

Heat for Hire Limited

**Directors' report and financial
statements**

**Registered number 940457
30 December 2000**



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Directors' report

The directors present their annual report together with the audited financial statements for the 52 weeks ended 30 December 2000.

Principal activity

The Company acts as an intermediate UK holding company for the overseas subsidiary undertakings of Andrews Sykes Group plc.

Results and dividends

The results for the period are as set out in the profit and loss account on page 4. The directors do not recommend the payment of a final dividend (*53 weeks ended 1 January 2000: £824,000*).

Directors and their interests

The directors who served during the financial period and subsequently are as follows:

JR Hall

RJ Stevens (appointed 17 January 2000)

Other than the interests disclosed below, no director in office at 30 December 2000 had any disclosable interests in the share capital of the Company or the Group.

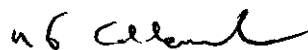
Mr JR Hall held one ordinary share of £1 as nominee in Heat for Hire Limited at both 30 December 2000 and 1 January 2000.

Mr JR Hall and Mr RJ Stevens are also directors of the ultimate UK parent company, Andrews Sykes Group plc, and their interests in the share capital of Andrews Sykes Group plc at 30 December 2000 and 1 January 2000 (or date of appointment if later) are disclosed in that company's financial statements.

Annual General Meeting

The company has passed an elective resolution to dispense with the holding of an annual general meeting.

By order of the board



MJ Calderbank
Company Secretary

Premier House
Darlington Street
Wolverhampton
WV1 4JJ

17 August 2001

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Report of the auditors to the members of Heat for Hire Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

Basis of audit 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 30 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

17 August 2001

Profit and loss account
for the 52 weeks ended 30 December 2000

	<i>Note</i>	52 weeks ended 30 December 2000 Continuing operations £000	53 weeks ended 1 January 2000 Continuing Operations £000
Income from shares in group undertakings	2	-	824
Interest on overdue corporation tax		(4)	-
Interest payable to group undertakings		(1)	(1)
Interest receivable from group undertaking		511	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		506	823
Tax on profit on ordinary activities	3	(156)	(16)
		<hr/>	<hr/>
Profit for the financial period		350	807
Dividends paid and proposed on equity shares	4	-	(824)
		<hr/>	<hr/>
Retained profit/(loss) for the financial period		350	(17)
Retained profit at the beginning of the period		54	71
		<hr/>	<hr/>
Retained profit at the end of the period		404	54
		<hr/>	<hr/>

There are no recognised gains or losses other than the profit for the financial period.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet
at 30 December 2000

	<i>Note</i>	30 December 2000	1 January 2000
		£000	£000
Fixed assets			
Investments	5	5,222	5,222
Current assets			
Debtors: Due after more than one year	6	4,830	4,319
Cash at bank		3	3
		<hr/>	<hr/>
Creditors: amounts falling due within one year	7	4,833 (175)	4,322 (905)
		<hr/>	<hr/>
Net current assets		4,658	3,417
		<hr/>	<hr/>
Total assets less current liabilities		9,880	8,639
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	8	(4,267)	(3,376)
		<hr/>	<hr/>
Net assets		5,613	5,263
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	5,209	5,209
Profit and loss account		404	54
		<hr/>	<hr/>
Equity shareholders' funds	10	5,613	5,263
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 17 August 2001 and were signed on its behalf by:


JR Hall
Director

The accompanying notes are an integral part of this balance sheet.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of accounting and consolidated accounts

The financial statements have been prepared under the historical cost convention and are accordance with applicable Accounting Standards.

Consolidated accounts have not been prepared as the Company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare and file group accounts because it is itself a wholly owned subsidiary of a UK parent which prepares and files consolidated financial statements.

Income from investments is recognised in the company accounts on an accruals basis.

Related Party Transactions

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with the Andrews Sykes Group and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of Andrews Sykes Group plc.

Investments

Investments in subsidiary undertakings are stated at cost. Provisions are created when the directors consider that the investment has suffered a permanent diminution in value.

Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account. Non monetary assets are recorded at the historical rate of exchange.

Cash flow statement

Under FRS 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a UK parent.

2 Income from shares in group undertakings

	52 weeks ended 30 December 2000 £000	53 weeks ended 1 January 2000 £000
AS Holding BV	-	824

Notes (continued)

3 Tax on profit on ordinary activities

	52 weeks ended 30 December 2000 £000	53 weeks ended 1 January 2000 £000
UK corporation tax on the profit on ordinary activities	92	-
Adjustment in respect of prior years:		
Corporation tax	64	16
	<u>156</u>	<u>16</u>

4 Dividends paid and proposed on equity shares

	52 weeks ended 30 December 2000 £000	53 weeks ended 1 January 2000 £000
Proposed final ordinary dividend	-	824

5 Investments

	Shares in subsidiary undertakings £000
<i>Cost and net book value</i>	
At beginning and end of period	5,222

The Company owns 100% of the ordinary share capital of AS Holding BV, a company incorporated in the Netherlands. AS Holding BV acts as a holding company for the overseas subsidiaries of Andrews Sykes Group plc. No other class of shares are in issue.

6 Debtors

	30 December 2000 £000	1 January 2000 £000
Debtors due after more than one year:		
Amounts owed by group undertakings	4,830	4,319

Notes (continued)

7 Creditors: amounts falling due within one year

	30 December 2000 £000	1 January 2000 £000
Amounts owed to group undertakings	83	81
Corporation tax	92	-
Proposed dividends	-	824
	<u>175</u>	<u>905</u>

8 Creditors: amounts falling due after more than one year

	30 December 2000 £000	1 January 2000 £000
Amounts owed to group undertakings	4,267	3,376

9 Called up share capital

	30 December 2000 £	1 January 2000 £
<i>Authorised</i>		
5,208,842 (1 January 2000: 5,208,842) ordinary shares of £1 each	5,208,842	5,208,842
	<u>£000</u>	<u>£000</u>
<i>Allotted, called up and fully paid</i>		
5,208,842 (1 January 2000: 5,208,842) ordinary shares of £1 each	5,209	5,209

10 Reconciliation of movement in shareholders' funds

	52 weeks ended 30 December 2000 £000	53 weeks ended 1 January 2000 £000
Profit for the financial period	350	807
Dividends	-	(824)
Net increase/(reduction) in shareholders' funds	<u>350</u>	<u>(17)</u>
Shareholders' funds at the beginning of the period	5,263	5,280
Shareholders' funds at the end of the period	<u>5,613</u>	<u>5,263</u>

Notes *(continued)*

11 Ultimate holding company

The Company is a subsidiary undertaking of Andrews Sykes Group plc, a company registered in England and Wales.

The only group in which the results of Heat for Hire Limited are consolidated is that headed by Andrews Sykes Group plc whose principal place of business is Premier House, Darlington Street, Wolverhampton WV1 4JJ. The consolidated accounts for this group are available to the public and may be obtained from the aforementioned address.

As at 17 August 2001, EOI SYKES Sarl, which is incorporated in Luxembourg, held 61.69% of the ordinary share capital of Andrews Sykes Group plc and accordingly it is the Company's ultimate parent company. The ultimate controlling party is Mr JG Murray.