

Registrar

Company Number: 2093085

H P BEATTY LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 1998



David Hill + Co
CHARTERED ACCOUNTANTS

STRAWBERRY HOW BUSINESS CENTRE · LORTON ROAD · COCKERMOUTH · CUMBRIA CA13 9QX
TELEPHONE: 01900 826446 · FAX: 01900 828866
Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants

H P BEATTY LIMITED
FINANCIAL STATEMENTS FOR THE
EIGHT MONTHS ENDED 31 DECEMBER 1998

CONTENTS

Page

1	Company Information
2	Report of the Directors
3	Report of the Auditors
4	Profit and Loss Account
5	Balance Sheet
6 - 10	Notes to the Accounts

The following pages do not form part of the Statutory Accounts.

11	Detailed Profit and Loss Account
12	Analysis of Overheads

H P BEATTY LIMITEDCOMPANY INFORMATION

Company Number: 2093085

Registered Office: Unit 35 Gilwilly Road
Gilwilly Industrial Estate
Penrith
Cumbria

Directors: K Hughes (appointed 13.11.98)
C E Hughes (appointed 13.11.98)
A P Beatty (resigned 16.11.98)
A P Beatty (resigned 16.11.98)

Secretary: C E Hughes (appointed 13.11.98)
D J Twentyman (resigned 13.11.98)

Bankers: Bank of Scotland
5 Wavell Drive
Rosehill Business Park
Carlisle
CA1 2ST

Solicitors: Brockbank Tyson
44 Duke Street
Whitehaven
Cumbria
CA28 7NR

Auditors: David Hill + Co
Registered Auditors
Chartered Accountants
Strawberry How Business Centre
Cockermouth
Cumbria
CA13 9QX

H P BEATTY LIMITEDDIRECTORS' REPORT

The directors present their report and financial statements for the period ended 31 December 1998.

PRINCIPAL ACTIVITY

The principal activity of the company during the period under review continued to be that of plumbing and heating engineers.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 May 1998 to the date of this report unless otherwise stated.

Mr Andrew P Beatty retired as a director on 16 November 1998.

Mr Alan P Beatty retired as a director on 16 November 1998.

The interests of the directors holding office on 31 December 1998 in the shares of the company according to the register of directors' interests, were as shown below:

	Ordinary shares of £1 each	
	On	On
	31 December 1998	1 May 1998
Mr K E Hughes	-	-
Mrs C E Hughes	-	-

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 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; and
- 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.

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 5 March 1999
and signed on its behalf by

.....*C E Hughes*.....
C E Hughes, Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OFH P BEATTY LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's 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 31 December 1998 and of its' profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities relating to small companies.



DAVID HILL + CO
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
COCKERMOUTH
CUMBRIA

5 March 1999

H P BEATTY LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 1998

	Notes	<u>31/12/98</u> £	<u>30/04/98</u> £
TURNOVER	2	461,996	602,603
Cost of sales		(314,013)	(436,272)
GROSS PROFIT		147,983	166,331
Net operating expenses		(109,178)	(104,360)
OPERATING PROFIT		38,805	61,971
Other non-trading income	5	1,479	1,223
Interest payable		(694)	(282)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	39,590	62,912
Taxation		(5,828)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		33,762	62,912
Dividends		(200,000)	-
RETAINED (LOSS)/PROFIT FOR THE PERIOD		£ (166,238)	£ 62,912

H P BEATTY LIMITEDBALANCE SHEET AS AT 31 DECEMBER 1998

		<u>31/12/98</u>		<u>30/04/98</u> <u>as Restated</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	6		62,555		39,180
CURRENT ASSETS					
Stocks	7	63,098		96,373	
Debtors	8	194,538		90,157	
Cash at Bank and in Hand		13,535		121,698	
		<u>271,171</u>		<u>308,228</u>	
CREDITORS: Amounts falling due within one year	9	<u>205,390</u>		<u>61,474</u>	
NET CURRENT ASSETS			<u>65,781</u>		<u>246,754</u>
TOTAL ASSETS					
LESS CURRENT LIABILITIES			<u>128,336</u>		<u>285,934</u>
CREDITORS: Amounts falling due					
Due after more than one year	10		11,825		3,667
PROVISIONS					
FOR LIABILITIES AND CHARGES	11		<u>2,543</u>		<u>2,061</u>
			<u>£ 113,968</u>		<u>£ 280,206</u>
CAPITAL & RESERVES					
Called up Share Capital	12		100		100
Profit and Loss Account	13		<u>113,868</u>		<u>280,106</u>
SHAREHOLDERS' FUNDS			<u>£ 113,968</u>		<u>£ 280,206</u>

These accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 and Financial Reporting Standard for Smaller Entities relating to small companies.

Approved by the board on 5 March 1999
and signed on its behalf by



..... K Hughes, Director

H P BEATTY LIMITEDNOTES TO THE ACCOUNTSFOR THE EIGHT MONTHS ENDED 31 DECEMBER 19981. ACCOUNTING POLICIESAccounting Convention

These accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Tangible Fixed Assets and Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold or long leasehold land, to write off the cost or valuation, less estimated residual value, of each asset over its expected useful economic life, as follows:-

Motor Vehicles	25% Reducing balance
Plant and Machinery	20% Reducing balance
Fixtures and Fittings	15% Reducing balance

Depreciation is provided for a full year in the year of acquisition, and none in the year of disposal.

Leased Assets

Fixed assets obtained under finance leases or hire purchase contracts are capitalised in the balance sheet and are depreciated over their expected useful economic lives.

The interest element of the rental payments is charged to the profit and loss account over the primary period of the lease in proportion to the capital element outstanding.

The costs of operating leases are charged to the profit and loss account in the period in which they are incurred.

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Cost is calculated as follows:

- Raw materials - purchase price on a first in, first out basis
- Work in progress and finished goods - direct costs of production plus attributable production overheads

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Deferred Taxation

Deferred taxation is provided at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability will crystallise in the foreseeable future.

Pension Costs

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

H P BEATTY LIMITED

NOTES TO THE ACCOUNTS
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 1998

2. SEGMENTAL INFORMATION

The company operates in the UK and the whole of its turnover is to the UK market.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>31/12/98</u>	<u>30/04/98</u>
Profit on Ordinary Activities is arrived at after charging:	£	£
Audit Fee	2,500	2,000
Depreciation - on owned assets	6,714	5,542
on leased assets	5,750	3,278
loss on disposal of fixed assets	-	625
Operating Lease Rentals:- Hire of Plant and Machinery	2,143	2,288
	<u> </u>	<u> </u>

4. DIRECTORS

	<u>31/12/98</u>	<u>30/04/98</u>
Emoluments of the directors of the company were as follows:	£	£
Management Remuneration	28,947	38,822
	<u> </u>	<u> </u>

5. OTHER NON TRADING INCOME

	<u>31/12/98</u>	<u>30/04/98</u>
	£	£
Bank Interest Receivable	1,478	1,223
Net Rental Income	1	-
	<u>1,479</u>	<u>1,223</u>

H P BEATTY LIMITED

NOTES TO THE ACCOUNTS
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 1998

6. TANGIBLE ASSETS

	Motor Vehicles £	Plant and Equipment £	Fixtures and Fittings £	TOTAL £
COST				
At 1 May 1998	66,434	7,717	-	74,151
Additions	18,000	1,431	16,408	35,839
At 31 December 1998	84,434	9,148	16,408	109,990
DEPRECIATION				
At 1 May 1998	31,611	3,360	-	34,971
Charge for the year	9,154	578	2,732	12,464
At 31 December 1998	40,765	3,938	2,732	47,435
NET BOOK VALUE				
At 31 December 1998	43,669	5,210	13,676	62,555
At 30 April 1998	34,823	4,357	-	39,180

Included in the above are the following amounts in respect of assets held under finance leases and hire purchase agreements:-

Cost	34,500	-	-	34,500
Depreciation	5,750	-	-	5,750
Net Book Value	28,750	-	-	28,750

7. STOCKS

	<u>31/12/98</u> £	<u>30/04/98</u> £
Consumable Stock	20,254	20,896
Work in Progress	42,844	75,477
	<u>63,098</u>	<u>96,373</u>

8. DEBTORS**DUE WITHIN ONE YEAR**

	<u>31/12/98</u> £	<u>30/04/98</u> £
Trade Debtors	187,845	86,055
Other Debtors	2,924	4,102
Prepayments and Accrued Income	3,769	-
	<u>194,538</u>	<u>90,157</u>

H P BEATTY LIMITEDNOTES TO THE ACCOUNTS
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 19989. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31/12/98</u>	<u>30/04/98</u> <u>as Restated</u>
	£	£
Bank Loans and Overdrafts	62,301	-
Other Loans	9,450	10,790
Trade Creditors	99,960	23,472
Taxation and Social Security	21,598	23,145
Other Creditors	2,120	-
Accruals and Deferred Income	9,961	4,263
	<u>205,390</u>	<u>61,474</u>

The bank overdraft is secured.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN 1 YEAR

	<u>31/12/98</u>	<u>30/04/98</u>
	£	£
Other Loans	11,825	3,667
	<u>11,825</u>	<u>3,667</u>

11. PROVISION FOR LIABILITIES AND CHARGES

	<u>31/12/98</u>	<u>30/04/98</u>
	£	£
Deferred Taxation		
Brought forward	2,061	796
Movement in year	482	1,265
	<u>2,543</u>	<u>2,061</u>

12. SHARE CAPITAL

	<u>31/12/98</u>	<u>30/04/98</u> <u>as Restated</u>
	£	£
Authorised	100	100
Allotted, Issued and Fully Paid		
100 Ordinary Shares of £1 each	100	100

H P BEATTY LIMITEDNOTES TO THE ACCOUNTS
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 199813. RESERVES

	Profit and Loss Account £	Total £
Balance at 1 May 1998	280,106	280,106
Movements in year	(166,238)	(166,238)
Balance at 31 December 1998	<u>113,868</u>	<u>113,868</u>

14. CONTINGENT LIABILITIES

There are no contingent liabilities requiring provision at 31 December 1998.

15. POST BALANCE SHEET EVENTS

There are no events since the balance sheet date which materially affect the position of the company.

16. RELATED PARTIES

K Hughes Electrical (Contracting) Limited - Holding Company

Management Services of £8,339 were provided to the company on normal commercial terms.

K Hughes & C E Hughes - Directors

Rent of £3,000 was paid to Namulas Pension Trustees Limited, of which both the directors are beneficiaries, in respect of the property from which the company now operates.

17. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is K Hughes Electrical (Contracting) Limited, a company registered in England and Wales.