



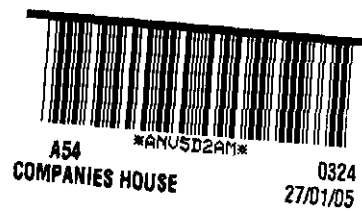
Accountants and business advisors

**P H JONES LIMITED**

Company Number: 1026007

**ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2004**



# **P H JONES LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	P H Jones
	B M Jones
	D W Hankey
	M P Jones
	C S Jones
	P R Nelson
<b>Secretary</b>	B M Jones
<b>Company Number</b>	1026007
<b>Registered Office</b>	Aqua House
	Hampton Heath Industrial Estate
	Malpas
	Cheshire
	SY14 8LY
<b>Auditors</b>	PKF
	Sovereign House
	Queen Street
	Manchester
	M2 5HR

# **P H JONES LIMITED**

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**P H JONES LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 MARCH 2004**

The directors submit their report and the financial statements for the year ended 31 March 2004.

**Results and dividends**

The profit for the year, after taxation, amounted to £582,003 (2003 - £314,724).

The directors recommend a dividend of £30,000 leaving a balance of £552,003 which is transferred to retained reserves.

**Principal activity and review of the business**

The principal activity of the company remains that of servicing and repair of heating installations.

During the year, the business has seen a continued increase in the level of sales and work done whilst at the same time maintaining margins.

This expansion has involved increased levels of employment, and substantial expenditure on vehicles.

**Directors**

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

	<b>Ordinary Shares of £1 each</b>	
	<b>2004</b>	<b>2003</b>
P H Jones	25	25
B M Jones	25	25
D W Hankey	-	-
M P Jones	-	-
C S Jones	-	-
P R Nelson	-	-

M P Jones and C S Jones each have a beneficial interest in 25 ordinary shares of £1 each held in a discretionary trust.

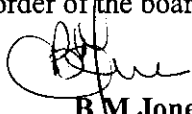
**Political and charitable contributions**

Charitable contributions of £1,485 were made during the year.

**Auditors**

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board

  
**B M Jones**  
Secretary

7/1/2005

**P H JONES LIMITED**  
**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;
- 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 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
P H JONES LIMITED**

We have audited the financial statements of P H Jones Limited for the period ended 31 March 2004 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 judgments 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**P H JONES LIMITED (continued)**

**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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Manchester, UK

21 January 2005

PKF

**PKF**  
Registered Auditors

**P H JONES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2004**

	Notes	2004 £	2003 £
<b>TURNOVER</b>	<b>2</b>	<b>22,214,173</b>	16,103,365
Cost of sales		(17,299,987)	(12,550,051)
<b>GROSS PROFIT</b>		<b>4,914,186</b>	3,553,314
Administrative expenses		(3,910,383)	(3,003,970)
<b>OPERATING PROFIT</b>	<b>3</b>	<b>1,003,803</b>	549,344
Interest receivable and similar income		-	32
Interest payable and similar charges	<b>6</b>	(135,739)	(108,908)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>868,064</b>	440,468
<b>TAXATION</b>	<b>7</b>	<b>(286,061)</b>	(125,744)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>582,003</b>	314,724
<b>DIVIDENDS</b>	<b>8</b>	<b>(30,000)</b>	(30,000)
		<b>552,003</b>	284,724

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

There was no material difference between the reported result and the result calculated on an unmodified historical cost basis.



**P H JONES LIMITED**  
**BALANCE SHEET**  
**31 MARCH 2004**

	Notes	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible	9	1,319,760	1,488,718
<b>CURRENT ASSETS</b>			
Stocks	10	358,687	278,899
Debtors	11	6,035,695	4,448,126
Cash at bank and in hand		1,365	-
		<u>6,395,747</u>	<u>4,727,025</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(5,402,461)</u>	<u>(4,130,205)</u>
<b>NET CURRENT ASSETS</b>		<u>993,286</u>	<u>596,820</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,313,046</u>	<u>2,085,538</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13	(243,966)	(543,601)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15	<u>(79,616)</u>	<u>(104,476)</u>
<b>NET ASSETS</b>		<u><u>1,989,464</u></u>	<u><u>1,437,461</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	100	100
Revaluation reserve		45,510	45,510
Profit and loss account	17	1,943,854	1,391,851
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u>1,989,464</u></u>	<u><u>1,437,461</u></u>

The financial statements were approved by the board on

Signed on behalf of the board of directors

Director



7/1/05

**P H JONES LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2004**

	2004 £	2003 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit	1,003,803	549,344
Depreciation of tangible fixed assets	446,945	423,461
Loss/(profit) on sale of fixed assets	37,184	(1,244)
Increase in debtors	(1,587,569)	(1,693,366)
Increase in stocks	(79,788)	(177,551)
Increase in creditors	955,450	1,085,721
<b>Net cash inflow from operating activities</b>	<u>776,025</u>	<u>186,365</u>
 <b>CASH FLOW STATEMENT (note 19)</b>		
Net cash inflow from operating activities	776,025	186,365
Returns on investments and servicing of finance	(135,739)	(108,876)
Taxation	(88,333)	(150,811)
Capital expenditure	(36,393)	(156,862)
Equity dividends paid	(30,000)	(30,000)
	<u>485,560</u>	<u>(260,184)</u>
<b>Financing</b>	<u>(666,275)</u>	<u>(472,676)</u>
<b>Decrease in cash</b>	<u>(180,715)</u>	<u>(732,860)</u>
 <b>Reconciliation of net cash flow to movement in net debt (note 20)</b>		
Decrease in cash in the year	(180,715)	(732,860)
Cash flow from increase in lease financing	666,275	472,676
New finance leases	(278,778)	(847,689)
<b>Change in net debt</b>	<u>206,782</u>	<u>(1,107,873)</u>
Net debt at 1 April 2003	(1,673,949)	(566,076)
<b>Net debt at 31 March 2004</b>	<u>(1,467,167)</u>	<u>(1,673,949)</u>

**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with applicable accounting standards.

**(b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

**(c) Stocks**

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

**(d) Amounts recoverable on contracts**

Profit on contracts is taken as the work is carried out, but only if the final outcome can be assessed with reasonable certainty. The profit is calculated to reflect the proportion of work carried out in the year.

Amounts recoverable on contracts therefore represents uninvoiced costs plus the proportion of profit considered applicable to the contract stage achieved.

**(e) Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office improvements	10 % reducing balance
Fixtures, fittings, tools and office equipment	25 % reducing balance
Motor vehicles	25 % reducing balance

Freehold land is not depreciated.

**(f) Finance leases and hire purchase**

Assets acquired under hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

**(g) Operating leases**

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**1 ACCOUNTING POLICIES (continued)**

**(h) Deferred taxation**

As required by FRS 19 "Deferred Tax", full provision is made for deferred tax, assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

**(i) Pensions**

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

**2 TURNOVER**

Turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

**3 OPERATING PROFIT**

The operating profit is stated after charging:

	2004 £	2003 £
Depreciation of tangible fixed assets:		
- owned by the company	87,573	53,632
- held under finance lease or hire purchase contracts	359,372	369,829
Audit fees	9,000	7,500
Auditors' remuneration - non-audit services	55,259	4,500
Operating lease rentals:		
- plant & machinery	175,264	70,782
- land and buildings	90,711	58,881
Pension cost	54,321	47,983
	<u>          </u>	<u>          </u>

**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**4 DIRECTORS' EMOLUMENTS AND BENEFITS**

	2004	2003
	£	£
Directors' emoluments	191,925	164,561
Contributions to money purchase pension schemes	4,961	4,799
	<u>          </u>	<u>          </u>

The number of directors accruing benefits under pension schemes were:

	No	No
Money purchase schemes	4	4
	<u>          </u>	<u>          </u>

The highest paid director received emoluments and benefits as follows:

	2004	2003
	£	£
Emoluments and benefits under long term incentive schemes	42,579	32,500
	<u>          </u>	<u>          </u>

**5 STAFF COSTS**

Staff costs, including directors' emoluments, were as follows:

	2004	2003
	£	£
Wages and salaries	8,050,061	6,118,705
Social security costs	837,175	554,773
Other pension costs	54,321	47,983
	<u>8,941,557</u>	<u>6,721,461</u>

The average monthly number of employees, including executive directors, during the year was:

	No	No
Administration	51	38
Technical	315	255
	<u>366</u>	<u>293</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2004	2003
	£	£
Bank loans and overdrafts	25,286	7,886
Finance charges under finance lease and hire purchase contracts	110,453	101,022
	<u>135,739</u>	<u>108,908</u>

**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**7 TAXATION**

<b>(a) Analysis of charge in year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>UK corporation tax</b>		
Current tax on income for the year	288,111	92,500
Adjustments in respect of prior periods	22,810	-
Total UK taxation	<u>310,921</u>	<u>92,500</u>
<b>Deferred tax</b>		
Changes in deferred tax balances arising from:		
Origination or reversal of timing differences	(24,860)	33,244
<b>Tax on profit on ordinary activities</b>	<u>286,061</u>	<u>125,744</u>

The tax assessed for the year is greater than would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>868,064</u>	<u>440,468</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2003: 30%)	260,419	132,140
Effects of:		
Expenses disallowed for tax purposes	983	2,870
Depreciation in excess of capital allowances	20,709	(33,243)
Tax rate differences	-	(9,267)
Adjustment in respect of prior periods	22,810	-
Other short term timing differences	6,000	-
Current tax charge for the year	<u>310,921</u>	<u>92,500</u>

**8 DIVIDENDS**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Ordinary shares</b>		
Interim paid	<u>30,000</u>	<u>30,000</u>
of which:		
Dividends on equity shares	<u>30,000</u>	<u>30,000</u>

**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**9 TANGIBLE FIXED ASSETS**

	Motor vehicles £	Fixtures, fittings, tools and equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2003	2,174,998	194,043	2,369,041
Additions	302,227	88,800	391,027
Disposals	(307,449)	-	(307,449)
At 31 March 2004	<u>2,169,776</u>	<u>282,843</u>	<u>2,452,619</u>
<b>Depreciation</b>			
At 1 April 2003	802,415	77,908	880,323
Charge for year	399,435	47,510	446,945
On disposals	(194,409)	-	(194,409)
At 31 March 2004	<u>1,007,441</u>	<u>125,418</u>	<u>1,132,859</u>
<b>Net book amount</b>			
At 31 March 2004	<u>1,162,335</u>	<u>157,425</u>	<u>1,319,760</u>
At 31 March 2003	<u>1,372,583</u>	<u>116,135</u>	<u>1,488,718</u>

The net book amounts of motor vehicles above include £1,101,585 (2003 - £1,325,004) in respect of assets held under finance leases or hire purchase contracts.

Fixtures, fittings, tools and equipment includes £15,859 (2003 - £21,145) in respect of assets that were gifted to the company in 2000 and immediately revalued by the directors on an open market basis.

**10 STOCKS**

	2004 £	2003 £
Raw materials	<u>358,687</u>	<u>278,899</u>

**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**11 DEBTORS**

	2004 £	2003 £
<b>Due within one year</b>		
Trade debtors	2,800,643	2,225,721
Prepayments and accrued income	320,114	240,555
Amounts receivable on long term contracts	2,914,938	1,981,850
	<u>6,035,695</u>	<u>4,448,126</u>

**12 CREDITORS**

	2004 £	2003 £
<b>Amounts falling due within one year</b>		
Bank loans and overdrafts	747,148	565,068
Trade creditors	2,743,469	2,196,292
Corporation tax	315,088	92,500
Other tax and social security	505,574	310,044
Net obligations under finance lease and hire purchase contracts (note 14)	477,418	565,280
Other creditors	114,091	101,099
Accruals and deferred income	499,673	299,922
	<u>5,402,461</u>	<u>4,130,205</u>

The bank overdraft is secured by an unlimited debenture from the company, and a guarantee of £250,000 given by P H and Mrs B M Jones.

**13 CREDITORS**

	2004 £	2003 £
<b>Amounts falling due after more than one year</b>		
Net obligations under finance lease and hire purchase contracts (note 14)	243,966	543,601



**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**14 FINANCE LEASES**

Net obligations under hire purchase agreements fall due as follows:

	2004 £	2003 £
Within one year	477,418	565,280
Between one and five years	243,966	543,601
	<u>721,384</u>	<u>1,108,881</u>

Hire purchase creditors are secured on the assets concerned.

**15 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £
At 1 April 2003	104,476
Credited to profit and loss	(24,860)
At 31 March 2004	<u>79,616</u>

Deferred tax is analysed as follows:

	Provided		Not provided
	2004 £	2003 £	2004 £
Capital allowances	85,616	104,476	-
Other timing differences	(6,000)	-	-
	<u>79,616</u>	<u>104,476</u>	<u>-</u>

**16 SHARE CAPITAL**

	Authorised £	Allotted, called up and fully paid No	£
At 1 April 2003 and 31 March 2004			
Ordinary shares of £1 each	100	100	100

**17 RESERVES**

	£
Profit and loss account	
At 1 April 2003	1,391,851
Profit for the year	582,003
Dividends	(30,000)
At 31 March 2004	<u>1,943,854</u>

**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**18 SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Shareholders' funds at 1 April 2003	1,437,461	1,152,737
Profit for the year	582,003	314,724
Dividends	(30,000)	(30,000)
Shareholders' funds at 31 March 2004	<u>1,989,464</u>	<u>1,437,461</u>

**19 GROSS CASH FLOWS**

	2004 £	2003 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	32
Interest paid	(25,286)	(7,885)
Interest element of finance lease rentals	(110,453)	(101,023)
	<u>(135,739)</u>	<u>(108,876)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(112,249)	(176,758)
Receipts from sales of tangible fixed assets	75,856	19,896
	<u>(36,393)</u>	<u>(156,862)</u>
<b>Financing</b>		
Capital element of finance lease rentals	<u>(666,275)</u>	<u>(472,676)</u>

**20 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2003 £	Cash flows £	Other changes £	At 31 March 2004 £
Cash at bank and in hand	-	1,365	-	1,365
Overdrafts	(565,068)	(182,080)	-	(747,148)
		<u>(180,715)</u>		
Finance leases	(1,108,881)	666,275	(278,778)	(721,384)
Total	<u>(1,673,949)</u>	<u>485,560</u>	<u>(278,778)</u>	<u>(1,467,167)</u>

**21 CAPITAL COMMITMENTS**

At 31 March 2004 the company had entered into contracts for capital expenditure not provided for in these accounts amounting to approximately £15,000 (2003 - £227,503).

**P H JONES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**22 OTHER COMMITMENTS**

At 31 March 2004 the company had annual commitments under operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Between one and five years	<b>105,305</b>	<b>22,400</b>	<b>224,017</b>	<b>-</b>

**23 TRANSACTIONS WITH RELATED PARTIES**

Included within the financial statements is a loan of £3,601 (2003 - £110,412) from P H and Mrs B M Jones, directors and shareholders of the company.

During the year the company was charged rent of £20,400 (2003 - £15,450) by P H and Mrs B M Jones.

Included within the financial statements is a balance of Nil (2003 - £2,391) owed to C M Computers Limited, a company of which M P Jones and C S Jones are directors. The company purchased IT support services from C M Computers Limited amounting to £14,858 and recharged wages totalling £13,002 during the year.

The company traded with Ash Paddock Homes Limited, a company of which P H and Mrs B M Jones are directors. Sales during the year were £21,677 (2003 - £51,506).

Included within the financial statements is a balance of £31,439 (2003 - Nil) owed to and £49,221 (2003 - Nil) owed from Vulcana Limited, a company of which the wife of M P Jones is a director. The company purchased training services from Vulcana Limited amounting to £27,308 and made sales totalling £59,076 during the year.

**24 PENSION COSTS**

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the year is shown in note 5.

**25 CONTROLLING PARTIES**

The company is controlled by P H and Mrs B M Jones.