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J. COLLEN THERMALS LIMITED
DIRECTORS' REPORT AND ACCOUNTS

The Directors submit their report and the audited accounts of the company for the year ended 30th June 1989.

REVIEW OF THE BUSINESS

The company's principal activity during the Year was that of Thermal Insulation Contractors.

DIRECTORS

The directors of the company and their beneficial shareholdings in £1 Ordinary Shares during the year were as follows:

J. W. COLLEN	9220
W. C. HAYNES	30
V. DAY	500
S. COLLEN	250

FIXED ASSETS

Details of changes in the fixed assets of the company are shown in the notes accompanying the Balance Sheet.

EXPORTS

The company has not exported during the Year.

RESULTS

In view of the capital requirements of the Company, the Directors recommend that a dividend of £60000 be paid and that the unappropriated profits of £229014 be carried forward.

CLOSE COMPANY

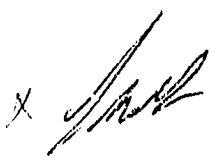
The company is a close company within the provisions of the Income and Corporation Taxes Act 1970.

AUDITORS

A resolution to reappoint Paul Trodden & Co as auditors will be put to the members at the Annual General Meeting.

By order of the Board.

Date

X  X
J. W. CULLEN
Secretary



AUDITORS' REPORT TO THE MEMBERS OF
J. CULLEN THERMALS LIMITED

We have audited the financial statements in accordance with approved auditing standards except that the scope of the work was limited by the matters referred to below:

1. In common with many businesses of similar size and organisation, the company's system of control is dependent upon the close involvement of the directors who are also the shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions have been reflected in the records.
2. As we were not present at the physical stocktaking, we are unable to verify the valuation, existence and ownership of stock included in the Balance Sheet, as at 30th June 1989 of £30000 and at 30th June 1988 of £16200.

Subject to the above, in our opinion the financial statements which have been prepared under the historical cost convention, give a true and fair view of the state of the affairs of the company at 30th June 1989 and of the results and source and application of funds for the year then ended and comply with the Companies Act 1985.

Birmingham

PAUL TRODDEN & CO
Chartered Accountants

J. CULLEN THERMALS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1989

	Notes	£	£	Year Ended 30.6.1988 £
Turnover	2		1126027	1130088
Change in work in progress			13800	-
			<u>1139827</u>	<u>1130088</u>
Raw Materials and Subcontractors		326901		324221
Wages	4	289368		325982
Employees Travelling & Subsistence		17721		19367
Plant Hire		32798		28610
			<u>666788</u>	<u>698180</u>
			<u>473039</u>	<u>431908</u>
Staff Costs	4	158989		131668
Depreciation and (Profit)/Loss on Disposal of Assets		11156		2558
Other Operating Charges		196882		213994
			<u>367027</u>	<u>348218</u>
Operating Profit	3		108012	83690
Interest Payable/ (Receivable)	5		(1662)	2292
			<u>107674</u>	<u>81398</u>
Dividend			60000	22500
			<u>47674</u>	<u>58898</u>
Corporation Tax on Profit	6		33747	20534
Profit after Taxation			<u>13927</u>	<u>38364</u>
Unappropriated Profits brought forward			215087	176723
Unappropriated Profits carried forward			<u>229014</u>	<u>215087</u>

J. CULLEN THERMALS LIMITED
BALANCE SHEET AS AT 30 JUNE 1989

	Notes	£	£	Year Ended 30.6.88 £
Fixed Assets:				
Tangible Assets:	7		33470	36793
			-----	-----
Current Assets:				
Stocks	8	30000		16200
Debtors	9	372584		259066
Cash at Bank and in Hand		64122		57992
		466706		333258
Creditors: amounts falling due within one year	10	239095		127298
		-----		-----
Net Current Assets			227611	205960
Total Assets less Current Liabilities			261081	242753
			-----	-----
Creditors: amounts falling due after more than 1 year				
Obligations under H.P. Contracts	11		6391	8600
			254690	234153
			=====	=====
Capital and Reserves				
Called up Share Capital	13	10000		10000
Unappropriated Profits		229014		215087
Directors' Loan Accounts		15676		9066
			254690	234153
			=====	=====

In preparing these modified accounts

- a) We have relied upon the exemptions for individual accounts under section 247 of the Companies Act 1985.
b) We have done so on the grounds that the Company is entitled to the benefit of those exemptions as a small company.

J. W. CULLEN)
S. P. CULLEN) Directors

Date

J. CULLEN THERMALS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30 JUNE 1989

	£	£	Year Ended 30.6.1988 £
Source of funds:			
Profit before taxation		107874	81398
Adjustment for items not involving the movement of funds:			
Depreciation and profit on disposal of assets		11156	2558
Total generated by operations		<u>118830</u>	<u>83956</u>
Funds from other sources:			
Increase in obligations under finance leases		-	10676
Proceeds on sale of Fixed Assets		-	53475
		<u>118830</u>	<u>148107</u>
Application of Funds:			
Purchase of tangible fixed assets	7833		23704
Loan Instalments Paid	-		20000
H. P. Instalments Paid	2209		2934
Corporation Tax Paid	40312		21935
Dividend	60000		22500
		<u>110354</u>	<u>91073</u>
Working Capital Increase		<u>8476</u>	<u>57034</u>
Components of increase in working capital:			
Stocks		13800	-
Debtors		113518	3309
Creditors		(84475)	21665
		<u>62843</u>	<u>24974</u>
Movement in net liquid funds:			
Cash in Hand and at Bank		(54367)	(32060)
		<u>8476</u>	<u>57034</u>

J. CULLEN THERMALS LIMITED
NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
PART OF THE BALANCE SHEET AT 30 JUNE 1969

1. Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets excluding Freehold Property on the reducing balance basis as follows:

Plant and Equipment	25%	per annum
Fixtures and Fittings	25%	"
Motor Vehicles	25%	"

Stocks

Stocks and work in progress is stated at the lower of prime cost, including overheads, and net realisable value as follows:

Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Deferred Taxation

Deferred taxation is disclosed on the deferral method on all short and long term timing differences.

Hire Purchase Commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the rental, and represents a constant proportion of the balance of capital repayments outstanding.

J. CULLEN THERMALS LIMITED
NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
PART OF THE BALANCE SHEET AT 30 JUNE 1988

2. Turnover

Turnover represents the invoiced amount of goods sold (stated net of value added tax).

3. Operating Profit	Year Ended	
	30.6.88	
	£	£

a) This is stated after charging:

Directors' Remuneration (see below)	128030	91737
Auditors' Remuneration	500	500
	=====	=====

b) Directors' Remuneration

The emoluments of the Chairman, excluding pension contributions, were £50200 (Period ended 30 June 1988 £34435).

4. Staff costs

Wages and Salaries	412359	418525
Social Security Costs	35998	39123
	448357	457648
	-----	-----

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

	No.	No.
Office and Management	5	5
Manufacturing	30	42
	35	47
	-----	-----

5. Interest and Charges Payable/(Receivable)

Bank Overdraft Interests and charges payable	194	1521
Bank Deposit Interest Received	(3054)	-
Hire Purchase Interests	1198	771
	(1662)	2292
	-----	-----

J. CULLEN THERMALS LIMITED
NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
PART OF THE BALANCE SHEET AT 30 JUNE 1989

6. Corporation Tax on Profit	Year Ended	
	£	30.6.88 £
Under/(Over) provision in previous year	5267	-
Corporation Tax on profits for the Year	28480	20534
	<u>33747</u>	<u>20534</u>
	=====	=====

7. Tangible Fixed Assets

	<u>Plant and Equipment</u>	<u>Fixtures & Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1 July				
1988	48739	20188	15695	84622
Additions	2375	5458	-	7833
	-----	-----	-----	-----
At 30 June				
1989	51114	25646	15895	92455
	-----	-----	-----	-----
Depreciation:				
At 1 July				
1988	28889	14122	4818	47829
Provided during the Year	5556	2881	2719	11156
	-----	-----	-----	-----
At 30 June				
1989	34445	17003	7537	58985
	-----	-----	-----	-----
Net book value at 30 June				
1989	16669	8643	8158	33470
	-----	-----	-----	-----

J. CULLEN THERMALS LIMITED
NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
PART OF THE BALANCE SHEET AT 30 JUNE 1989

8. Stocks

	<u>Book Value and Replacement Cost</u>	
		Year Ended
	£	30.6.88
		£
Raw Materials and work in progress	30000	16200
	=====	=====

9. Debtors

Trade Debtors	340011	202533
Payments and accrued income	5081	4271
Income Tax Repayable	262	262
Sundry Debtors	27230	52000
	<u>372584</u>	<u>259066</u>
	-----	-----

10. Creditors: amounts falling due within one year

Bank Overdrafts (Secured)	60497	-
Trade Creditors	126135	74340
Value Added Tax	7021	5086
Corporation Tax	28480	35045
Other taxes and social security costs	15812	11827
Accruals	1150	1000
	<u>239095</u>	<u>127298</u>
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J. CULLEN THERMALS LIMITED
 NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
 PART OF THE BALANCE SHEET AT 30 JUNE 1989

11. Obligations under Hire Purchase Contracts.

	£
Year ending 30 June 1990	5370
and after	1021
	<u>6391</u>

12. Deferred Taxation

Deferred taxation has not been provided in the accounts, and the potential amounts of a Corporation Tax Rate of 25% are as follows:

	Year Ended 30.6.88
	£ £
Capital Allowances in advance of depreciation	1134 1791
	=====

13. Share Capital

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	No.	1988 No.	£	1988 £
Ordinary Shares of £1 each	10000	10000	10000	10000
	=====	=====	=====	=====

J. COLLEN THERMALS LIMITED
TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 1988
Year Ended
30.6.1988

	£	£	£	£
SALES		1126027		1130088
Less:				
Materials &				
Subcontractors	313101		324221	
Wages	289368		325882	
Employees Travelling and Subsistence	17721		19367	
Plant Hire	32798		28610	
	-----	652988	-----	698180
GROSS PROFIT		473039		431908
Salaries	30959		30929	
Motor & Travelling	21227		28432	
Rent, Rates &				
Insurance	33250		32829	
Light, Heat & Power	3157		1821	
Repairs & Renewals	2690		5076	
Printing, Stationery & Advertising	4710		4571	
Telephone & Postage	7925		4216	
Sundry Trade Expenses	8287		6766	
Protective Clothing & Safety Equipment	4142		5486	
Survey and Analysis				
Fees	18754		10750	
Professional Charges	5043		7433	
Bank Charges &				
Interest Payable/ (Receivable)	(2860)		1521	
Hire Purchase Interest	1196		771	
Leasing Charges	47697		32248	
Bad Debts	-		2206	
Depreciation	11156		12264	
(Profit)/Loss on Disposal of Fixed Assets	-		(9706)	
Executive Pension Scheme	42000		72160	
Directors' Remuneration	128030		91737	
	-----	365365	-----	350510
TRADING PROFIT for the Year carried forward to PROFIT AND LOSS ACCOUNT		107674		81398
	=====		=====	