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HEATWORKS SERVICES LIMITED

REPORT AND ACCOUNTS

30 JUNE 1995



AIMS Glasgow West
Certified Accountants
Studio 58
Abbey Mill Business Centre
Paisley

HEATWORKS SERVICES LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 30 June 1995 in the preparation of which they have relied upon the special disclosure exemptions available to small companies.

REGISTRATION DETAILS

The company is registered in Scotland and its registration number is 125746.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account.

PRINCIPAL ACTIVITY

The company's principal activity during the year was that of supplying heating and electrical services.

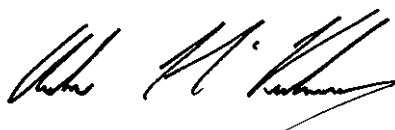
DIRECTORS AND THEIR INTERESTS

The directors and their interests in the share capital of the company were as follows:

	Ordinary Shares 1995
Andrew McKechnie	100
Thomas Taylor	NIL

By Order of the Board

Andrew McKechnie



Secretary

Unit 31
Sir James Clark Building
Abbey Mill Business Centre
Paisley
PA1 1TJ

31 May 1996

ACCOUNTANTS REPORT TO THE SHAREHOLDERS ON
THE UNAUDITED ACCOUNTS OF
HEATWORKS SERVICES LIMITED

We report on the accounts for the year ended 30 June 1995 set out on pages 3 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANT

As described on page 5, the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - 1. the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - 2. the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within the year, fall within any of the categories of companies not entitled to exemptions specified in section 249B(1).


AIMS Glasgow West
Reporting Accountants

Studio 58
Abbey Mill Business Centre
Paisley
PA1 1TJ

31 May 1996

HEATWORKS SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1995

	<u>Notes</u>	<u>1995</u> <u>£</u>
Turnover	2	272,543
Cost of Sales		161,895
Gross Profit		110,648
Administrative Expenses		93,709
Operating Profit	3	16,939
Other Income		649
Interest Payable		(14,475)
Profit on Ordinary Activities Before Taxation		3,113
Taxation	4	1,035
Profit for Year		2,078
Retained Profits Brought Forward		-
Retained Profits Carried Forward		2,078

There are no recognised gains and losses in 1995 other than the profit and loss for the year.

The profit for the year calculated on a historical cost basis is not materially different to the profit shown.

The notes on pages 6 to 9 form part of these accounts.

HEATWORKS SERVICES LIMITED
BALANCE SHEET AS AT 30 JUNE 1995

	<u>Notes</u>	<u>£</u>	<u>1995</u> <u>£</u>
FIXED ASSETS			
Tangible Assets	5	14,398	
Intangible Assets		6,650	
		<hr/>	21,048
CURRENT ASSETS			
Stocks	6	5,326	
Debtors	7	80,538	
Cash at Bank and In Hand		2,090	
		<hr/>	
		87,954	
CREDITORS:			
Due Within One Year	8	93,950	
		<hr/>	
Net Current Liabilities			(5996)
			<hr/>
Total Assets Less Current Liabilities			15,052
CREDITORS:			
Due After More Than One Year	9		12,874
			<hr/>
			2,178
			=====
CAPITAL AND RESERVES			
Called Up Share Capital	11		100
Profit and Loss Account			2,078
			<hr/>
			2,178
			=====

HEATWORKS SERVICES LIMITED
BALANCE SHEET AS AT 30 JUNE 1995
CONTINUED

In preparing these accounts the directors have utilised the audit exemption and state that:

- (a) for the year ended 30 June 1995 the company was entitled to the exemption under Section 249A(2)
- (b) no notice requiring an audit had been deposited under Section 249B(2) in relation to the accounts for the year
- (c) the directors acknowledge their responsibilities for:
 - 1. ensuring that the company keeps accounting records which comply with Section 221, and,
 - 2. preparing accounts which give a true and fair view of the state of affairs of the company as at 30 June 1995 and of its profit and loss for the year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

In preparing these accounts the directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 applicable to small companies and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Andrew McKechnie



Director

Thomas Taylor



Director

The notes on pages 6 to 9 form part of these accounts.

HEATWORKS SERVICES LIMITED
NOTES TO THE ACCOUNTS AT 30 JUNE 1995

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention.

Depreciation

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

Plant and equipment	25% straight line
Computer Equipment	33% straight line
Motor vehicles (new)	33% straight line
Motor Vehicles (second hand)	50% straight line

Amortisation

Amortisation is charged on intangible assets as follows:

Goodwill	5% per Annum
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Leases

Finance leases are capitalised in accordance with SSAP 21. Interest charges relating to these finance leases are taken to the profit and loss account over the terms of the leases to which they relate.

Operating lease rentals are charged to the profit and loss account as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided only to the extent that it will become payable in the foreseeable future.

HEATWORKS SERVICES LIMITED
NOTES TO THE ACCOUNTS AT 30 JUNE 1995

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided, stated net of value added tax.

3. OPERATING PROFIT

This is stated after charging:

	<u>1995</u> £
Directors' remuneration	3228
Depreciation	5700
Amortisation	350

4. TAXATION

	<u>1995</u> £
Corporation Tax Payable	1035 =====

5. TANGIBLE FIXED ASSETS

	Plant and Equipment £	Motor Vehicles £	Computer Equipment £	Total £
COST				
Additions	5,315	12,783	2,000	20,098
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	<u>5,315</u>	<u>12,783</u>	<u>2,000</u>	<u>20,098</u>
 DEPRECIATION				
Charge for Year	1,211	3,822	667	5,700
On Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	<u>1,211</u>	<u>3,822</u>	<u>667</u>	<u>5,700</u>
 Net Book Value				
at 30 June 1995	<u>4,104</u> =====	<u>8,961</u> =====	<u>1,333</u> =====	<u>14,398</u> =====

HEATWORKS SERVICES LIMITED
NOTES TO THE ACCOUNTS AT 30 JUNE 1995

6. STOCKS

	<u>1995</u> <u>£</u>
Stock in Trade	4000
Work in Progress	1326
	<u>5326</u> =====

7. DEBTORS

	<u>1995</u> <u>£</u>
Due Within One Year:	
Trade Debtors	71870
Other Debtors	140
Prepayments	8528
	<u>80538</u> =====

8. CREDITORS: DUE WITHIN ONE YEAR

	<u>1995</u> <u>£</u>
Trade Creditors	20,441
VAT and Other Taxes	19,675
Other Creditors	1,803
Corporation Tax	1,035
Factoring Loan	43,415
Accruals	3,603
Hire Purchase Creditors (Secured)	3,978
	<u>93,950</u> =====

Hire Purchase Creditors are secured over the assets to which they relate.

9. CREDITORS: DUE AFTER MORE THAN ONE YEAR

	<u>1995</u> <u>£</u>
Director's Loan	9,400
Hire Purchase Creditors	3,474
	<u>12,874</u> =====

HEATWORKS SERVICES LIMITED
NOTES TO THE ACCOUNTS AT 30 JUNE 1995

10. LOANS

No period for repayment of Director's Loan has been defined.

11. CALLED UP SHARE CAPITAL

	<u>1995</u>
	<u>£</u>
Authorised:	
Ordinary Shares of £1 Each	15,000
	=====
Allotted, Issued and Fully Paid:	
Ordinary Shares of £1 Each	100
	=====

12. RECONCILIATION OF MOVEMENTS IN
 SHAREHOLDERS' FUND

	<u>1995</u>
	<u>£</u>
Profit for Year	2,078
	=====
Net Increase (Decrease) In Shareholders' Funds For Year	2,078
Opening Shareholders' Funds	100

Closing Shareholders' Funds	2,178
	=====

13. OPERATING LEASES

The following annual payments are committed to be paid under operating leases:

	<u>1995</u>
	<u>£</u>
Expiring between two and five years	8944
	=====

HEATWORKS SERVICES LIMITED
TRADING ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1995

		<u>1995</u>
		<u>£</u>
TURNOVER		272,543
		<hr/>
COST OF SALES		
Materials	71,643	
Wages & National Insurance	47,623	
Sub-Contract Labour & Transportation	13,571	
Transportation	11,059	
Other Direct Costs	17,999	
	<hr/>	
		161,895
		<hr/>
GROSS PROFIT		110,648
OVERHEAD EXPENDITURE		
Director's Remuneration	3,228	
Salaries	46,699	
Rent, Rates and Insurance	13,533	
Heat & Light	2,383	
Repair & Maintenance	370	
Telephone and Communications	6,394	
Stationery & Advertising	4,167	
Factoring Service Fees	2,550	
Professional Fees	4,259	
Bank Charges	1,009	
Training	670	
General Expenses	2,037	
Bad Debts	360	
Hire Purchase Interest	6,585	
Factoring Interest	7,851	
Bank Interest	39	
Depreciation	5,700	
Amortisation	350	
	<hr/>	
		108,184
		<hr/>
		2,464
Other Income		649
		<hr/>
Net Profit		3,113
		=====