

REGISTRARS COPY

Abbreviated Financial Statements for the Year Ended 31 December 1999

for

SUPERIOR PLUMBING LIMITED





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for the Year Ended 31 December 1999**

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SUPERIOR PLUMBING LIMITED

Company Information

for the Year Ended 31 December 1999

DIRECTORS:

J E Dillon
Mrs P A Dillon
R F Ferriday
J W Dillon
P J Dillon
M J Dillon
K T Shears
B Cooke

SECRETARY:

P A Dillon

REGISTERED OFFICE:

7 High Street
Chasetown
Burntwood
West Midlands
WS7 8XE

REGISTERED NUMBER: 00893718 (England and Wales)

AUDITORS:

Pates
Registered Auditors
Chartered Accountants
Kings Heath
Birmingham
B14 6DT

SUPERIOR PLUMBING LIMITED

Report of the Directors for the Year Ended 31 December 1999

The directors present their report with the financial statements of the company for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of central heating engineers and contractors.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Investments within the business during the previous years have enabled the company to move forward strongly during this year, with turnover increasing by £2.7 million (34%). All sectors of the business have improved but particular strength has been seen in Maintenance and New Build work. It is anticipated that the business will continue to grow in the year 2000. We continue to be aggressive in the market place in our traditional areas and anticipate further growth within Maintenance and New Build sectors. The company has taken a 50% holding in Proofinner Limited a Joint Venture to provide Lease Heat solutions to Local Authorities. The board continue to strengthen the Management Team to ensure that the company can move forward in an effective and controlled manner pursuing the aims of continuing growth and profitability.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 1999.

DIRECTORS

The directors during the year under review were:

J E Dillon
Mrs P A Dillon
R F Ferriday
J W Dillon
P J Dillon
M J Dillon
K T Shears
B Cooke

The beneficial interests of the directors holding office on 31 December 1999 in the issued share capital of the company were as follows:

	31.12.99	1.1.99
Ordinary shares 1 shares		
J E Dillon	113	140
Mrs P A Dillon	112	140
R F Ferriday	1	-
J W Dillon	84	72
P J Dillon	84	70
M J Dillon	84	70
K T Shears	22	8
B Cooke	-	-

**Report of the Directors
for the Year Ended 31 December 1999**

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 then 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.

AUDITORS

The auditors, Pates, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



P A Dillon - SECRETARY

Dated: 26th May 2000

SUPERIOR PLUMBING LIMITED

**Report of the Auditors to
SUPERIOR PLUMBING LIMITED
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages five to sixteen, together with the full financial statements of the company for the year ended 31 December 1999 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

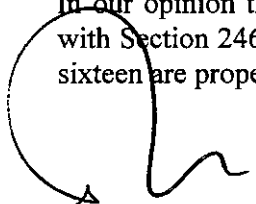
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to sixteen are properly prepared in accordance with that provision.



Pates
Registered Auditors
Chartered Accountants
Kings Heath
Birmingham
B14 6DT

Dated: 26th May 2000

SUPERIOR PLUMBING LIMITED**Abbreviated Profit and Loss Account
for the Year Ended 31 December 1999**

		31.12.99	31.12.98
	Notes	£	£
GROSS PROFIT		1,480,339	904,719
Administrative expenses		1,242,630	795,894
OPERATING PROFIT	3	237,709	108,825
Interest receivable and similar income		3,529	18
		241,238	108,843
Interest payable and similar charges	4	26,691	43,187
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		214,547	65,656
Tax on profit on ordinary activities	5	40,523	17,789
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		174,024	47,867
Retained profit brought forward		444,499	396,632
RETAINED PROFIT CARRIED FORWARD		£618,523	£444,499

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

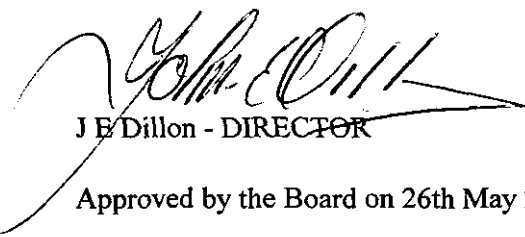
SUPERIOR PLUMBING LIMITED

Abbreviated Balance Sheet 31 December 1999

		31.12.99		31.12.98	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		745,403		665,481
Investments	7		500		-
			<u>745,903</u>		<u>665,481</u>
CURRENT ASSETS:					
Stocks	8	34,165		47,566	
Debtors	9	1,676,609		1,996,092	
Cash at bank and in hand		283,629		1,146	
		<u>1,994,403</u>		<u>2,044,804</u>	
CREDITORS: Amounts falling due within one year	10	<u>1,889,051</u>		<u>2,025,098</u>	
NET CURRENT ASSETS:			<u>105,352</u>		<u>19,706</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			851,255		685,187
CREDITORS: Amounts falling due after more than one year	11		(133,977)		(141,933)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(22,142)		(22,142)
			<u>£695,136</u>		<u>£521,112</u>
CAPITAL AND RESERVES:					
Called up share capital	15		500		500
Revaluation reserve	16		76,113		76,113
Profit and loss account			618,523		444,499
Shareholders' funds	17		<u>£695,136</u>		<u>£521,112</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


J E Dillon - DIRECTOR

Approved by the Board on 26th May 2000

The notes form part of these financial statements

SUPERIOR PLUMBING LIMITED

**Cash Flow Statement
for the Year Ended 31 December 1999**

		31.12.99		31.12.98	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		1,028,277		347,015
Returns on investments and servicing of finance	2		(23,162)		(43,169)
Taxation			4,492		(14,793)
Capital expenditure and financial investment	2		(14,877)		33,969
			<u>994,730</u>		<u>323,022</u>
Financing	2		(192,429)		(181,191)
Increase in cash in the period			<u><u>£802,301</u></u>		<u><u>£141,831</u></u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period			802,301		141,831
Cash outflow from decrease in debt and lease financing			<u>180,281</u>		<u>172,867</u>
Change in net debt resulting from cash flows			982,582		314,698
New finance leases			(209,355)		(370,678)
Movement in net debt in the period			<u>773,227</u>		<u>(55,980)</u>
Net debt at 1 January 1999			<u>(796,945)</u>		<u>(740,965)</u>
Net debt at 31 December 1999			<u><u>£(23,718)</u></u>		<u><u>£(796,945)</u></u>

The notes form part of these financial statements

SUPERIOR PLUMBING LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 December 1999

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.99 £	31.12.98 £
Operating profit	237,709	108,825
Depreciation charges	140,915	106,120
Loss on sale of fixed assets	3,077	-
Profit on sale of fixed assets	(182)	(2,377)
Decrease/(Increase) in stocks	13,401	(5,574)
Decrease/(Increase) in debtors	315,137	(180,763)
Increase in creditors	318,220	320,784
Net cash inflow from operating activities	<u>1,028,277</u>	<u>347,015</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.99 £	31.12.98 £
Returns on investments and servicing of finance		
Interest received	3,529	18
Interest paid	(6,218)	(27,377)
Interest element of hire purchase payments	<u>(20,473)</u>	<u>(15,810)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(23,162)</u>	<u>(43,169)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(16,102)	(6,436)
Cash payments - investmt purch	(500)	-
Sale of tangible fixed assets	<u>1,725</u>	<u>40,405</u>
Net cash (outflow)/inflow for capital expenditure	<u>(14,877)</u>	<u>33,969</u>

The notes form part of these financial statements

SUPERIOR PLUMBING LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 December 1999

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	31.12.99 £	31.12.98 £
Financing		
Hire purchase repayments in the year.	(180,281)	(172,867)
Amount withdrawn by directors	(12,148)	(8,324)
	<u> </u>	<u> </u>
Net cash outflow from financing	(192,429)	(181,191)
	<u> </u>	<u> </u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.99 £	Cash flow £	Other non-cash changes £	At 31.12.99 £
Net cash:				
Cash at bank and in hand	1,146	282,483		283,629
Bank overdraft	(519,818)	519,818		-
	<u>(518,672)</u>	<u>802,301</u>		<u>283,629</u>
Debt:				
Hire purchase	(278,273)	180,281	(209,355)	(307,347)
	<u>(278,273)</u>	<u>180,281</u>	<u>(209,355)</u>	<u>(307,347)</u>
Total	<u>(796,945)</u>	<u>982,582</u>	<u>(209,355)</u>	<u>(23,718)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	1,146			283,629
Bank overdraft	(519,818)			-
Hire purchase within one year	(136,340)			(173,370)
after one year	(141,933)			(133,977)
	<u>(796,945)</u>			<u>(23,718)</u>

The notes form part of these financial statements

SUPERIOR PLUMBING LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 1999

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.12.99	31.12.98
	£	£
Wages and salaries	4,723,313	3,728,579
Other pension costs	162,307	80,981
	<hr/>	<hr/>
	4,885,620	3,809,560
	<hr/>	<hr/>

SUPERIOR PLUMBING LIMITED**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1999****2. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	31.12.99	31.12.98
Operatives	87	98
Administration	19	19
Managers	11	12
	<u>117</u>	<u>129</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.99	31.12.98
	£	£
Depreciation - owned assets	40,106	41,549
Depreciation - assets on hire purchase contracts	100,809	64,571
Loss/(Profit) on disposal of fixed assets	2,895	(2,377)
Auditors' remuneration	2,900	2,800
	<u>245,530</u>	<u>169,480</u>

Information regarding the highest paid director for the year ended 31 December 1999 is as follows:

	31.12.99
	£
Emoluments etc	<u>46,000</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.99	31.12.98
	£	£
Bank interest	6,218	27,377
Hire purchase interest	20,473	15,810
	<u>26,691</u>	<u>43,187</u>

SUPERIOR PLUMBING LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 1999

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.99	31.12.98
	£	£
UK corporation tax	40,669	(4,346)
Corporation tax prior year	(146)	(7)
Deferred taxation	-	22,142
	<u>40,523</u>	<u>17,789</u>

UK corporation tax has been charged at 20.25% (1998 - 21%).

6. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 1999	191,811	75,565	622,872	890,248
Additions	-	16,102	209,355	225,457
Disposals	-	(9,304)	(8,001)	(17,305)
At 31 December 1999	<u>191,811</u>	<u>82,363</u>	<u>824,226</u>	<u>1,098,400</u>
DEPRECIATION:				
At 1 January 1999	-	47,173	177,594	224,767
Charge for year	-	8,145	132,770	140,915
Eliminated on disposals	-	(6,227)	(6,458)	(12,685)
At 31 December 1999	<u>-</u>	<u>49,091</u>	<u>303,906</u>	<u>352,997</u>
NET BOOK VALUE:				
At 31 December 1999	<u>191,811</u>	<u>33,272</u>	<u>520,320</u>	<u>745,403</u>
At 31 December 1998	<u>191,811</u>	<u>28,392</u>	<u>445,278</u>	<u>665,481</u>

SUPERIOR PLUMBING LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 1999

6. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
At 1 January 1999	438,160
Additions	209,355
Transferred to ownership	(73,125)
	<hr/>
At 31 December 1999	574,390
	<hr/>
DEPRECIATION:	
At 1 January 1999	72,593
Charge for year	100,809
Transferred to ownership	(24,517)
	<hr/>
At 31 December 1999	148,885
	<hr/>
NET BOOK VALUE:	
At 31 December 1999	425,505
	<hr/> <hr/>
At 31 December 1998	365,567
	<hr/> <hr/>

7. FIXED ASSET INVESTMENTS

	£
COST:	
Additions	500
	<hr/>
At 31 December 1999	500
	<hr/>
NET BOOK VALUE:	
At 31 December 1999	500
	<hr/> <hr/>

	31.12.99 £	31.12.98 £
Unlisted investments	500	-
	<hr/>	<hr/>

8. STOCKS

	31.12.99 £	31.12.98 £
Stock	34,165	47,566
	<hr/>	<hr/>

SUPERIOR PLUMBING LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 1999

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.99 £	31.12.98 £
Trade debtors	1,676,609	1,973,288
Prepayments	-	18,458
Corporation tax repayable	-	4,346
	<u>1,676,609</u>	<u>1,996,092</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.99 £	31.12.98 £
Bank loans and overdrafts (see note 12)	-	519,818
Hire purchase contracts (see note 13)	173,370	136,340
Trade creditors	1,408,868	1,086,002
Other creditors	32,031	44,528
Directors' current accounts	6,517	18,665
Social security & other taxes	89,577	59,912
Vat	134,409	102,051
Corporation tax	40,669	-
Accrued expenses	3,610	57,782
	<u>1,889,051</u>	<u>2,025,098</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.99 £	31.12.98 £
Hire purchase contracts (see note 13)	<u>133,977</u>	<u>141,933</u>

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.99 £	31.12.98 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>519,818</u>

SUPERIOR PLUMBING LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 1999

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.12.99	31.12.98
	£	£
Gross obligations repayable:		
Within one year	173,370	136,340
Between one and five years	133,977	141,933
	<u>307,347</u>	<u>278,273</u>
Net obligations repayable:		
Within one year	173,370	136,340
Between one and five years	133,977	141,933
	<u>307,347</u>	<u>278,273</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	31.12.99	31.12.98
	£	£
Deferred taxation	<u>22,142</u>	<u>22,142</u>

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.12.99	31.12.98
		value:	£	£
1,000	Ordinary shares	1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.12.99	31.12.98
		value:	£	£
500	Ordinary shares	1	<u>500</u>	<u>500</u>

16. REVALUATION RESERVE

	31.12.99	31.12.98
	£	£
Brought forward	<u>76,113</u>	<u>76,113</u>

SUPERIOR PLUMBING LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 1999

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.99	31.12.98
	£	£
Profit for the financial year	174,024	47,867
NET ADDITION TO SHAREHOLDERS' FUNDS	174,024	47,867
Opening shareholders' funds	521,112	473,245
CLOSING SHAREHOLDERS' FUNDS	695,136	521,112
Equity interests	695,136	521,112

18. CONTROLLING PARTY

The company is controlled by the directors as shown on page 1.