
Provisions		-	5,000
		<u>368,600</u>	<u>535,810</u>
<u>NET CURRENT ASSETS</u>		731,790	1,068,214
Deferred Liabilities		(12,202)	(155,390)
		<u>£932,252</u>	<u>£1,248,521</u>
<u>CAPITAL EMPLOYED</u>			
Share Capital	5	100	100
Revenue Reserve		695,093	(37,637)
Amount due to Holding Company		237,059	1,286,058
		<u>£932,252</u>	<u>£1,248,521</u>

...Cue T. van der... ..

 DIRECTORS



HARP HEATING LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFor the year ended 31 December 1980

	<u>1980</u>	<u>1979</u>
	£	£
<u>SOURCE OF FUNDS</u>		
Profit before taxation	735,450	-
Items not involving movement of funds:-		
Depreciation	112,767	-
Provisions for future losses	(5,000)	-
Profit on sale of fixed assets	(12,411)	-
<u>TOTAL GENERATED FROM OPERATIONS</u>	<u>830,806</u>	<u>-</u>
<u>OTHER SOURCES OF FUNDS</u>		
Increase in hire purchase liability	-	8,852
Proceeds from sale of fixed assets	43,947	102,946
Amounts due to holding company	-	56,190
<u>TOTAL SOURCE OF FUNDS</u>	<u>874,753</u>	<u>167,988</u>
<u>APPLICATION OF FUNDS</u>		
Loss before taxation	-	242,867
Items not involving movement of funds:-		
Depreciation	-	(151,837)
	<u>-</u>	<u>91,030</u>
Purchase of fixed assets	15,161	188,249
Assets transferred from other group companies	6,109	-
Repayment of hire purchase liability	143,188	-
Decrease in amounts due to holding company	1,048,999	-
	<u>1,213,457</u>	<u>188,249</u>
	<u>1,213,457</u>	<u>279,279</u>
<u>NET APPLICATION OF FUNDS</u>	<u>£338,704</u>	<u>£111,291</u>
<u>MOVEMENT IN WORKING CAPITAL</u>		
Stocks	154,956	(20,878)
Debtors	343,686	(109,509)
Creditors	(164,930)	242,276
Bank and cash balances	4,992	(598)
	<u>£338,704</u>	<u>£111,291</u>



HARP HEATING LIMITEDSTATEMENT OF ACCOUNTING POLICIES31 DECEMBER 1980a) Basis of Accounting

The accounts have been prepared under the historical cost convention.

b) Fixed Assets

Fixed assets are stated at cost after deducting depreciation and including all expenditure of a capital nature.

Depreciation has been provided on the straight line basis so as to write off the assets over their expected useful lives, at the following rates:-

Plant	15%
Commercial vehicles	33%
Private vehicles	25%

c) Stock and Work in Progress

i) Stock has been valued at the lower of cost and net realisable value.

ii) Work in progress has been valued at direct cost, including an appropriate proportion of attributable overhead expenditure less provision for foreseeable losses.

d) Deferred Taxation

In calculating the deferred taxation full account has been taken of the proposed legislation relating to stock appreciation relief.

Taxation deferred by capital allowances and stock appreciation relief is only provided where payment is reasonably anticipated in the foreseeable future.

e) Turnover

Turnover represents the total amount receivable by the company for goods sold, work done and services rendered.

f) Hire Purchase Interest

Hire purchase interest is charged in the accounts over the period of the agreements.



HARP HEATING LIMITED  
NOTES TO THE ACCOUNTS

31 DECEMBER 1980

1. TRADING PROFIT

Trading profit is after charging the following items:-

		<u>1980</u>	<u>1979</u>
		£	£
Depreciation	(Note 3)	112,767	151,837
Auditors remuneration		10,000	20,900
Directors remuneration	(Note 6)	-	-

2. TAXATION

	<u>1980</u>	<u>1979</u>
	£	£
Corporation tax at 40% based on profits for the year	2,720	-

3. FIXED ASSETS

	<u>Plant</u>	<u>Vehicles</u>	<u>Total</u>
	£	£	£
Cost 1 January 1980	329,209	347,426	676,635
Additions	15,161	-	15,161
Transferred from other group companies	14,496	-	14,496
Disposals	(12,054)	(95,078)	(107,132)
	<u>346,812</u>	<u>252,348</u>	<u>599,160</u>
Depreciation 1 January 1980	151,137	189,801	340,938
Transferred from other group companies	8,387	-	8,387
Charge for the year	43,830	68,937	112,767
Disposals	(9,010)	(66,586)	(75,596)
	<u>194,344</u>	<u>192,152</u>	<u>386,496</u>
Net Book Value - 31 December 1980	<u>£152,468</u>	<u>£60,196</u>	<u>£212,664</u>
Net Book Value - 31 December 1979	<u>£178,072</u>	<u>£157,625</u>	<u>£335,697</u>

4. STOCK AND WORK IN PROGRESS

	<u>1980</u>	<u>1979</u>
	£	£
Stock	99,912	198,615
Work in progress	177,763	234,016
	<u>£277,675</u>	<u>£432,631</u>



HARP HEATING LIMITED  
NOTES TO THE ACCOUNTS  
31 DECEMBER 1980

<u>5. SHARE CAPITAL</u>	<u>1980</u>	<u>1979</u>
Authorised, Issued and Fully Paid 100 Ordinary Shares of £1 each	<u>£100</u>	<u>£100</u>

6. DIRECTORS REMUNERATION

No Director received any emolument from the company during the year ended 31 December 1980 (1979 Nil).

7. DEFERRED TAXATION

The potential liability for deferred taxation calculated on the liability method which is not provided for in the accounts is as follows:-

	<u>1980</u>	<u>1979</u>
	£	£
Arising from:		
Stock appreciation relief	212,859	196,822
Excess of capital allowances over depreciation charged	<u>102,362</u>	<u>160,861</u>
	315,221	357,683
Trading losses carried forward	-	291,914
	<u>£315,221</u>	<u>£65,769</u>

8. FUTURE CAPITAL EXPENDITURE

	<u>1980</u>	<u>1979</u>
a) Authorised by the Board and contracted for	Nil	Nil
b) Authorised but not yet contracted for	Nil	Nil

9. CONTINGENT LIABILITIES

There were no contingent liabilities other than those arising in the normal course of trade.



HARP HEATING LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1980

10. ULTIMATE HOLDING COMPANY

The Directors regard United Heating Services Limited, incorporated in Great Britain as the Company's ultimate holding company.

11. FLOATING CHARGE

The Company has charged its assets by way of a floating charge to secure certain liabilities of the holding company.