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CENTRAL PLUMBING & HEATING SERVICES LTD

Registered No. 1675615

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH 1999

R. H. BIRD & CO.
Chartered Accountants



CENTRAL PLUMBING & HEATING SERVICES LTD
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1999

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CENTRAL PLUMBING & HEATING SERVICES LTD

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1999

The Directors' present their annual report on the affairs of the Company together with the Accounts and Auditors' Report for the above Year.

RESULTS AND DIVIDENDS

The Loss of the Company for the Year was £(43,027) (1998 - £(43,009)). The Directors recommend that this be added to the retained earnings at the beginning of the Year and that the balance of £142,607 be carried forward. Dividends paid during the year amounted to £30,000 with a further dividend of £40,000 being proposed.

Goods exported from the U.K. during the Year amounted to nil.

REVIEW OF THE BUSINESS

The company's principal activity was Installation and Maintenance of Plumbing and Heating systems.

DIRECTORS

The Directors of the Company during the Year and their beneficial interests in the issued share capital of the Company at the beginning and end of the Year were as follows :

	Ordinary Shares of £1 each	
	1999	1998
M. N. Pinches Esq.	500	500
A. J. Hopkins Esq.	-	-
J. Jordan Esq.	-	-
M. G. Pinches Esq.	500	500

LAND AND BUILDINGS

The Directors are of the opinion that the market value of the Company's Freehold Property is substantially in excess of the net book amount but, in the absence of a recent valuation, the amount of the excess is not quantified.

STATUS

The Company is a close company under the provisions of the Taxes Acts.

AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint the Auditors, Messrs. R. H. Bird & Co..

SMALL COMPANY EXEMPTION

Advantage has been taken in the preparation of this report of the exemptions applicable to small companies.

BY ORDER OF THE BOARD

.....
M. N. Pinches Esq.
Secretary

9th June 1999

CENTRAL PLUMBING & HEATING SERVICES LTD
DIRECTORS' RESPONSIBILITIES AND REPORT OF THE AUDITORS
FOR THE YEAR ENDED 31ST MARCH 1999

Statement of Directors' Responsibilities

The Directors are obliged under company law to prepare financial statements for each financial year.

The Directors are satisfied that the financial statements give a true and fair view of the state of affairs of the Company as at 31st March 1999 and of the Loss for the Year then ended. These financial statements have been prepared by the Directors on a going concern basis, using suitable accounting policies consistently applied, supported by reasonable and prudent judgements and estimates. Applicable accounting standards have been followed.

The Directors are satisfied that adequate accounting records have been maintained in order to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors Report to the Members of CENTRAL PLUMBING & HEATING SERVICES LTD.

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 6a.

Respective Responsibilities of Directors and Auditors.

As described above, the company's directors are responsible for the preparation of the 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.

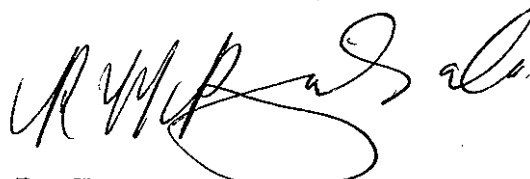
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CENTRAL PLUMBING & HEATING SERVICES LTDDIRECTORS' RESPONSIBILITIES AND REPORT OF THE AUDITORS - CONTINUEDFOR THE YEAR ENDED 31ST MARCH 1999

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 31st March 1999 and of its Loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



R. H. BIRD & CO.
Chartered Accountants
& Registered Auditors

Spencer House
114 High Street
Wordsley Stourbridge
West Midlands DY8 5QR
9th June 1999

FOR THE YEAR ENDED 31ST MARCH 1999

<u>STATEMENT OF RETAINED EARNINGS</u>		
Retained Profits brought forward	185,635	228,643
Retained Losses for the Year	(43,027)	(43,009)
Retained Profit Carried Forward	<u>£ 142,608</u>	<u>£ 185,634</u>

There are no recognised gains or losses in the year other than the Loss for the year shown above.

CENTRAL PLUMBING & HEATING SERVICES LTD**BALANCE SHEET****AS AT 31ST MARCH 1999**

	Notes	£	1999	£	1998	£
FIXED ASSETS						
Tangible Assets	5		200,065		178,189	
CURRENT ASSETS						
Stock and Work in Progress	6	3,603		9,827		
Debtors	7	788,880		1,084,448		
Cash at Bank and in Hand		116,224		35,439		
		908,707		1,129,714		
CREDITORS						
Amounts due within one year	8	961,761		1,117,863		
NET CURRENT (LIABILITIES)/ASSETS						
			(53,054)		11,851	
TOTAL ASSETS LESS CURRENT LIABILITIES						
			147,011		190,040	
CREDITORS						
Provision for Liabilities and Charges			3,405		3,405	
			£ 143,606		£ 186,635	
CAPITAL AND RESERVES						
Share Capital	9		1,000		1,000	
Reserves			142,606		185,635	
			£ 143,606		£ 186,635	

The directors have relied upon the exemptions for individual accounts contained in ss247 to 249 of the Companies Act 1985 on the basis that as a small company it is entitled to those exemptions.

M. N. Pinches Esq.

M. G. Pinches Esq.

) DIRECTORS

9th June 1999.

CENTRAL PLUMBING & HEATING SERVICES LTDCASH FLOW STATEMENTFOR THE YEAR ENDED 31ST MARCH 1999

	£	1999	£	1998	£
NET CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before Taxation		14,633		12,590	
Adjustments :					
Depreciation	23,399		16,447		
Loss on Sale of Assets	1,969		834		
Stock Decrease	6,224		(1,155)		
Decrease in Debtors	295,568		(373,518)		
Creditors	(178,093)		306,113		
		149,067		(51,279)	
NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES		163,700		(38,689)	
LESS :					
Bank Interest		133		1,123	
Interest Received		(23,643)		(16,528)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		187,210		(23,284)	
TAXATION :					
Tax Paid		(16,050)		(27,946)	
		171,160		(51,230)	
INVESTING ACTIVITIES					
Sale of Fixed Assets	(2,008)		(10,600)		
Purchase of Fixed Assets	49,252		49,679		
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		47,244		39,079	
FINANCING		123,916		(90,309)	
Dividend		(70,000)		(63,000)	
INCREASE IN CASH AND CASH EQUIVALENTS		53,916		(153,309)	
CASH AND CASH EQUIVALENTS					
Bank Accounts		53,916		(153,309)	
		53,916		(153,309)	

CENTRAL PLUMBING & HEATING SERVICES LTDNOTES TO ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 19991. ACCOUNTING POLICIES

- a. The Accounts have been prepared under the Historical Cost convention.
- b. Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding VAT.
- c. Depreciation is provided on the reducing balance basis.
The following rates have been applied :

Freehold Land & Buildings	2%
Vehicles	25%
Plant and Equipment	15%
Fixtures and Fittings	15%
Computer Equipment	10%

- d. Stock and Work in Progress is valued at the lower of Cost and Net Realisable Value after making due allowance for obsolete and slow-moving items.
Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.
- e. Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2. TURNOVER

The turnover and profit before taxation is attributable to the Company's principal activity, namely Installation and Maintenance of Plumbing and Heating systems.

3. OPERATING PROFIT

The Operating Profit is stated after charging :

	<u>1999</u>	<u>1998</u>
	£	£
Depreciation	25,368	17,281
Directors' Remuneration	240,516	240,158
Auditors Remuneration	3,675	3,525
Staff Costs	285,894	247,625
Bank Interest	133	1,123
	<u> </u>	<u> </u>

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

4. TAXATION

The tax charge on the Profit on Ordinary Activities was as follows :

	<u>1999</u> £	<u>1998</u> £
Corporation Tax at 21% based on the adjusted results for the Year	11,171	8,550
Deferred Taxation at 21%	-	(546)
	<u>11,171</u>	<u>8,004</u>

5 SCHEDULE OF FIXED ASSETS

Tangible Assets :

	<u>Cost at Start</u>	<u>Additions at Cost</u>	<u>Disposals at Cost</u>	<u>Depr'n to Date</u>	<u>Net Book Value</u>
	£	£	£	£	£
Freehold Land & Buildings	127,857	-	-	(21,697)	106,160
Computer Equipment	21,070	6,030	-	(7,499)	19,601
Motor Vehicles	29,601	35,451	(9,426)	(17,689)	37,937
Plant & Equipment	28,298	3,573	-	(16,553)	15,318
Fixtures & Fittings	55,554	4,198	-	(38,703)	21,049
	<u>262,380</u>	<u>49,252</u>	<u>(9,426)</u>	<u>(102,141)</u>	<u>200,065</u>

6. STOCKS

	<u>1999</u> £	<u>1998</u> £
Raw Materials and Consumables	3,603	9,827
	<u>3,603</u>	<u>9,827</u>

CENTRAL PLUMBING & HEATING SERVICES LTD**NOTES TO ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 1999****7. DEBTORS**

	<u>1999</u> £	<u>1998</u> £
Amounts due within one year		
Trade Debtors	542,232	766,591
Other Debtors inc Taxes	47,761	67,335
Amounts Due by Connected Companies	194,950	248,786
Prepayments	3,937	1,736
	<u>788,880</u>	<u>1,084,448</u>

8. CREDITORS

	<u>1999</u> £	<u>1998</u> £
Amounts due within one year		
Bank Account	26,870	-
Trade Creditors	566,865	782,845
Other Creditors inc Taxes	181,870	170,330
Taxation	3,671	8,550
Accruals	8,297	7,955
Director's Loan Account	174,188	148,183
	<u>961,761</u>	<u>1,117,863</u>
Liabilities and Charges		
Deferred Taxation	<u>3,405</u>	<u>3,405</u>

9. SHARE CAPITAL

	<u>1999</u> £	<u>1998</u> £
Ordinary Shares of £1 each :		
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted, Issued and Fully Paid	<u>1,000</u>	<u>1,000</u>

CENTRAL PLUMBING & HEATING SERVICES LTDNOTES TO ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 199910. RELATED PARTY TRANSACTIONS

The following Related Party Transactions have taken place during the year.

Charges for bookkeeping & computer services to:	£
Positive Electrical Contractors Limited	9,876
Holbeche Homes Limited	2,100

Charges for rents from:

Second Central Properties (West Midlands) Ltd	7,500
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Charges for van & car hire from:

Current Connections Limited	32,656
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All transactions took place at normal market prices.

The balances at the year end were:

Creditors:

Positive Electrical Contractors Limited	156,181
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Debtors:

Holbeche Homes Limited	117,176
Current Connections Limited	118,909
Second Central Properties (West Midlands) Ltd	82,568

The companies are connected by virtue of common directors and/or shareholders, including family members.