T.A. Horn Limited

Annual report and financial statements

for the 15 month period ended 30 June 2008

Registered Number 02004668

T.A. Horn Limited

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T.A. Horn Limited

Directors and advisors

Directors
M L Whittaker
C A Cheshire
N S Williams
P J Rushent
D C Blount

Secretary
N S Williams

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Kinetics House
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Registered number
02004668

T.A. Horn Limited

Directors' report for the 15 month period ended 30 June 2008

The directors present their report and the audited financial statements of the company for the 15 month period ended 30 June 2008. The comparative period in these financial statements is the twelve month period ended 31 March 2007. T.A. Horn has prepared financial statements for the 15 month period in order to bring its financial year end in line with the Kinetics Group.

Business review and principal activities
The principal activities of the company are the provision and delivery of design, installation, maintenance and repair of mechanical, gas and electrical installations covering both domestic and commercial properties.

Following the acquisition by the Kinetics Group, T.A. Horn has subsequently developed the business model to integrate within a large business environment, primarily reviewing and improving the internal business processes to streamline and develop the standard of management information.

T.A. Horn have continued to excel in the delivery of domestic gas planned preventative maintenance and reactive repair on behalf of social landlords with long term partnering contracts being procured with Enfield Homes and Homes for Haringey whilst consistently maintaining in excess of 99% CP12 (Landlord/Homeowner gas safety record) compliance.

The business has successfully developed the commercial boiler division by procuring both long term maintenance and repair contracts with social housing landlords and short term boiler house upgrade and refurbishment projects ensuring good visibility on the 2008/09 order book.

During the course of the period the business has striven to reduce the consumption of resources and to manage waste generated from business operations according to the principles of reduction, reuse and recycling.

We have continued to invest heavily in our people with all field operatives carrying out vigorous, bespoke training programmes to ensure that our first time fix ratio is in excess of our contractual obligation and ensuring that we provide a lean, cost effective service to our clients. We have worked towards the Investors in People accreditation which we achieved in July 2008.

The business encourages the recruitment of females and employees from all races into the sector. We have once again received national recognition for our training initiatives and have continued to train and employ individuals from within the communities that we are working, with a view of leaving a lasting legacy to help future generations to overcome poverty.

The Kinetics Group has enabled T.A. Horn to tender for a far greater number of projects which has resulted in an enhanced volume of business opportunities spread over a wide geographic area. We understand that this in itself can cause problems with control but the improvements in governance and investment in remote working have mitigated against this risk.

Future developments
The reduction in profit achieved in 2008 was primarily due to the enhanced business process guidance and expertise provided to the company by the Kinetics Group following the acquisition., These improvements will assist the company in its growth and expansion. However, the results for the 15 month period and the financial position at the period end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

High quality technical staff have been brought into the company to develop the commercial department with the company aiming to gain a larger share of this niche market with particular focus on schools, hospitals and care homes. The directors believe that the initial costs incurred will sustain long term growth in the company, whilst providing a grounded skill set to service the sector with the customary quality.

As part of the Kinetics Group, T.A. Horn is now able to provide many additional services and the opportunity to cross sell between other companies in the Kinetics Group has grown. T.A. Horn, together with three other group companies providing similar services form the Kinetics Facilities Services Division. The Divisions capabilities will enable us to expand our area of work throughout England.

The size of the Kinetics Group means that we now have the capacity to tender for larger, more complex contracts. This opportunity also brings associated risks; greater complexity of contracts may increase the risk of mis-pricing with the potential impact on both the group's reputation and financial position. This risk is countered by a robust system of internal controls and monitoring processes to ensure service deliverability whilst returning a fair return to the stakeholders.

T.A. Horn is expecting to move premises during this financial year as the business continues to develop and grow.

Results and dividends
The company's profit for the financial period is £780,855 (year ended 31 March 2007: £1,035,782). The directors do not recommend the payment of an interim or final dividend (2007: final dividend: nil, interim dividend: £399,800).

Key performance indicators

Key performance indicator	**30 June 2008**	31 March 2007
EBITA %	**7.4%**	14.6%
Ratio of forward order book to budgeted sales	**92%**	unavailable
Accident incident rate (divide by 100 to calculate the number of RIDDOR* accidents)	**1,667**	1,010

* Reporting of injuries, diseases and dangerous occurrences regulations 1985 (RIDDOR)

EBITA is defined as operating profit, divided by turnover and expressed as a percentage. The EBITA % decreased from 14.6% to 7.4% during this period. This was due to depressed margins through tightened market conditions.

Ratio of forward book to budgeted sales is defined as the ratio of confirmed orders at the start of the period expressed as a percentage of the budgeted turnover. The forward order ratio is in excess of the company's balanced scorecard target of 80%. Data is not available for 2007 but in the directors opinion the level of secured work has not varied significantly from the current year as work security continues to be largely gained through fixed term contracts and framework agreements.

Directors' report for the 15 month period ended 30 June 2008 (continued)

Accident incident rate is calculated by dividing the number of reportable accidents by the number of employees and them multiplying by 100,000. The directors believe that this is the standard calculation adopted by the Health and Safety Executive. We are proud of our Health and Safety and believe that our excellent performance in this area is due to the thorough training and consistent application of our internally set high standards.

Principle risks and uncertainties
Risk and uncertainty is an integral part of operating in a commercial environment. At an operating level, the company has mitigated these risks by utilising a balanced scorecard approach to measuring and defining business objectives coupled with the utilisation of a risk register to identify and prioritise risk management and develop appropriate action plans to minimise potential impact. The company operates under a scheme of delegation which clearly defines the levels of authorisation covering all key areas of the business. Compliance with the scheme of delegation and review of the risk registers is tested by our internal processes of 'peer-on-peer' review.

Financial risk management
The company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk, interest rate and cash flow risk, credit risk and price risk. These risks and the company's approach to dealing with them are discussed below.

(i) Liquidity risk
Cash flow is a key driver within the company. The risks associated with management of cash flow include management of working capital and the exposure to commercial credit. This risk is mitigated by the Board monitoring and control on a daily, weekly and monthly basis of the cash flow. The nature of our clients provides a great deal of security over the receipt of cash, but on the downside, we often experience delays in the receipt of cash by its due date.

(ii) Interest rate and cash flow risk
Exposure to interest rate and cash flow risk arises in the normal course of the business. The company's principal financial instruments comprise sterling cash and bank deposits, bank loans and overdrafts and obligations under operating leases and hire purchase contracts, together with trade debtors and trade creditors that arise directly from its operations. The group actively maintains a mixture of long term and short term debt finance that is designed to ensure that the company has sufficient available funds for operations and planned expansions.

(iii) Credit risk
The company's principal financial assets are bank balances, cash, and trade debtors, which represent the company's maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its trade debtors. The directors recognise that trade debtors represent the most significant exposure to credit risk, and are focused on expedient collection of these debts. The company's customer base is primarily government backed agencies but can range as far as small privately owned businesses. The credit risks associated with each client vary accordingly. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the company's management based on the financial standing of the customer, prior experience (if applicable) and their assessment of the current economic environment.

(iv) Price risk
The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits.

Environment
As part of the Kinetics Group the company applies group policy with regard to the environment, which is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. During the period the company has not incurred any fines or penalties or been investigated for any breach of environmental regulations. Our environmental commitments are underlined by our environmental accreditations where the Kinetics Group Limited is accredited to the internationally recognised environmental standard ISO 14001.

Employees
The quality and commitment of our people have played a major role in our success. This has been demonstrated in many ways, including improvements in the results obtained from staff surveys, and customer satisfaction and the flexibility employees have shown in adapting to changing business requirements and new ways of working. Employees' performance is aligned to company goals through an annual performance review process that is carried out with all employees. The company communicates to its employees through a variety of channels including the cascading of information from management meetings, email, staff newsletters and the extranet. Employees are kept informed about the progress and position of the company by meetings with senior management, in house newsletters and the distribution of the annual report.

The company is committed to the fair and equitable treatment of employees irrespective of gender, race, age, religion, disability or sexual orientation.

Health and Safety
The scope and volume of work undertaken by T.A. Horn Limited means that there is a potential exposure to Health and Safety risks. The specific risks include working with gas and electricity, working at height and working with machinery and equipment. We take the health and safety of our employees, customers and general public very seriously and there is a strong Health and Safety culture where we ensure that staff receive all the necessary training to safely undertake their work starting with an extensive staff induction process. Health and Safety is always one of the first matters to be discussed at the Directors meetings. All reportable accidents and any 'near misses' are discussed at the Kinetics Group Board meetings and the proposed actions to prevent any potential reoccurrences are agreed. Action points are then dispersed through the Group via dedicated divisional Health & Safety teams. Through our network of trained Health and Safety managers and external professional advisors we ensure that by an ongoing investment in training, we remain constantly vigilant to the potential dangers in our working environment.

Directors
The following directors held office during the period and up to the date of the signing of the financial statements are stated below:

N R Whittaker	(Resigned 19 June 2007)
P C Gomes	(Resigned 19 June 2007)
M L Whittaker	(Appointed 19 June 2007)
C A Cheshire	(Appointed 19 June 2007)
N S Williams	(Appointed 19 June 2007)
P J Rushent	(Appointed 1 May 2008)
D C Blount	(Appointed 1 December 2008)

Directors' report for the 15 month period ended 30 June 2008 (continued)

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 year.

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

Disclosure of information to auditors
At the date of approval of this report each of the company's directors, confirm the following:

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and;

- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

T.A. Horn Limited

Directors' report for the 15 month period ended 30 June 2008 (continued)

Auditors
During the year Cartwrights resigned as auditors to the company, and the directors appointed PricewaterhouseCoopers LLP to fill a casual vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the forthcoming Annual General Meeting.

By order of the Board

N S Williams
Director
30 April 2009

Independent auditors' report to the members of T.A. Horn Limited

We have audited the financial statements of T.A. Horn Limited for the period ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of T.A. Horn Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Gatwick
30 April 2009

T.A. Horn Limited

Profit and loss account

	Note	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Turnover	2	**14,999,587**	10,007,255
Operating charges	3	**(13,896,558)**	(8,550,297)
Operating profit	4	**1,103,029**	1,456,958
Interest receivable and similar income	6	**15,355**	31,733
Interest payable and similar charges	7	**(4,686)**	(2,638)
Profit on ordinary activities before taxation		**1,113,698**	1,486,053
Tax on profit on ordinary activities	8	**(332,843)**	(450,271)
Profit for the financial period/year	17	**780,855**	1,035,782

The profit and loss account has been prepared on the basis that all operations are continuing.

There are no recognised gains and losses other than stated in the profit and loss account. Accordingly, 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 period/year stated above and their historical cost equivalents.

T.A. Horn Limited
Balance sheet

	Note	30 June 2008 £	31 March 2007 £
Fixed assets			
Tangible assets	10	**128,473**	221,453
Current assets			
Stocks	11	**153,424**	350,015
Debtors	12	**4,812,258**	1,825,639
Cash at bank and in hand		**81,691**	1,038,284
		5,047,373	3,213,938
Creditors: amounts falling due within one year	13	**(2,721,035)**	(1,699,918)
Net current assets		**2,326,338**	1,514,020
Total assets less current liabilities		**2,454,811**	1,735,473
Creditors: amounts falling due after more than one year	14	**(25,714)**	(78,601)
Provisions for liabilities and charges	15	**-**	(8,630)
Net assets		**2,429,097**	1,648,242
Capital and reserves			
Called up share capital	16	**99**	99
Profit and loss account	17	**2,428,998**	1,648,143
Total shareholders' funds	18	**2,429,097**	1,648,242

The financial statements on pages 10 to 21 were approved by the board of directors on 30 April 2009 and were signed on its behalf by:

M L Whittaker
Director

P J Rushent
Director

T.A. Horn Limited

Notes to the financial statements for the 15 month period ended 30 June 2008

1 Accounting policies

Basis of accounting
These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

Cash flow and related party disclosures
The company is a wholly owned subsidiary of TA Horn (Holdings) Limited and included in the consolidated financial statements of Kinetics Holdings Limited, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1. The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Kinetics Holdings Limited group.

Turnover and deferred income
Turnover represents amounts invoiced to third parties after deducting value added, sales taxes and any discounts given.

Revenue is recognised when there are no significant vendor obligations remaining, and the collection of the resulting receivable is considered probable. In instances where significant vendor obligations remain, the recognition of the revenue relating to that obligation is delayed until the obligation has been satisfied. Maintenance income is recognised evenly over the term of the contract.

Turnover from servicing is recognised when the service is performed and the right to consideration has been earned. Revenue is not recognised immediately under the policy is classified as deferred income in the balance sheet until relevant performance criteria have been met.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at their purchase cost, together with any incidental expenses on acquisition, less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	5 years straight line
Fixtures, fittings and equipment	3 to 5 years straight line
Motor vehicles	5 years straight line

The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Where there is any evidence of impairment fixed assets are written down to their net realisable value.

Leasing and hire purchase commitments
Where fixed assets are financed by leasing agreements, which transfer to the company substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets. The capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against the profit in proportion to the reducuing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Rentals paid under operating leases are charged to income as incurred. Any lease incentives are recognised evenly over the term of the lease.

Stocks and work in progress
Stock and work in progress are valued at the lower of cost and net realisable value. Work in progress is valued on the basis of direct costs plus attributable overheads. Provision is made for any foreseeable losses.

Pensions
The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account in the year that they are payable.

Taxation
Corporation tax, where payable, is provided on taxable profits at the current rate. The tax expense for the period comprises current and deferred tax.

Deferred tax is recognised in respect of all timing difference that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing difference are differences between the company's taxable profits and its results as stated in the financial statements.

A net deferred tax asset is recognised as recoverable therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that expected to apply in the period in which timing difference are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating charges

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Raw material and consumables	**4,952,557**	2,795,838
Other external charges	**2,564,513**	2,310,111
Staff costs (see note 5)	**5,158,886**	3,043,641
Depreciation of fixed assets	**122,315**	89,833
Other operating charges	**1,098,287**	310,874
	13,896,558	8,550,297

4 Operating profit

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets		
- owned assets	**52,419**	35,008
- leased assets	**69,896**	54,825
Operating lease charges		
- other	**53,902**	-
Profit on disposal of tangible fixed assets	**(4,480)**	(215)
Services provided by the company's auditor		
- fees payable for the statutory audit	**15,000**	10,000

5 Employee information

Number of employees
The average monthly number of employees (including executive directors) during the period/year was:

	15 month period to 30 June 2008 Number	Year to 31 March 2007 Number
Management and administration	**37**	30
Operatives	**83**	69
	120	99

Employment costs

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Wages and salaries	**4,652,382**	2,932,444
Social security costs	**487,940**	104,716
Other pension costs	**18,564**	6,481
	5,158,886	3,043,641

5 Employee information (continued)

Directors' emoluments

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Aggregate emoluments	93,465	449,719
Pension contributions	3,324	-
	96,789	449,719
Number of directors accruing benefits under defined contribution pension schemes	1	-

Highest paid director

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Aggregate emoluments	80,884	230,461
Directors' pension contribution to money purchase schemes	3,324	-
	84,208	230,461

6 Interest receivable and similar income

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Bank interest	15,355	31,733

7 Interest payable and similar charges

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
On bank loans and overdrafts	-	9
Hire purchase interest	4,686	2,629
	4,686	2,638

8 Tax on profit on ordinary activities

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Current tax:		
UK corporation tax on profits of the period	**349,374**	447,769
Adjustments in respect of previous periods	**1,435**	2,330
Total current tax	**350,809**	450,099
Deferred tax:		
Origination and reversal of timing difference	**(17,391)**	172
Adjustments in respect of previous periods	**(575)**	-
Total deferred tax	**(17,966)**	172
Tax on profit on ordinary activities	**332,843**	450,271

The tax assessed for the period is different to the standard rate of corporation tax in the UK. The differences are explained below.

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Profit on ordinary activities before taxation	**1,113,698**	1,486,053
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 29.5% (2007: 30%)	**328,541**	445,370
Effects of:		
Expenses not deductible for tax purposes	**3,442**	2,571
Capital allowances less than/(in excess) depreciation	**17,391**	(172)
Adjustments to tax charge in respect of previous periods	**1,435**	2,330
Current tax charge for the period	**350,809**	450,099

The standard rate of Corporation Tax in the UK changed to 28% with effect from 1 April 2008.

9 Dividends

	15 month period to 30 June 2008 £	Year to 31 March 2007 £
Ordinary interim paid (2007: £4,038 .38per share)	-	399,800

10 Tangible assets

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2007	8,410	127,054	547,018	682,482
Additions	-	33,536	3,000	36,536
Disposals	-	-	(195,362)	(195,362)
At 30 June 2008	**8,410**	**160,590**	**354,656**	**523,656**
Depreciation				
At 1 April 2007	7,311	76,802	376,916	461,029
Charge for the period	299	39,963	82,053	122,315
Disposals	-	-	(188,161)	(188,161)
At 30 June 2008	**7,610**	**116,765**	**270,808**	**395,183**
Net book value				
At 30 June 2008	**800**	**43,825**	**83,848**	**128,473**
At 31 March 2007	1,099	50,252	170,102	221,453

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

	30 June 2008	31 March 2007 £
Cost	**291,350**	319,444
Aggregate depreciation	**(211,159)**	(151,072)
Net book value	**80,191**	168,372

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

11 Stocks

	30 June 2008 £	31 March 2007 £
Raw materials and consumables	**130,395**	123,627
Work in progress	**23,029**	226,388
	153,424	350,015

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

12 Debtors

	30 June 2007 £	31 March 2007 £
Trade debtors	**3,618,095**	1,535,155
Amounts owed by parent and fellow subsidiary undertakings	**959,452**	239,951
Other debtors	**167,214**	-
Prepayments and accrued income	**58,161**	50,533
Deferred tax asset	**9,336**	-
	4,812,258	1,825,639

Amounts owed by parent and fellow subsidiary undertakings are non-interest bearing, have no fixed repayment date and have no security attached to them.

The deferred tax asset/(liability) is made up as follows:

	30 June 2007 £	31 March 2007 £
Accelerated capital allowances/depreciation in excess of capital allowances	**9,336**	(8,630)

13 Creditors: amounts falling due within one year

	30 June 2007 £	31 March 2007 £
Bank loans and overdrafts	**737,392**	172,711
Trade creditors	**755,737**	338,911
Net obligations under hire purchase contracts	**32,270**	87,205
Corporation tax	**348,876**	447,769
Other taxes and social security costs	**491,810**	450,408
Directors' current accounts	**-**	1
Other creditors	**9,126**	57,481
Accruals and deferred income	**345,824**	145,432
	2,721,035	1,699,918

The bank overdrafts are secured by a fixed and floating charge on the assets of the group (see note 21).

14 Creditors: amounts falling due after more than one year

	30 June 2007 £	31 March 2007 £
Net obligations under hire purchase contracts	**25,714**	78,601

All hire purchase obligations are due after one year, but not more than five years.

15 Provisions for liabilities and charges

	Deferred tax liability £
At 1 April 2007	8,630
Charged to the profit and loss account (see note 12)	(8,630)
At 30 June 2008	-

T.A. Horn Limited

16 Share capital

	30 June 2007 £	31 March 2007 £
Authorised		
100 ordinary shares of £1 each (2007: 100)	**100**	100
Allotted and fully paid		
99 ordinary shares of £1 each (2007: 99)	**99**	99

17 Profit and loss account

	Profit and loss account £
At 1 April 2007	**1,648,143**
Profit for the period	**780,855**
At 30 June 2008	**2,428,998**

18 Reconciliation of movements in shareholders' funds

	30 June 2008 £	31 March 2007 £
Profit for the financial period/year	**780,855**	1,035,782
Dividends paid	-	(399,800)
Increase in shareholders' funds	**780,855**	635,982
Opening shareholders' funds	**1,648,242**	1,012,260
Closing shareholders' funds	**2,429,097**	1,648,242

19 Financial commitments

At 30 June 2008 the company had annual commitments under non-cancellable operating leases expiring as follows as follows:

	30 June 2008 Motor vehicles	30 June 2008 Land and buildings	31 March 2007 Motor vehicles	31 March 2007 Land and buildings
	£	£	£	£
Within one year	106,133	-	-	30,000
Within two to five years	264,498	-	-	-
	370,632			30,000

20 Related party transactions

During the period:

- the company paid £47,500 (2007: £30,000) to its pension scheme with regard to the rental of its business premises at Central House. The beneficiaries of the scheme included two directors (N Whittaker and P Gomes) who held office during the period (both resigned 19 June 2007).
- the spouses of three of the directors received remuneration of £21,044 for their services to the company (2007: £9,833).
- one of the directors' brothers, C Whittaker (2% interest in TAH Group Limited) received remuneration of £73,452 for his employment services to the company (2007: £46,254)

From the date of acquisition of the company by the Kinetics group, the previous directors N Whittaker and P Gomes became external consultants for the company and received £40,469 for their services to the company (2007: £nil)

21 Contingencies and commitments

The company has entered into an unlimited cross guarantee with its parent company and fellow subsidiaries and a legal mortgage and mortgage debenture in relation to banking facilities with Yorkshire Bank plc. At 30 June 2008 borrowings subject to this guarantee amounted to £3,160,085 (2007: £7,462,440).

22 Intermediate and ultimate parent undertaking

The immediate parent undertaking is TA Horn (Holdings) Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and the controlling party is Kinetics Holdings Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Kinetics Holding Limited consolidated financial statements can be obtained from the Company Secretary at Kinetics House, 181-189 Garth Road, Morden, Surrey, SM4 4LL.

23 Ultimate controlling party

The directors do not consider there to be any ultimate controlling party. Funds managed by Sovereign Capital Partners LLP have an interest of 80% in the equity share capital of Kinetics Holdings Limited at 30 June 2008.