T.A. Horn Limited

Annual report and financial statements for the year 30 June 2009

Registered Number 02004668

T.A. Horn Limited

Annual report and financial statements
for the year ended 30 June 2009

Contents

T.A. Horn Limited

Directors and advisors

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

Secretary
N S Williams

Registered office
Kinetics House
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Morden
Surrey
SM4 4LL

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
First Point
Buckingham Gate
Gatwick
RH6 0PP

Bankers
Yorkshire Bank plc
Temple Point
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B2 5YB

Registered number
02004668

T.A. Horn Limited

Directors' report for the year ended 30 June 2009

The directors present their report and the audited financial statements of the company for the year ended 30 June 2009 The comparative period in these financial statements is the 15 month period ended 30 June 2008

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

We have continued to deliver 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 (The Landlord/Homeowner Gas Safety Record) compliance

The business has successfully developed the commercial boiler division by procuring both maintenance and repair contracts with social housing landlords and short term boiler house upgrade and refurbishment projects ensuring good visibility on the 2009/10 order book

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 Investors in People accreditation which we achieved in July 2008

The business remains at the forefront of the recruitment of women 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

Future developments
A reduction in turnover in the year was a direct consequence of reduced intra group turnover A major client in a fellow subsidiary company delayed a boiler installation programme in this year having a knock on effect in T A Horn Limited The reduction in profitability was primarily due to the new commercial projects undertaken during the year which was a new dimension to the activities of the company Due to initial set up costs these projects resulted in initial loses This department has since been strengthened by the introduction of a senior projects manager A further factor in the reduction in profitability has been the deterioration in general market conditions, where the company has experienced tighter margins on some works through more competitive tendering

As part of the Kinetics Holdings Limited Group (Kinetics Group), T A Horn is able to provide many additional services and cross selling between Kinetics companies is growing Together with three other group companies providing similar services, T A Horn Limited forms part of the division Kinetics Facilities Services, and working as part of the division, it is anticipated that our area of work will expand 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 Limited

Directors' report for the year ended 30 June 2009 (continued)

Results and dividends
The company's loss for the year is £6,309 (15 month period ended 30 June 2008 profit of £780,855) The directors do not recommend the payment of an interim or final dividend (15 month period ended 30 June 2008 £nil)

Key performance indicators

	30 June 2009	15 month period ended 30 June 2008
EBITA %	**0.1%**	7 4%
Ratio of forward order book to budgeted sales	**82%**	92%

EBITA is defined as operating profit, divided by turnover and expressed as a percentage The EBITA % decreased from 7 4% to 0 1% during this period This was due to depressed margins through tightened market conditions and initial losses on commercial projects

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 line with the company's balanced scorecard target of 80% The reduction in ratio of forward order book to budgeted sales is due to the company reducing the reliance on commercial project work which was included in the order book in the previous period

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 and overdrafts and obligations under operating leases and hire purchase contracts, together with trade debtors and trade creditors that arise directly from its operations

Directors' report for the year ended 30 June 2009 (continued)

(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

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 year 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 and 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' report for the year ended 30 June 2009 (continued)

Directors

The following directors held office during the year and up to the date of the signing of the financial statements unless otherwise stated

M L Whittaker	
D C Blount	(Appointed 1 December 2008)
C A Cheshire	
N S Williams	
P J Rushent	(Resigned 24 September 2009)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Directors' report for the year ended 30 June 2009 (continued)

Directors' indemnities
The Company maintains liability insurance for its directors and officers

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

By order of the Board

N S Williams
Director
10 December 2009

T.A. Horn Limited

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

We have audited the financial statements of T A Horn for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Michael N Jones (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
10 December 2009

T.A. Horn Limited

Profit and loss account
for the year ended 30 June 2009

	Note	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
Turnover	2	**11,188,209**	14,999,587
Operating charges	3	**(11,197,081)**	(13,896,558)
Operating (loss)/profit	4	**(8,872)**	1,103,029
Interest receivable	6	**699**	15,355
Interest payable	7	**(627)**	(4,686)
(Loss)/profit on ordinary activities before taxation		**(8,800)**	1,113,698
Tax on (loss)/profit on ordinary activities	8	**2,491**	(332,843)
(Loss)/profit for the financial year/period	15	**(6,309)**	780,855

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 (loss)/profit on ordinary activities before taxation and the (loss)/profit for the year/period stated above and their historical cost equivalents

T.A. Horn Limited

Balance sheet
as at 30 June 2009

	Note	30 June 2009 £	30 June 2008 £
Fixed assets			
Tangible assets	9	**74,285**	128,473
Current assets			
Stocks	10	**226,718**	153,424
Debtors	11	**4,673,315**	4,812,258
Cash at bank and in hand		**44,719**	81,691
		4,944,752	5,047,373
Creditors amounts falling due within one year	12	**(2,588,498)**	(2,721,035)
Net current assets		**2,356,254**	2,326,338
Total assets less current liabilities		**2,430,539**	2,454,811
Creditors amounts falling due after more than one year	13	**(7,751)**	(25,714)
Net assets		**2,422,788**	2,429,097
Capital and reserves			
Called up share capital	14	**99**	99
Profit and loss account	15	**2,422,689**	2,428,998
Total shareholders' funds	16	**2,422,788**	2,429,097

The financial statements on pages 9 to 21 were approved by the board of directors on 10 December 2009 and were signed on its behalf by

C A Cheshire
Director

D C Blount
Director

REGISTERED NUMBER 02004168

Notes to the financial statements
for the year ended 30 June 2009

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 2006 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently, are set out below

Cash flow statement
The company is a wholly owned subsidiary of T A 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

Turnover and deferred income
Turnover represents amounts invoiced to third parties after deducting value added tax 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 reducing 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 year 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 differences 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 year/period in which timing differences 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

Related party transactions
Due to the change in scope of FRS 8 'Related Party Disclosures' in December 2008 in order to comply with the requirements of Companies Act 2006, 90% subsidiaries are no longer exempt from the disclosure of related party transactions with other group subsidiaries The directors have chosen not to disclose prior year balances as permitted by Companies Act 2006

2 Turnover

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

3 Operating charges

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
Raw material and consumables	**3,503,573**	4,952,557
Other external charges	**1,848,706**	2,564,513
Staff costs (see note 5)	**4,540,783**	5,158,886
Depreciation of fixed assets	**55,998**	122,315
Other operating charges	**1,248,021**	1,098,287
	11,197,081	13,896,558

4 Operating profit

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
Operating profit is stated after charging/(crediting).		
Depreciation of tangible fixed assets		
- owned assets	**21,903**	52,419
- leased assets	**34,095**	69,896
Operating lease charges		
- other	**135,008**	53,902
Loss/(profit) on disposal of tangible fixed assets	**1,761**	(4,480)
Services provided by the company's auditor		
- fees payable for the statutory audit	**12,250**	15,000

5 Employee information

Number of employees

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

	Year ended 30 June 2009 Number	15 month period to 30 June 2008 Number
Management and administration	**44**	37
Operatives	**94**	83
	138	120

Employment costs

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
Wages and salaries	**3,969,267**	4,652,382
Social security costs	**559,633**	487,940
Other pension costs	**11,883**	18,564
	4,540,783	5,158,886

Directors' emoluments

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
Aggregate emoluments	**49,146**	93,465
Pension contributions	**3,324**	3,324
	52,470	96,789
Number of directors accruing benefits under defined contribution pension schemes	1	1

6 Interest receivable

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
Bank interest	**699**	15,355

7 Interest payable

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
Hire purchase interest	**627**	4,686

8 Tax on (loss)/profit on ordinary activities

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
Current tax		
UK corporation tax on profits of the period	**3,706**	349,374
Adjustments in respect of previous periods	**876**	1,435
Total current tax	**4,582**	350,809
Deferred tax		
Origination and reversal of timing difference	**(7,073)**	(17,391)
Adjustments in respect of previous periods	**-**	(575)
Total deferred tax	**(7,073)**	(17,966)
Tax on profit on ordinary activities	**(2,491)**	332,843

8 Tax on (loss)/profit on ordinary activities (continued)

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

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
(Loss)/profit on ordinary activities before taxation	**(8,800)**	1,113,698
Profit on ordinary activities before taxation multiplied by the small companies rate of UK corporation tax of 21% (2008 29 6%)	**(1,848)**	328,541
Effects of		
Expenses not deductible for tax purposes	**110**	3,442
Capital allowances less than depreciation	**7,073**	17,391
Adjustments to tax charge in respect of previous periods	**876**	1,435
Group relief claimed	**(1,629)**	
Current tax charge for the year/period	**4,582**	350,809

9 Tangible assets

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2008	8,410	160,590	354,656	523,656
Additions	-	3,249	-	3,249
Disposals	-	-	(42,502)	(42,502)
At 30 June 2009	8,410	163,839	312,154	**484,403**
Depreciation				
At 1 July 2008	7,610	116,765	270,808	395,183
Charge for the year	260	20,447	35,291	55,998
Disposals	-	-	(41,063)	(41,063)
At 30 June 2009	7,870	137,212	265,036	**410,118**
Net book value				
At 30 June 2009	**540**	**26,627**	**47,118**	**74,285**
At 30 June 2008	800	43,825	83,848	128,473

9 Tangible assets (continued)

Included above are assets held under hire purchase contracts in motor vehicles as follows

	2009	2008
		£
Cost	**291,350**	291,350
Aggregate depreciation	**(245,254)**	(211,159)
Net book value	**46,096**	80,191

Net obligations under hire purchase contracts are secured by fixed charges on the assets concerned

10 Stocks

	2009	2008
	£	£
Raw materials and consumables	**205,395**	130,395
Work in progress	**21,323**	23,029
	226,718	153,424

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

11 Debtors

	2009	2008
	£	£
Trade debtors	**819,889**	2,553,315
Amounts owed by parent and fellow subsidiary undertakings	**2,043,173**	959,452
Other debtors	**89,187**	167,214
Prepayments and accrued income	**1,704,657**	1,122,941
Deferred tax asset	**16,409**	9,336
	4,673,315	4,812,258

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

11 Debtors (continued)

The deferred tax asset is made up as follows

	2009	2008
	£	£
Depreciation in excess of capital allowances	**16,409**	9,336

The movement on the deferred tax balance during the year was

	Deferred tax
	£
Balance at 1 July 2008	9,336
Amount credited to the profit and loss account	7,073
At 30 June 2009	**16,409**

12 Creditors: amounts falling due within one year

	2009	2008
	£	£
Bank loans and overdrafts	-	737,392
Trade creditors	**1,016,631**	755,737
Amounts owed to group undertakings	**549,595**	-
Net obligations under hire purchase contracts	**18,614**	32,270
Corporation tax	**4,084**	348,876
Other taxes and social security costs	**547,981**	491,810
Other creditors	**76,113**	9,126
Accruals and deferred income	**375,480**	345,824
	2,588,498	2,721,035

The bank overdrafts are secured by a fixed and floating charge on the assets of the group (see note 19)

13 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Net obligations under hire purchase contracts	**7,751**	25,714

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

14 Share capital

	2009 £	2008 £
Authorised		
100 ordinary shares of £1 each	**100**	100
Allotted and fully paid		
99 ordinary shares of £1 each	**99**	99

15 Profit and loss account

	Profit and loss account £
At 1 July 2008	2,428,998
Profit for the year	(6,309)
At 30 June 2009	**2,422,689**

16 Reconciliation of movements in shareholders' funds

	Year ended 30 June 2009 £	15 month period to 30 June 2008 £
(Loss)/profit for the financial year/period	**(6,309)**	780,855
Opening shareholders' funds	**2,429,097**	1,648,242
Closing shareholders' funds	**2,422,788**	2,429,097

17 Financial commitments

At 30 June 2009 the company had annual commitments under non-cancellable operating leases expiring as follows

	2009 Motor vehicles £	2008 Motor vehicles £
Within one year	**193,010**	106,133
Within two to five years	**316,472**	264,499
	509,482	370,632

18 Related party transactions

During the year

- the company made sales of £376,701 to fellow Kinetics Group companies in the year, £85,266 was owed to the company at the year end from fellow subsidiary companies
- the company made material and subcontractor purchases of £1,829 from fellow Kinetics Group subsidiaries in the year, £508 was owed by the company at the year end to fellow subsidiary companies
- the company incurred overhead recharges from fellow Kinetics Group companies of £1,270,923 in respect of various services performed on the company's behalf in the year The company made overhead recharges of £1,718,874 in respect of services performed on behalf of fellow Kinetics Group companies in the year

19 Contingencies and commitments

The group and company have given guarantees to the bank in the form of a fixed and floating charge over the assets of the company

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 2009 borrowings subject to this guarantee amounted to £18,000,000 (2008 £17,160,085)

20 Intermediate and ultimate parent undertaking

The immediate parent undertaking is T A 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 Holdings Limited consolidated financial statements can be obtained from the Company Secretary at Kinetics House, 181-189 Garth Road, Morden, Surrey, SM4 4LL

21 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 2009