

BLADES HEATING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th APRIL 1996

Company registration number: 886245

WELLS FLOYD
Chartered Accountants and Registered Auditors
The Old Rectory
Church Street
Weybridge, Surrey



BLADES HEATING LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 1996**

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The following pages do not form part of the financial statements.

Detailed trading, profit and loss account	Appendix 1
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BLADES HEATING LIMITED**THE DIRECTORS' REPORT
FOR THE YEAR ENDED 30th APRIL 1996**

The directors present their report and the company's financial statements for the year ended 30th April 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year has continued to be that of domestic heating intallation.

There were no significant changes in the operation of the company's business during the year under review. In the opinion of the directors the company was in a satisfactory position at the 30th April 1996.

The results for the year, the company's financial position, and the amounts transferred to reserves are shown in the attached financial statements.

DIRECTORS

The directors who served in office during the year and their beneficial interests in the company's shares were as follows:

Ordinary shares held at:	30 April 1996	1 May 1995
T.J. Kentish	34	34
G.J. Wheeler	33	33
R.B. Brunt	-	-
S. Charlett	-	-

BLADES HEATING LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 30th APRIL 1996

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs at the end of the year and the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Messrs Wells Floyd as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

In preparing the directors' report, the directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

Signed on behalf of the directors



T.J. Kentish
Company secretary

Approved by the directors on

16 January 1997

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
BLADES HEATING LIMITED**

FOR THE YEAR ENDED 30th APRIL 1996

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 2 to the financial statements the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 30th April 1996 and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



WELLS FLOYD
Chartered Accountants and Registered Auditors
The Old Rectory
Church Street
Weybridge, Surrey

Date: 16 January 1997

BLADES HEATING LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30th APRIL 1996**

	Note	1996 £	1995 £
Turnover	2	1,159,960	1,155,997
Cost of sales		(821,598)	(824,955)
Gross profit		<u>338,362</u>	<u>331,042</u>
Administrative expenses		(289,954)	(275,066)
Other operating income	3	<u>1,820</u>	<u>1,820</u>
Operating profit	4	<u>50,228</u>	<u>57,796</u>
Interest receivable and similar income	6	5,849	3,262
Interest payable and similar charges	7	(3,613)	(2,801)
Profit on ordinary activities before taxation		<u>52,464</u>	<u>58,257</u>
Tax on profit on ordinary activities	8	(13,136)	(14,710)
Profit for the financial year		<u><u>39,328</u></u>	<u><u>43,547</u></u>

PROFIT AND LOSS ACCOUNT

	£	£
At 1st May 1995	227,246	183,699
Profit for the financial year	<u>39,328</u>	<u>43,547</u>
At 30th April 1996	<u><u>266,574</u></u>	<u><u>227,246</u></u>

Total recognised gains and losses

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

Continuing operations

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

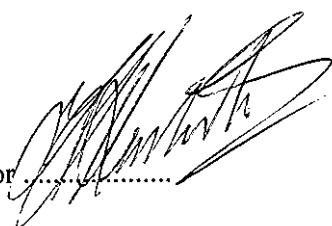
BLADES HEATING LIMITED**BALANCE SHEET AS AT 30th APRIL 1996**

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	9	121,543	84,124
Current assets			
Stocks		136,633	107,878
Debtors	10	141,034	120,651
Cash at bank and in hand		163,528	162,855
		<u>441,195</u>	<u>391,384</u>
Creditors: Amounts falling due within one year	11	<u>(281,181)</u>	<u>(235,946)</u>
Net current assets		160,014	155,438
Total assets less current liabilities		<u>281,557</u>	<u>239,562</u>
Creditors: Amounts falling due after more than one year	12	<u>(14,883)</u>	<u>(12,216)</u>
Net assets		<u>266,674</u>	<u>227,346</u>
		£	£
Capital and reserves			
Called up equity share capital	13	67	67
Capital redemption reserve	14	33	33
Profit and loss account		266,574	227,246
Shareholders' funds	15	<u>266,674</u>	<u>227,346</u>

In preparing these financial statements, the directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in the directors' opinion, the company qualifies as a small company.

These financial statements were approved by the directors on: 16 Jan 1997.

Director



Director



The notes on pages 6 to 12 form part of these financial statements.

BLADES HEATING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 1996****1. ACCOUNTING POLICIES**

These financial statements have been prepared under the historical cost convention using the following accounting policies:

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Buildings	- 2% straight line basis
Equipment	- 10% on net book value
Motor vehicles	- 25% on net book value

STOCK

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

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged against the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

FINANCE LEASE AGREEMENTS

Assets held under finance leases where substantially all of the benefits and risks of ownership accrue to the lessee, are capitalised and disclosed under tangible fixed assets at their fair value. The assets are depreciated over the shorter of the lease term or their useful economic life. The capital element of the future payments is treated as a liability. The total finance charge for each lease is charged against the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

BLADES HEATING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 1996****1. ACCOUNTING POLICIES NOTE - CONTINUED****COMPANY PENSION SCHEME**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and is disclosed in the notes to the profit and loss account. If outstanding at the balance sheet date contributions payable and prepaid will be separately disclosed in the notes on creditors and debtors respectively.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against the profit and loss account as incurred.

DEFERRED TAXATION

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences to the extent that there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

3. OTHER OPERATING INCOME

	1996	1995
	£	£
Rent receivable	<u>1,820</u>	<u>1,820</u>

BLADES HEATING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 1996****4. OPERATING PROFIT**

Operating profit is stated after charging:

	1996 £	1995 £
Pension costs	2,108	22,551
Depreciation	20,482	15,006
Profit on disposal of fixed assets	(424)	(1,198)
Audit fees	3,250	3,250
Operating lease charges: - Hire of plant & machinery	<u>2,602</u>	<u>2,473</u>

5. DIRECTORS' EMOLUMENTS

Directors' emoluments, including pensions and benefits in kind were:

	1996 £	1995 £
Emoluments for services as directors	<u>112,456</u>	<u>125,611</u>
	<u>112,456</u>	<u>125,611</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1996 £	1995 £
Bank interest receivable	<u>5,849</u>	<u>3,262</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
Included in this category are:		
Finance lease charges and hire purchase interest	<u>3,426</u>	<u>2,758</u>

BLADES HEATING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 1996****8. TAXATION ON ORDINARY ACTIVITIES**

	1996 £	1995 £
Current year corporation tax	13,136	14,642
Under provision in previous years	-	68
	<u>13,136</u>	<u>14,710</u>

9. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Equipment	Motor Vehicles	TOTAL
Cost:	£	£	£	£
Balance brought forward	52,281	6,738	112,587	171,606
Additions at cost	26,403	9,169	22,330	57,902
Disposals at cost	-	-	(6,805)	(6,805)
Balance carried forward	<u>78,684</u>	<u>15,907</u>	<u>128,112</u>	<u>222,703</u>
Depreciation:	£	£	£	£
Balance brought forward	8,083	3,846	75,553	87,482
Depreciation on disposals	-	-	(6,804)	(6,804)
Depreciation charge	1,206	1,207	18,069	20,482
Balance carried forward	<u>9,289</u>	<u>5,053</u>	<u>86,818</u>	<u>101,160</u>
Net book value:	£	£	£	£
At 30th April 1996	<u>69,395</u>	<u>10,854</u>	<u>41,294</u>	<u>121,543</u>
At 30th April 1995	<u>44,198</u>	<u>2,892</u>	<u>37,034</u>	<u>84,124</u>

BLADES HEATING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 1996****9. TANGIBLE FIXED ASSETS NOTE - CONTINUED****Depreciable assets included in land and buildings**

The cost of depreciable assets included in land and buildings at the balance sheet date was £60,318 (1995 £33,915).

Assets held under finance leases and hire purchase agreements Included within the net book value of £121,543 is £18,639 (1995 £14,287) relating to assets held under hire purchase agreements, and £22,655 (1995 £22,748) relating to assets held under finance lease agreements. The depreciation charges on assets held under hire purchase agreements amounted to £6,212 (1995 £4,656), and £11,857 (1995 £10,486) on assets held under finance lease agreements.

10. DEBTORS

	1996 £	1995 £
Trade debtors	136,560	115,067
Prepayments and accrued income	4,474	5,584
	<u>141,034</u>	<u>120,651</u>

All debtors are recoverable within one year of the balance sheet date.

11. CREDITORS: Amounts falling due within one year

	1996 £		1995 £	
Trade creditors		183,254		125,352
Other creditors including:				
Corporation tax	13,136		14,642	
Other taxation and social security	28,150		31,743	
Hire purchase and finance leases	16,162		12,317	
Other creditors	<u>24,500</u>		<u>36,000</u>	
		81,948		94,702
Accruals		<u>15,979</u>		<u>15,892</u>
		<u>281,181</u>		<u>235,946</u>

BLADES HEATING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 1996****12. CREDITORS: Amounts falling due after more than one year**

	1996 £	1995 £
Other creditors including:		
Hire purchase and finance leases	<u>14,883</u>	<u>12,216</u>
	<u>14,883</u>	<u>12,216</u>

All liabilities are payable within five years of the balance sheet date.

13. SHARE CAPITAL**Authorised share capital:**

	1996 £	1995 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1996 £	1995 £
Equity share capital:		
Ordinary share capital brought forward	<u>67</u>	<u>67</u>
	<u>67</u>	<u>67</u>

14. CAPITAL REDEMPTION RESERVE

There has been no movement on this reserve during the year.