

135

Registered number
SC 102827

Everwarm Services Limited
Directors Report and Financial Statements
31 March 2000



SCT SGD95XLH 0086
COMPANIES HOUSE 25/01/01

h

Everwarm Services Limited
Report and financial statements
Contents

	Page
Company information	1
Directors' report	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8

Everwarm Services Limited Company Information

Directors

Robert Graham
Kennedy Saunders
Lydia Graham (appointed 1 November 2000)
Gordon Glen (appointed 1 November 2000)

Secretary

Lydia Graham

Auditors

Gibson & Co.
Rutland Square House
12 Rutland Square
Edinburgh
EH1 2BB

Bankers

The Royal Bank of Scotland plc
8 Hopetoun Street
Bathgate
West Lothian
EH48 4EU

Solicitors

McFarlane & Co
Argyll House
Quarry Wood Court
Livingston
EH54 6AX

Registered office

Rutland Square House
12 Rutland Square
Edinburgh
EH1 2BB

Registered number

SC 102827

Everwarm Services Limited

Directors' Report

The directors present their report and financial statements for the year ended 31 March 2000.

Principal activities and review of the business

The company's principal activity during the year continued to be the provision of heating and general plumbing services, including contract work and the provision and installation of thermal and acoustic insulation. The directors are confident that following a time of consolidation the company is now well placed to take advantage of favourable trading conditions in the future.

Results and dividends

The profit for the year, after taxation, amounted to £67,221. The directors do not recommend the payment of a dividend.

Future developments

The company has benefited from favourable government legislation regarding employment grants and intends to continue to take advantage of these grants in the future.

Year 2000

The directors are satisfied that all the company's computer systems are year 2000 compliant.

Directors

The directors who served during the year and their interests in the share capital of the company and in Everwarm Limited, the ultimate holding company were as follows:

	£1 Ordinary shares		Everwarm Limited	
	2000	1999	2000	1999
Robert Graham	-	-	11,527	11,527
Colin Miller (resigned 30 September 1999)	-	-	10,118	10,118
Kennedy Saunders	-	-	8,655	8,655

Political and charitable donations

During the year, the company made various charitable contributions totalling £1,070.

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

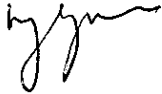
The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Everwarm Services Limited
Directors' Report

Auditors

The auditors Gibson & Co will be proposed for reappointment in accordance with s385 of the Companies Act 1985.

This report was approved by the board on 7 December 2000 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'L. Graham', written in a cursive style.

L. Graham
Secretary

Everwarm Services Limited

Auditors' Report

Report of the auditors to the shareholders of Everwarm Services 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 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

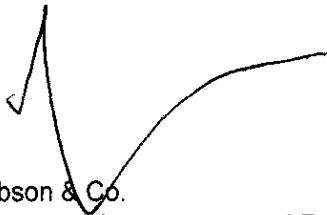
Basis of opinion

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 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 as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gibson & Co.
Chartered Accountants and Registered Auditors

Rutland Square House
12 Rutland Square
Edinburgh
EH1 2BB

8 December 2000

Everwarm Services Limited
Profit and Loss Account
for the year ended 31 March 2000

	Notes	2000 £	1999 £
Turnover	2	3,331,234	3,318,991
Cost of sales		(2,432,911)	(2,462,472)
Gross profit		<u>898,323</u>	<u>856,519</u>
Administrative expenses		(857,795)	(821,668)
Other operating income		46,195	6,697
Operating profit	3	<u>86,723</u>	<u>41,548</u>
Interest receivable		4,299	5,877
Interest payable	5	(6,996)	(5,314)
Profit on ordinary activities before taxation		<u>84,026</u>	<u>42,111</u>
Tax on profit on ordinary activities	6	(16,805)	(10,522)
Profit for the financial year		<u>67,221</u>	<u>31,589</u>
Retained profit for the financial year	16	<u>67,221</u>	<u>31,589</u>

Continuing operations

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

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 8 to 13 form part of these financial statements.

Everwarm Services Limited
Balance Sheet
as at 31 March 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	8	145,995	137,979
Current assets			
Stocks	9	98,148	101,767
Debtors	10	518,962	622,365
Cash at bank and in hand		198,402	128,234
		<u>815,512</u>	<u>852,366</u>
Creditors: amounts falling due within one year	11	(593,075)	(700,313)
Net current assets		<u>222,437</u>	<u>152,053</u>
Total assets less current liabilities		<u>368,432</u>	<u>290,032</u>
Creditors: amounts falling due after more than one year	12	(46,250)	(35,071)
		<u>322,182</u>	<u>254,961</u>
Capital and reserves			
Called up share capital	14	30,300	30,300
Share premium	15	3,805	3,805
Profit and loss account	16	288,077	220,856
Equity shareholders' funds	17	<u>322,182</u>	<u>254,961</u>

The financial statements were approved by the board on 7 December 2000 and signed on its behalf



R. Graham
Director

The notes on pages 8 to 13 form part of these financial statements

Everwarm Services Limited
Cash Flow Statement
for the year ended 31 March 2000

	Notes	2000 £	1999 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		86,723	41,548
Depreciation charges		46,080	38,292
Decrease/(increase) in stocks		3,619	(25,498)
Decrease in debtors		103,403	55,153
Decrease in creditors		(112,940)	(31,577)
Net cash inflow from operating activities		<u>126,885</u>	<u>77,918</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		126,885	77,918
Returns on investments and servicing of finance	18	(2,697)	563
Taxation		(15,000)	(22,209)
Capital expenditure	18	<u>(54,096)</u>	<u>(65,362)</u>
		55,092	(9,090)
Financing	18	15,075	24,158
Increase in cash		<u>70,167</u>	<u>15,068</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		70,167	15,068
Increase in debt and lease financing		(15,075)	(24,158)
Change in net debt	19	<u>55,092</u>	<u>(9,090)</u>
Net funds at 1 April		<u>73,071</u>	<u>82,161</u>
Net funds at 31 March		<u>128,163</u>	<u>73,071</u>

Everwarm Services Limited
Notes to the Financial Statements
for the year ended 31 March 2000

1 Accounting policies

Accounting convention

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

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.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	10% straight line
Plant and machinery	25% reducing balance
Motor vehicles	33% reducing balance
Goodwill	10% straight line

Stocks and Work in Progress

Stock is valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

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

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

Grants

Employment grants are credited to the profit and loss account in the period in which they are received.

Everwarm Services Limited
Notes to the Financial Statements
for the year ended 31 March 2000

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the separable net assets. It has been amortised to the profit and loss account over its estimated economic life of ten years.

2 Turnover

In the opinion of the directors none of the turnover is attributable to geographical markets outside the UK (1999 £nil).

3 Operating profit	2000	1999
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	26,641	26,100
Depreciation of assets held under finance leases and hire purchase contracts	19,439	12,192
Operating lease rentals - plant and machinery	58,753	40,737
Auditors' remuneration	2,500	4,000
	<hr/>	<hr/>

4 Staff costs	2000	1999
	£	£
Wages and salaries	180,919	186,616
Social security costs	14,344	18,578
	<hr/>	<hr/>
	195,263	205,194
	<hr/>	<hr/>

Average number of employees during the year	Number	Number
Administration	10	10
Distribution	5	7
Manufacturing	42	54
Sales	6	6
	<hr/>	<hr/>
	63	77
	<hr/>	<hr/>

5 Interest payable	2000	1999
	£	£
Finance charges payable under finance leases and hire purchase contracts	6,996	5,314
	<hr/>	<hr/>

6 Taxation	2000	1999
	£	£
UK corporation tax	16,805	10,522
	<hr/>	<hr/>

Everwarm Services Limited
Notes to the Financial Statements
for the year ended 31 March 2000

7 Intangible fixed assets	£
Goodwill:	
Cost	
At 1 April 1999	13,000
At 31 March 2000	<u>13,000</u>
Amortisation	
At 1 April 1999	13,000
At 31 March 2000	<u>13,000</u>
Net book value	
At 31 March 2000	<u>-</u>

8 Tangible fixed assets	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 1999	11,140	272,651	283,791
Additions	-	76,359	76,359
Disposals	-	(69,790)	(69,790)
At 31 March 2000	<u>11,140</u>	<u>279,220</u>	<u>290,360</u>
Depreciation			
At 1 April 1999	10,390	135,422	145,812
Charge for the year	215	45,865	46,080
On disposals	-	(47,527)	(47,527)
At 31 March 2000	<u>10,605</u>	<u>133,760</u>	<u>144,365</u>
Net book value			
At 31 March 2000	<u>535</u>	<u>145,460</u>	<u>145,995</u>
At 31 March 1999	<u>750</u>	<u>137,229</u>	<u>137,979</u>
		2000 £	1999 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts		<u>84,100</u>	<u>71,599</u>

Everwarm Services Limited
Notes to the Financial Statements
for the year ended 31 March 2000

9 Stocks	2000	1999
	£	£
Raw materials and consumables	34,210	35,755
Work in progress	63,938	66,012
	<u>98,148</u>	<u>101,767</u>
 10 Debtors	 2000	 1999
	£	£
Trade debtors	485,475	590,514
Prepayments and accrued income	33,487	31,851
	<u>518,962</u>	<u>622,365</u>
 11 Creditors: amounts falling due within one year	 2000	 1999
	£	£
Obligations under finance lease and hire purchase contracts	23,989	20,092
Trade creditors	290,731	371,983
Amounts owed to group undertakings	138,308	159,207
Corporation tax	9,118	7,313
Other taxes and social security costs	65,019	64,343
Other creditors	4,462	2,778
Accruals and deferred income	61,448	74,597
	<u>593,075</u>	<u>700,313</u>
 12 Creditors: amounts falling due after one year	 2000	 1999
	£	£
Obligations under finance lease and hire purchase contracts	<u>46,250</u>	<u>35,071</u>
 13 Obligations under finance leases and hire purchase contracts	 2000	 1999
	£	£
Amounts payable:		
Within one year	23,989	20,092
Within two to five years	46,249	35,071
	<u>70,238</u>	<u>55,163</u>

Liabilities under finance leases and hire purchase contracts are secured on the assets concerned.

Everwarm Services Limited
Notes to the Financial Statements
for the year ended 31 March 2000

14 Share capital			2000	1999
			£	£
Authorised:				
Ordinary shares of £1 each			43,997	43,997
3.75% cumulative convertible			6,003	6,003
			<u>50,000</u>	<u>50,000</u>
	2000	1999	2000	1999
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	30,300	30,300	<u>30,300</u>	<u>30,300</u>
15 Share premium			2000	1999
			£	£
At 1 April			3,805	3,805
At 31 March			<u>3,805</u>	<u>3,805</u>
16 Profit and loss account			2000	1999
			£	£
At 1 April			220,856	189,267
Retained profit			67,221	31,589
At 31 March			<u>288,077</u>	<u>220,856</u>
17 Reconciliation of movement in shareholders' funds			2000	1999
			£	£
At 1 April			254,961	223,372
Profit for the financial year			67,221	31,589
At 31 March			<u>322,182</u>	<u>254,961</u>

Everwarm Services Limited
Notes to the Financial Statements
for the year ended 31 March 2000

18 Gross cash flows	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	4,299	5,877
Interest element of finance lease rental payments	(6,996)	(5,314)
	<u>(2,697)</u>	<u>563</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(76,359)	(80,155)
Receipts from sales of tangible fixed assets	22,263	14,793
	<u>(54,096)</u>	<u>(65,362)</u>
Financing		
Capital element of finance lease rental payments	<u>15,075</u>	<u>24,158</u>

19 Analysis of changes in net debt

	At 1 Apr 1999 £	Cash flows £	Non-cash changes £	At 31 Mar 2000 £
Cash at bank and in hand	128,234	70,168		198,402
Finance leases	(55,163)	(15,075)		(70,238)
Total	<u>73,071</u>	<u>55,093</u>	<u>-</u>	<u>128,164</u>

20 Contingent liabilities

There were no contingent liabilities at 31 March 2000 (1999 £nil).

21 Capital commitments

There were no capital commitments at 31 March 2000 (1999 £nil).

22 Related parties

During the year the company paid management charges in the sum of £190,000 (1999 £250,000) to its parent company, Everwarm Limited and owed £23,154 (1999 £104,034) to Everwarm Limited at 31 March 2000. The company paid rent of £15,000 (1999 £8,000) to Options (Scotland) Limited which is also a subsidiary company of Everwarm Limited for the use of premises and owed £115,154 (1999 £55,173) to Options (Scotland) Limited at 31 March 2000.

23 Ultimate Parent Undertaking

Everwarm Services Limited is a wholly owned subsidiary of Everwarm Limited, a company incorporated in Scotland.