

**GEOHERMAL HEATING (INTERNATIONAL)
LIMITED**

ABBREVIATED ACCOUNTS

FOR

30TH JUNE 2004



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COMPANIES HOUSE**

A32PC48C

**0121
07/04/05**

GEO THERMAL HEATING (INTERNATIONAL) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30TH JUNE 2004

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GEOTHERMAL HEATING (INTERNATIONAL) LIMITED**INDEPENDENT AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 6, together with the accounts of the company for the year ended 30th June 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

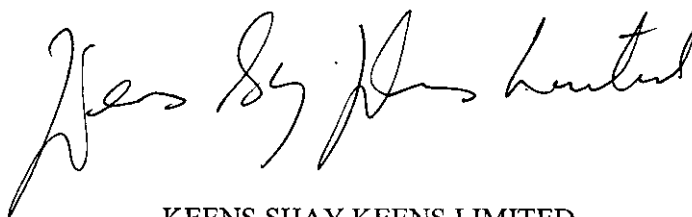
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



KEENS SHAY KEENS LIMITED
Chartered Accountants
& Registered Auditors

Christchurch House
Upper George Street
Luton
Beds
LU1 2RS

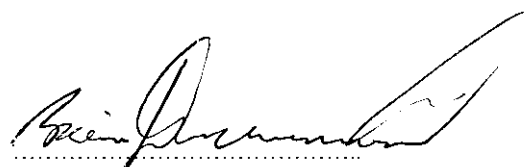
31st March 2005

GEO THERMAL HEATING (INTERNATIONAL) LIMITED**ABBREVIATED BALANCE SHEET****30TH JUNE 2004**

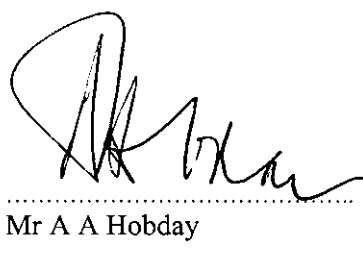
| | Note | 2004 £ | 2003 £ |
|--|----------|-----------------|------------------|
| FIXED ASSETS | 2 | | |
| Intangible assets | | 8,163 | 21,706 |
| Tangible assets | | 12,021 | 10,315 |
| | | <u>20,184</u> | <u>32,021</u> |
| CURRENT ASSETS | | | |
| Stocks | | 98,956 | 11,834 |
| Debtors | | 464,998 | 34,019 |
| Cash at bank and in hand | | 4,164 | 491 |
| | | <u>568,118</u> | <u>46,344</u> |
| CREDITORS: Amounts falling due within one year | | <u>522,332</u> | <u>95,720</u> |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>45,786</u> | <u>(49,376)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>65,970</u> | <u>(17,355)</u> |
| CREDITORS: Amounts falling due after more than one year | | <u>131,485</u> | <u>131,126</u> |
| | | <u>(65,515)</u> | <u>(148,481)</u> |
| CAPITAL AND RESERVES | | | |
| Called-up share capital | 4 | 103,000 | 103,000 |
| Profit and loss account | | (168,515) | (251,481) |
| DEFICIENCY | | <u>(65,515)</u> | <u>(148,481)</u> |

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 31st March 2005 and are signed on their behalf by:



Mr B Davidson



Mr A A Hobday

GEOTHERMAL HEATING (INTERNATIONAL) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH JUNE 2004**

1. ACCOUNTING POLICIES**Basis of accounting**

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

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

Research and development

Research and development costs incurred during the year are to be written off against sales orders placed in the following years.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|------------------------------------|----------------------------|
| Improvements to leasehold property | - 50% per annum on cost |
| Plant and machinery | - 33.33% per annum on cost |
| Fixtures and fittings | - 33.33% per annum on cost |
| Equipment | - 33.33% per annum on cost |

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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 profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

GEO THERMAL HEATING (INTERNATIONAL) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH JUNE 2004****2. FIXED ASSETS**

| | Intangible Assets £ | Tangible Assets £ | Total £ |
|--------------------------|------------------------------------|----------------------------------|--------------------|
| COST | | | |
| At 1st July 2003 | 29,306 | 18,258 | 47,564 |
| Additions | 665 | 8,923 | 9,588 |
| At 30th June 2004 | <u>29,971</u> | <u>27,181</u> | <u>57,152</u> |
| DEPRECIATION | | | |
| At 1st July 2003 | 7,600 | 7,943 | 15,543 |
| Charge for year | 14,208 | 7,217 | 21,425 |
| At 30th June 2004 | <u>21,808</u> | <u>15,160</u> | <u>36,968</u> |
| NET BOOK VALUE | | | |
| At 30th June 2004 | <u>8,163</u> | <u>12,021</u> | <u>20,184</u> |
| At 30th June 2003 | <u>21,706</u> | <u>10,315</u> | <u>32,021</u> |

GEOTHERMAL HEATING (INTERNATIONAL) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH JUNE 2004**

3. RELATED PARTY TRANSACTIONS

During the year the company was under the control of B Davidson who was a Director of the company and is also a Director of Speymill OOD Limited, a trustee of Speymill Retirement Benefit Scheme, and a director of Geothermal Limited.

J C Raeburn who was also a Director during the year is also a Director of Raeburn Drilling and Geotechnical Limited.

During the year transactions with related parties arose as follows:

The company were charged £10,550 (2003 - £1,410) by Speymill Retirement Benefit Scheme for rent and services charges.

The company paid costs on behalf of Geothermal Limited of £7,270.

Sales of £36,156 (2003 - £5,875) were made to Raeburn Drilling and Geotechnical Limited and sales of £nil (2003 - £16,939) were made to Speymill OOD Limited.

Purchases of £228,496 (2003 - £nil) were made from Raeburn Drilling and Geotechnical Limited.

The company was charged by Speymill OOD Limited, £3,061 in respect of the costs of research and development and equipment purchased.

£5,950 (2003 - £3,925) was invoiced by A A Hobday in respect of professional services rendered.

At the end of the year balances with related parties were:

£28,484 owed to B Davidson by the company (2003 - £4,800).

£nil owed to C Davidson by the company (2003 - £2,388).

£18,321 owed to Speymill Retirement Benefit Scheme by the company (2003 - £705).

£12,777 owed to Speymill OOD Limited by the company.

£170,272 owed to Raeburn Drilling and Geotechnical Limited.

£40,833 owed to I Howley by the company.

£47,747 owed to B Howley by the company.

£16,904 owed to GHI Installations Limited by the company (2003 - £16,904).

GEO THERMAL HEATING (INTERNATIONAL) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH JUNE 2004**

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

| | 2004 | 2003 |
|--|----------------|----------------|
| | £ | £ |
| 100,000 Ordinary 'A' shares of £1 each | 100,000 | 100,000 |
| 20,000 Ordinary 'B' shares of £1 each | 20,000 | 20,000 |
| | <u>120,000</u> | <u>120,000</u> |

Allotted, called up and fully paid:

| | 2004 | | 2003 | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | No | £ | No | £ |
| Ordinary 'A' shares of £1 each | 100,000 | 100,000 | 100,000 | 100,000 |
| Ordinary 'B' shares of £1 each | 3,000 | 3,000 | 3,000 | 3,000 |
| | <u>103,000</u> | <u>103,000</u> | <u>103,000</u> | <u>103,000</u> |