

Grant Thornton 



**SKAINO ATMOS LIMITED  
(FORMERLY SKAINO  
SERVICES LIMITED)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2001**

**SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2001

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Company registration number: 1241033

Registered office: New Creation Farm  
Heyford Hills  
Nether Heyford  
Northants

Directors: N Stanton  
K Bartholomew  
J A Thomason  
I C Callard  
M J Farrant  
C C Lloyd  
H J Oldham

Secretary: I C Callard

Bankers: Barclays Bank Plc

Solicitors: Shoosmiths  
The Lakes  
Northampton

Mason Bullock  
4 Albion Place  
Northampton

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants

**SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2001

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# **SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)**

## **REPORT OF THE DIRECTORS**

For the year ended 31 December 2001

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The directors present their report together with financial statements for the year ended 31 December 2001.

### **Principal activities**

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

### **Business review**

There was a profit for the year after taxation amounting to £165,327 (2000: £13,670). The directors do not recommend payment of a dividend.

The company changed its name from Skaino Services Limited on 8 August 2001.

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.

### **Directors**

The present membership of the Board is set out below. All directors served throughout the year with the exception of Mr M J Farrant who was appointed on 26 July 2001.

Mr N Stanton (Chairman)  
Mr K Bartholomew  
Mr J A Thomason  
Mr I C Callard  
Mr M J Farrant  
Mr C C Lloyd  
Miss H Oldham

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

In accordance with the Articles of Association, Mr K Bartholomew, Mr I C Callard and Mr M J Farrant retire by rotation and, being eligible, offer themselves for re-election.

### **Directors' responsibilities for the financial statements**

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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)**

**REPORT OF THE DIRECTORS**

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**Auditors**

A resolution to reappoint Grant Thornton as auditors to the company will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

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I C Callard  
Company Secretary

26 June 2002

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)**

We have audited the financial statements of Skaino Atmos Limited for the year ended 31 December 2001 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the directors' 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 other information contained in the directors' report and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

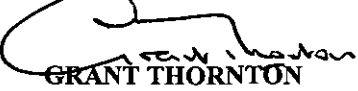
**Basis of opinion**

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 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

Northampton

26 June 2002

# **SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **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 AND DEPRECIATION**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost or valuation of all tangible fixed assets by equal annual instalments over their expected useful economic lives.

The rates generally applicable are:

Motor vehicles	25%
Plant and equipment	20%

### **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.

#### **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.

#### **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.

### **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 the prevailing tax rate is made.

## **SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

#### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

#### **RESEARCH AND DEVELOPMENT**

Research and development expenditure is charged to profits in the period in which it is incurred.

#### **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.



**SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2001

	Note	2001 £	2000 £
Turnover	1	1,962,328	1,345,394
Cost of sales		<u>(1,396,113)</u>	<u>(1,115,633)</u>
Gross profit		566,215	229,761
Net operating expenses		<u>(310,665)</u>	<u>(212,673)</u>
Operating profit		255,550	17,088
Gift aid		<u>(20,031)</u>	<u>-</u>
Profit on ordinary activities before taxation		235,519	17,088
Tax on profit on ordinary activities	3	(70,192)	(3,418)
Profit transferred to reserves	10	<u>165,327</u>	<u>13,670</u>

There were no recognised gains or losses other than the profit for the financial year.


The accompanying accounting policies and notes form an integral part of these financial statements.

# SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)

BALANCE SHEET AT 31 DECEMBER 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	4	119,139	89,895
<b>Current assets</b>			
Stock	5	304,581	180,256
Debtors	6	316,043	460,337
Cash at bank and in hand		116,718	29
		<u>737,342</u>	<u>640,622</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>302,451</u>	<u>(341,814)</u>
<b>Net current assets</b>		434,891	298,808
		<u>554,030</u>	<u>388,703</u>
<b>Capital and reserves</b>			
Called up share capital	9	5,000	5,000
Profit and loss account	10	549,030	383,703
<b>Equity shareholders' funds</b>	11	<u>554,030</u>	<u>388,703</u>

The financial statements were approved by the Board of Directors on 26 June 2002.

  
 .....  
 I C Callard  
 Director

The accompanying accounting policies and notes form an integral part of these financial statements.

**SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2001

**1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit on ordinary activities is stated after:

	2001 £	2000 £
Auditors' remuneration:		
Audit services	9,150	9,600
Non-audit services	-	600
Depreciation	46,127	32,903
Other operating leases	16,337	18,255
Profit on sale of fixed assets	1,636	6,356
	<u>          </u>	<u>          </u>

**2 DIRECTORS AND EMPLOYEES**

	2001 £	2000 £
Wages and salaries	229,990	211,828
Social security costs	10,863	9,759
	<u>240,853</u>	<u>221,587</u>

The average number of employees of the company during the year was:

	2001	2000
By category:		
Production	18	18
Administration	9	9
	<u>27</u>	<u>27</u>

Remuneration in respect of directors was as follows:

	2001 £	2000 £
Emoluments	<u>28,182</u>	<u>29,517</u>

**SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2001

**3 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge represents:

	2001 £	2000 £
United Kingdom corporation tax @ 30% (2000: 31%)	70,988	3,418
Adjustments in respect of earlier years:		
Corporation tax	(796)	-
	<u>70,192</u>	<u>3,418</u>

**4 TANGIBLE FIXED ASSETS**

	Short leasehold land and buildings £	Motor vehicles £	Plant and equipment £	Total £
Cost				
At 1 January 2001	35,643	103,508	131,214	270,365
Additions	-	29,784	48,553	78,337
Disposals	-	(27,665)	(14,166)	(41,831)
At 31 December 2001	<u>35,643</u>	<u>105,627</u>	<u>165,601</u>	<u>306,871</u>
Depreciation				
At 1 January 2001	18,791	65,214	96,465	180,470
Charge for the year	4,213	17,994	23,920	46,127
Eliminated on disposals	-	(27,665)	(11,200)	(38,865)
At 31 December 2001	<u>23,004</u>	<u>55,543</u>	<u>109,185</u>	<u>187,732</u>
Net book amount at 31 December 2001	<u>12,639</u>	<u>50,084</u>	<u>56,416</u>	<u>119,139</u>
Net book amount at 31 December 2000	<u>16,852</u>	<u>38,294</u>	<u>34,749</u>	<u>89,895</u>

**SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2001

**5 STOCKS**

	2001 £	2000 £
Raw materials	174,585	122,293
Contract work in progress	129,996	57,963
	<u>304,581</u>	<u>180,256</u>

**6 DEBTORS**

	2001 £	2000 £
Trade debtors	214,254	419,176
Amounts owed by group undertakings	41,097	8,891
Other debtors	35,000	-
Prepayments and accrued income	25,692	32,270
	<u>316,043</u>	<u>460,337</u>

**7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Bank loans and overdrafts	-	114,745
Trade creditors	136,162	77,868
Amounts owed to group undertakings	76,912	38,553
Corporation tax	12,004	3,418
Other taxation and social security	5,394	63,446
Accruals and deferred income	71,979	43,784
	<u>302,451</u>	<u>341,814</u>

# SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

### 8 DEFERRED TAXATION

No deferred tax asset or liability has been recognised in the accounts.

The full potential deferred taxation asset, calculated on the liability method at 30% (2000: 31%) is analysed as follows:

	2001 £	2000 £
Accelerated capital allowances	<u>6,333</u>	<u>6,464</u>

### 9 SHARE CAPITAL

	2001 £	2000 £
Authorised, allotted, called up and fully paid 5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

### 10 PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
At 1 January 2001	383,703	370,033
Retained profit for the year	165,327	13,670
At 31 December 2001	<u>549,030</u>	<u>383,703</u>

### 11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	165,327	13,670
Shareholders' funds at 1 January 2001	388,703	375,033
Shareholders' funds at 31 December 2001	<u>554,030</u>	<u>388,703</u>

# **SKAINO ATMOS LIMITED (FORMERLY SKAINO SERVICES LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2001

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### **12 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 2001 or 31 December 2000.

### **13 CONTINGENT LIABILITIES**

There is an unlimited interlocking guarantee given to Barclays Bank Plc by House of Goodness Limited, Skaino Services Limited, Towcester Building Supplies Limited and White & Bishop Limited. At 31 December 2001, the potential liability of Skaino Services Limited was £967,362 (2000: £459,107).

### **14 RELATED PARTY TRANSACTIONS**

As a wholly-owned subsidiary of House of Goodness Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by that company.

During the year the company made sales to its ultimate controlling party of £274,667 with an amount due to be received of £38,838 at 31 December 2001. These sales were made within the ordinary course of business to the company.

During the year the company made sales to the Jesus Fellowship Church, a charity related by way of common control, of £9,911 with an amount due to be received of £1,966 at 31 December 2001. These sales were made within the ordinary course of business to the company.

### **15 ULTIMATE PARENT UNDERTAKING**

The directors consider that House of Goodness Limited is the intermediate holding company and controlling related party by virtue of shareholding, with Jesus Fellowship Community Trust being the ultimate parent undertaking.

Copies of the intermediate parent's consolidated financial statements may be obtained from The Secretary, New Creation Farm, Nether Heyford, Northants, NN7 3LB.