

Skaino Services Limited
Annual report
for the year ended 31 December 2000



Skaino Services Limited

Annual report for the year ended 31 December 2000

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Skaino Services Limited

Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements for the year ended 31 December 2000.

Principal activities

The company continues to trade as heating, plumbing and building contractors.

Review of business and future developments

The profit and loss account for the year is set out on page 4. Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends

The directors do not recommend payment of a dividend in respect of the year ended 31 December 2000. The profit for the year of £13,670 will be taken to reserves.

Directors

The directors of the company at 31 December 2000, all of whom have been directors for the whole of the year ended on that date, were:

Mr N Stanton - chairman

Mr K Bartholomew

Mr J A Thomason

Mr I C Callard

Mr C C Lloyd

Miss H Oldham

In accordance with the Articles of Association, Mr N Stanton and Mr J A Thomason retire from office and, being eligible, offer themselves for re-election.

Directors' interests in shares

According to the register required to be kept under section 325 of the Companies Act 1985, none of the directors held a beneficial interest in the shares of the company at 31 December 2000 or 1 January 2000.

Mr N Stanton, Mr K Bartholomew, Mr C C Lloyd, Miss H Oldham and Mr J A Thomason are trustees of the Jesus Fellowship Community Trust which owns 100% of the share capital of the company's immediate holding company at 31 December 2000.

European Monetary Union

The company is aware of the implications of European Monetary Union for its systems and other aspects of its operations. It is not anticipated that significant incremental expenditure will be incurred to ensure compliance with the necessary requirements.

Skaino Services Limited

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year, that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the company, 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.

Auditors

A resolution to reappoint PricewaterhouseCoopers, as auditors to the company will be proposed at the annual general meeting.

By order of the board



I C CALLARD

Secretary

31 May 2001

Skaino Services Limited

Auditors' report to the members of Skaino Services Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report, including, as described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
MILTON KEYNES
25 June 2001

Skaino Services Limited

Profit and loss account for the year ended 31 December 2000

	Notes	2000 £	1999 £
Turnover			
- Continuing operations	2	1,345,394	989,001
- Discontinuing operations		-	561,623
		1,345,394	1,550,624
Cost of sales		(1,115,633)	(1,259,420)
Gross profit		229,761	291,204
Net operating expenses	3	(212,673)	(253,122)
Operating profit			
- Continuing operations		17,088	100,111
- Discontinuing operations		-	(62,029)
Profit on ordinary activities before taxation	3	17,088	38,082
Tax on profit on ordinary activities	6	(3,418)	(5,224)
Profit for the financial year		13,670	32,858

Statement of retained profits

Retained profits at 1 January 2000	370,033	337,175
Profit for the financial year	13,670	32,858
Retained profits at 31 December 2000	383,703	370,033

The Company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

Skaino Services Limited

Balance sheet as at 31 December 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	7	89,895	75,379
Current assets			
Stocks and contract work in progress	8	180,256	172,518
Debtors	9	460,337	463,745
Cash at bank and in hand		29	-
		640,622	636,263
Creditors: amounts falling due within one year	10	(341,814)	(336,609)
Net current assets		298,808	299,654
Net assets		388,703	375,033
Capital and reserves			
Called-up share capital	12	5,000	5,000
Profit and loss account		383,703	370,033
Equity shareholders' funds	13	388,703	375,033

The financial statements on pages 4 to 11 were approved by the board of directors on 25 June 2001 and were signed on its behalf by:



I C CALLARD

Director

Skaino Services Limited

Notes to the financial statements for the year ended 31 December 2000

1 Principal accounting policies

These financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of completed contracts and a proportion of the total contract value of long term contracts where the outcome can be assessed with reasonable certainty.

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Provision for depreciation is made so as to write off the cost or valuation of tangible fixed assets on a straight line basis over the expected useful economic life of the assets concerned. The principal annual rates used for this purpose are:

Motor vehicles	25%
Plant and equipment	20%

Leasehold property additions are depreciated over the period of the lease.

Finance and operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Research and Development costs

Research and Development costs are charged to the profit and loss account as they are incurred.

Foreign currency transactions

Monetary assets and liabilities held in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Gains and losses on translation are included in the profit and loss account.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

Provision is made where necessary for obsolete, slow moving and damaged stocks.

(i) Raw materials

The cost of raw materials consists of the purchase price including transport and handling costs calculated on a first in first out basis.

(ii) Work in progress

The cost of contract work in progress, the duration of which is less than 12 months and is therefore regarded as short term, consists of direct materials, labour and attributable production overheads.

Contract work in progress which extends over periods greater than 12 months is stated at cost, determined on the same basis as for short term contracts, less foreseeable losses and payments on account. Where the progress payments exceed the amounts matched with turnover and have been offset against long term contract balances the balance is included in creditors due within one year as payments on account.

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Principal accounting policies (*continued*)

Taxation

The charge or credit for taxation is based on the results for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

When taxation losses are transferred between group companies, under the group relief provisions a charge equivalent to 21% of the losses transferred is made.

Cash flow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence, it is exempt from the requirement to publish a cash flow statement.

2 Turnover

Turnover consists entirely of sales made in the United Kingdom.

3 Profit before taxation

Profit before taxation is stated after charging/ (crediting):

	2000	1999
	£	£
Auditors' remuneration		
- Audit	9,600	9,000
- Other services	600	600
Depreciation of tangible fixed assets	32,904	33,773
Profit on sale of fixed assets	6,356	611
Operating lease	18,255	36,344
Research and development costs	-	7,677

Operating lease commitments are disclosed within the parent company accounts to reflect the legal title of the building lease.

4 Directors' emoluments

	2000	1999
	£	£
Directors		
Aggregate emoluments	29,517	28,694

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5 Employee information

The average number of persons employed (including executive directors) during the year is analysed below:

	2000	1999
	£	£
Production	18	24
Administration	9	9
	27	33

Employment costs of all employees included above:

	2000	1999
	£	£
Wages and salaries	211,828	254,460
Social security costs	9,759	10,865
	221,587	265,325

6 Taxation

The tax charge is based on the profit on ordinary activities for the year and comprises:

	2000	1999
	£	£
United Kingdom Corporation tax at 20 % (1999: 20%)	3,418	5,224

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7 Tangible fixed assets

	Short leasehold land and buildings £	Motor vehicles £	Plant and equipment £	Total £
Cost				
At 1 January 2000	29,854	96,945	172,710	299,509
Additions	6,506	38,925	18,383	63,814
Disposals	(717)	(32,362)	(59,879)	(92,958)
Transfers	-	-	-	-
At 31 December 2000	35,643	103,508	131,214	270,365
Depreciation				
At 1 January 2000	14,403	76,239	133,488	224,130
Charge for year	4,894	13,707	14,303	32,904
Disposals	(506)	(24,732)	(51,326)	(76,564)
At 31 December 2000	18,791	65,214	96,465	180,470
Net book value				
At 31 December 2000	16,852	38,294	34,749	89,895
At 31 December 1999	15,451	20,706	39,222	75,379

8 Stocks and contract work in progress

The amounts attributable to the different categories are as follows:

	2000 £	1999 £
Raw materials	138,226	112,181
Raw materials – provision	(15,933)	(9,118)
	122,293	103,063
Contract work in progress	57,963	69,455
	180,256	172,518

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9 Debtors

	2000 £	1999 £
Amounts falling due within one year:		
Trade debtors	419,176	409,288
Amounts owed by parent and fellow subsidiary undertakings	8,891	21,782
Prepayments and accrued income	32,270	32,675
	460,337	463,745

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts (see note 14)	114,745	160,429
Trade creditors	77,868	85,701
Amounts owed to parent and fellow subsidiary undertakings	38,553	8,127
Other creditors including taxation and social security	66,864	42,439
Accruals and deferred income	43,784	39,913
	341,814	336,609

The creditor for taxation and social security includes UK corporation tax payable amounting to £3,418 (1999: £5,224)

11 Deferred taxation

	Amount provided		Amount unprovided	
	2000 £	1999 £	2000 £	1999 £
Accelerated capital allowances	-	-	(6,464)	(8,559)

12 Called up share capital

	2000 £	1999 £
Authorised		
5,000 ordinary shares of £1 each	5,000	5,000
Allotted, called up and fully paid		
5,000 ordinary shares of £1 each	5,000	5,000

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13 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	13,670	32,858
Opening shareholders' funds	375,033	342,175
Closing shareholders' funds	388,703	375,033

14 Contingent liabilities

Group guarantees

There is an interlocking guarantee given to Barclays Bank Plc by House of Goodness Limited, Skaino Services Limited, Towcester Building Supplies Limited and White and Bishop Limited. At 31 December 2000, the potential liability of Skaino Services Limited was £459,107 (1999: £250,714).

15 Capital commitments

There was no capital expenditure contracted, but not provided for, at 31 December 2000 (1999: £Nil).

16 Related party transactions

During the year the company entered into transactions with other companies connected to the immediate holding company. In accordance with FRS 8, the company is exempt from disclosing these transactions.

During the year the company made sales of £300,647 (1999: £400,700) to the ultimate controlling party with an amount due to be received of £86,654 (1999: £59,320) at 31 December 2000. These sales were made within the ordinary course of business of the company.

17 Immediate holding company

The immediate holding company is House of Goodness Limited, registered in England and Wales. Copies of the holding company's consolidated financial statements may be obtained from The Secretary, New Creation Farm, Nether Heyford, Northants NN7 3LB.

18 Ultimate holding party

The ultimate controlling party is Jesus Fellowship Community Trust.