

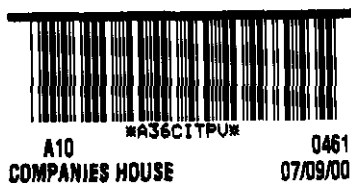
REGISTERED NUMBER: 2004668

T.A. HORN LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MAY 2000**

**CARTWRIGHTS
Registered Auditors
Registered Auditors
Regency House
33 Wood Street
Barnet
Herts
EN5 4BE**



T.A. HORN LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

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T.A. HORN LIMITED

COMPANY INFORMATION AS AT 31 MAY 2000

DIRECTORS

N Whittaker
P Gomes

SECRETARY

N Whittaker

REGISTERED OFFICE

Regency House
33 Wood Street
Barnet
Herts EN5 4BE

BUSINESS ADDRESS

Central House
24A St. Wilfrids Road
Barnet
Herts EN4 4BE

AUDITORS

Cartwrights
Registered Auditors
Regency House
33 Wood Street
Barnet
Herts
EN5 4BE

PRINCIPAL BANKERS

National Westminster Bank plc
2nd floor
Nicon House
43-45 Silver Street
Enfield
EN1 3TE

T.A. HORN LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 May 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of installation and servicing of central heating systems.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £254,517.

The directors are pleased with these results and anticipate that the results for the ensuing year will be comparable with those for the year under review.

DIVIDENDS AND TRANSFERS TO RESERVES

A dividend of £50,000 (1999: £20,000) was paid during the year.

The retained profit for the year of £204,517 has been transferred to reserves.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The directors consider that the Euro will have no impact on the business.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the ultimate parent company, T.A. Horn (Holdings) Limited, at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	1999
N Whittaker	Ordinary shares	240,000	240,000
P Gomes	Ordinary shares	240,000	240,000

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 as at the end of the financial year 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;
- 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 maintaining 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.

YEAR 2000 ISSUES

The directors made an assessment of the Year 2000 problem.

The company undertook a review of all systems affected by the problem and acquired replacement products as necessary.

The company has experienced no Year 2000 related problems from 1 January 2000 to the date of this report.

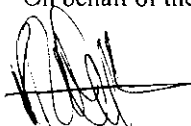
T.A. HORN LIMITED

DIRECTORS' REPORT

AUDITORS

The auditors, Cartwrights, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

On behalf of the board:



N Whittaker
Director

Approved by the board: 30/8/00

T.A. HORN LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, 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 as to whether 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 affairs of the company as at 31 May 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cartwrights
Registered Auditors
Regency House
33 Wood Street
Barnet
Herts
EN5 4BE

31/8/00

T.A. HORN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2000

	Notes	2000	1999
TURNOVER		4,124,762	3,755,035
Cost of sales		3,139,531	2,989,579
GROSS PROFIT		985,231	765,456
Distribution costs		106,190	90,240
Administrative expenses		569,898	603,065
OPERATING PROFIT	2	309,143	72,151
Investment income and interest receivable	3	9,170	3,936
Interest payable and similar charges	4	(5,185)	(7,193)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		313,128	68,894
Tax on profit on ordinary activities	7	(58,611)	(19,223)
PROFIT FOR THE FINANCIAL YEAR	16	254,517	49,671
Dividends		(50,000)	(20,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	16	204,517	29,671

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

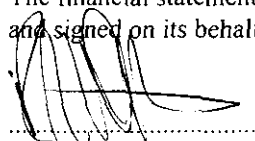
Historical cost

The difference between the results as disclosed in the profit and loss account before tax, and retained profit for the year, on an unmodified historical cost basis is not material.

T.A. HORN LIMITED**BALANCE SHEET
AT 31 MAY 2000**

		2000	1999
FIXED ASSETS			
Tangible assets	8	139,759	86,368
CURRENT ASSETS			
Stocks and work in progress	9	294,214	186,964
Debtors	10	678,269	588,122
Cash at bank and in hand		369,941	269,492
		1,342,424	1,044,578
CREDITORS: amounts falling due within one year			
	11	(744,457)	(614,546)
NET CURRENT ASSETS		597,967	430,032
TOTAL ASSETS LESS CURRENT LIABILITIES		737,726	516,400
CREDITORS: amounts falling due after more than one year			
	12	(37,234)	(20,425)
NET ASSETS		700,492	495,975
CAPITAL AND RESERVES			
Called up share capital	15	99	99
Profit and loss account	16	700,393	495,876
TOTAL SHAREHOLDERS' FUNDS	17	700,492	495,975

The financial statements were approved by the board of directors on 30/April 2000
and signed on its behalf by:



N Whittaker
Director

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Plant and machinery	10% on cost
Motor vehicles	20% on cost
Equipment, fixtures and tools	15% on cost
Computer equipment	20% on cost
Leasehold improvements	2% on cost

Stocks and Work in progress

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Work in progress is valued at post balance sheet sales invoice value less contract profit element.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Pension costs

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

2. OPERATING PROFIT

Operating profit	2000	1999
	£	£
After charging:		
Depreciation of fixed assets	37,754	37,078
Amortisation of intangible assets	-	1,123
Auditors' remuneration	8,430	5,390
Hire of equipment	9,419	13,769
	<u> </u>	<u> </u>
After crediting:		
Profit on disposal of tangible assets	7,940	14,972
	<u> </u>	<u> </u>

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2000	1999
	£	£
Interest received and receivable		
Bank interest	9,170	3,936
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
On bank loans and overdrafts	377	2,045
On overdue tax	500	1,857
Lease finance charges and hire purchase interest	4,308	3,291
	<u> </u>	<u> </u>
	5,185	7,193
	<u> </u>	<u> </u>

5. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Staff costs		
Wages and salaries	1,012,170	937,460
Social security costs	99,669	85,840
Other pension costs	13,516	14,576
	<u> </u>	<u> </u>
	1,125,355	1,037,876
	<u> </u>	<u> </u>

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

5. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)

	2000 No.	1999 No.
The average number of employees during the year was made up as follows:		
Management and administration	16	17
Production	31	28
	<u>47</u>	<u>45</u>
	2000 £	1999 £
Directors' emoluments		
Remuneration for management services	93,934	199,760
Pension contributions to money purchase schemes	11,667	7,920
	<u>105,601</u>	<u>207,680</u>
	2000 £	1999 £
Details of highest paid director's emoluments		
Emoluments (excluding pension contributions)	<u>47,734</u>	<u>76,916</u>
Other directors' remuneration fell within the following ranges:		
	2000 No.	1999 No.
£45,001 - £50,000	1	-
£50,001 - £55,000	-	1
£65,001 - £70,000	-	1

6. PENSION COSTS

Money purchase (defined contribution) pension scheme

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,516 (1999:£14,576).

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
The taxation charge comprises:		
UK corporation tax at 20% (1999 - 21%)	60,140	18,900
Adjustment in respect of prior years	(1,529)	323
	<u>58,611</u>	<u>19,223</u>

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Other	Total
	£	£	£	£	£
Cost:					
At 1 Jun. 99	7,112	29,884	269,656	47,683	354,335
Additions	-	-	92,233	5,972	98,205
Disposals	-	-	(50,264)	(44,623)	(94,887)
At 31 May 00	<u>7,112</u>	<u>29,884</u>	<u>311,625</u>	<u>9,032</u>	<u>357,653</u>
Depreciation:					
At 1 Jun. 99	6,578	27,698	196,303	37,388	267,967
Charge for year	177	585	30,886	6,106	37,754
On disposals	-	-	(45,762)	(42,065)	(87,827)
At 31 May 00	<u>6,755</u>	<u>28,283</u>	<u>181,427</u>	<u>1,429</u>	<u>217,894</u>
Net book value:					
At 31 May 00	<u>357</u>	<u>1,601</u>	<u>130,198</u>	<u>7,603</u>	<u>139,759</u>
At 31 May 99	<u>534</u>	<u>2,186</u>	<u>73,353</u>	<u>10,295</u>	<u>86,368</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	2000	1999
	£	£
Net book values:		
Motor vehicles	<u>120,733</u>	<u>55,847</u>
Depreciation charge for the year:		
Motor vehicles	<u>18,447</u>	<u>8,885</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

9. STOCKS

	2000	1999
	£	£
Raw materials and consumables	52,921	56,979
Short term work in progress	241,293	129,985
	<u>294,214</u>	<u>186,964</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

10. DEBTORS

	2000	1999
	£	£
Trade debtors	561,814	566,923
Director's current account	-	1,004
Amounts owed by group undertakings	96,203	-
Prepayments and accrued income	20,252	20,195
	<u>678,269</u>	<u>588,122</u>

11. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	168,656	144,932
Net obligations under finance leases and hire purchase contracts	46,626	15,950
Trade creditors	177,718	216,532
Amounts owed to group undertakings	-	2,868
Corporation tax	60,140	14,617
Other taxes and social security costs	184,083	146,825
Other creditors	11,754	10,889
Accruals and deferred income	95,480	61,933
	<u>744,457</u>	<u>614,546</u>

Bank borrowings amounting to £168,656 (1999 £144,932) are secured by the following:

A fixed and floating charge, dated 23 April 1998, on the assets of the company held by National Westminster Bank plc.

12. CREDITORS: amounts falling due after more than one year

	2000	1999
	£	£
Net obligations under finance leases and hire purchase contracts	<u>37,234</u>	<u>20,425</u>

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

13. BORROWINGS

	2000	1999
	£	£
The company's borrowings are repayable as follows		
Up to one year and on demand	168,656	144,932

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2000	1999
	£	£
The company's obligations are repayable as follows:		
Within one year or on demand	52,488	18,476
In two to five years	41,981	23,504
Total gross obligations	94,469	41,980
Finance charges and interest allocated to future accounting periods	(10,609)	(5,605)
Total net obligations	83,860	36,375

15. SHARE CAPITAL

	2000	1999
	£	£
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Equity interests:		
99 Ordinary shares of £1 each	99	99

16. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Retained profit at 1 June 1999 as previously stated	495,876	466,205
Profit for the year	204,517	29,671
Retained profit at 31 May 2000	700,393	495,876

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the year	254,517	49,671
Dividends	(50,000)	(20,000)
Net addition to shareholders' funds	204,517	29,671
Opening shareholders' funds	495,975	466,304
Closing shareholders' funds	700,492	495,975
Represented by:-		
Equity interests	700,492	495,975

18. TRANSACTIONS WITH DIRECTORS

	2000	1999
	£	£
Amounts owed to directors		
P Jones	-	275
P Gomes	-	729
	-	1,004
Amounts owed by directors		
N Whittaker	-	1,004
	-	1,004

The maximum amounts outstanding with regard to directors loans during the financial year were as per the amounts stated above. No amounts have been repaid after the balance sheet date.

During the year the company paid £20,000 to its pension scheme with regard to the rental of its business premises at Central House, Barnet. The sole beneficiaries of the scheme are the two directors of the company. All transactions with regard to rents paid are at a fair market value and are at arms length.

19. RELATED PARTY DISCLOSURES

During the year the company paid a dividend of £50,000 (1999: £20,000) to its parent company, T A Horn (Holdings) Limited.

At the balance sheet date, the company was owed £96,203 by T A Horn (Holdings) Limited. At 31 May 1999, the company owed £2,868 to T A Horn (Holdings) Limited.

20. ULTIMATE PARENT COMPANY

The ultimate parent company is T.A. Horn (Holdings) Limited, a company registered in Great Britain.

T.A. HORN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

21. CONTROL

The company has no ultimate controlling party.

T.A. HORN LIMITED

**MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MAY 2000**

T.A. HORN LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2000**

		2000	1999
SALES		4,124,762	3,755,035
COST OF SALES			
Opening stock and work in progress	186,964		173,492
Purchases	1,489,916		1,496,842
Hire of plant and machinery	9,419		13,769
Wages and salaries	779,109		648,751
Subcontract labour	968,337		843,689
	3,433,745		3,176,543
Closing stock	(294,214)		(186,964)
		(3,139,531)	(2,989,579)
GROSS PROFIT	23.9%	985,231	20.4% 765,456
DISTRIBUTION COSTS	106,190		90,240
ADMINISTRATIVE EXPENSES	569,898		603,065
		(676,088)	(693,305)
OPERATING PROFIT		309,143	72,151
OTHER INCOME AND EXPENSES			
Interest receivable:			
Bank deposit interest		9,170	3,936
Interest payable:			
Bank loans and overdrafts	377		2,045
Overdue tax	500		1,857
Hire purchase interest	4,308		3,291
		(5,185)	(7,193)
NET PROFIT FOR THE YEAR		313,128	68,894

T.A. HORN LIMITED

DISTRIBUTION AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MAY 2000

	2000	1999
	£	£
DISTRIBUTION COSTS		
Motor running expenses	106,190	90,240
ADMINISTRATIVE EXPENSES		
Wages and salaries	205,735	141,012
Directors' remuneration	93,934	199,760
Employer's N.I. contributions	33,061	33,777
Directors' pension costs	11,667	7,920
Staff pension costs	1,849	6,656
Staff training	1,001	6,766
Rent	20,000	20,000
Rates	14,002	13,371
Insurance	23,834	18,334
Light and heat	2,607	4,056
Repairs and maintenance	2,171	1,140
Cleaning	1,167	1,750
Printing, postage and stationery	26,334	22,034
Advertising	7,744	3,416
Computer running costs	11,356	2,515
Telephone	30,837	36,116
Entertaining	10,587	8,919
Legal and professional	3,420	7,243
Accountancy	3,920	9,230
Audit fees	8,430	5,390
Bank charges	4,421	6,039
Bad and doubtful debts	2,744	1,726
Sundry expenses	17,833	20,562
Subscriptions	1,430	2,104
Amortisation	-	1,123
Depreciation	37,754	37,078
Profit/loss on sale of tangible assets	(7,940)	(14,972)
	569,898	603,065