

REGISTERED NUMBER: 2004668

T.A. HORN LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MAY 2001**

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



T.A. HORN LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2001**

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T.A. HORN LIMITED

COMPANY INFORMATION AS AT 31 MAY 2001

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
Chartered Accountants
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 2001.

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 £232,444.

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 £137,234 (2000: £50,000) was paid during the year.

The retained profit for the year of £95,210 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	
		2001	2000
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.

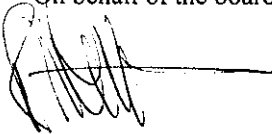
T.A. HORN LIMITED

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:

18/12/01

T.A. HORN LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 13 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 2001 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

19/12/01

T.A. HORN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2001

	Notes	2001	2000
TURNOVER		4,385,821	4,124,762
Cost of sales		3,369,986	3,139,531
GROSS PROFIT		1,015,835	985,231
Distribution costs		114,478	106,190
Administrative expenses		667,872	569,898
		233,485	309,143
Other operating income		50,462	-
OPERATING PROFIT	2	283,947	309,143
Investment income and interest receivable	3	14,742	9,170
Interest payable and similar charges	4	(14,686)	(5,185)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		284,003	313,128
Tax on profit on ordinary activities	7	(51,559)	(58,611)
PROFIT FOR THE FINANCIAL YEAR	16	232,444	254,517
Dividends		(137,234)	(50,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	16	95,210	204,517

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.

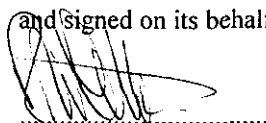
Historical cost

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 2001**

		2001	2000
FIXED ASSETS			
Tangible assets	8	106,398	139,759
CURRENT ASSETS			
Stocks and work in progress	9	435,324	294,214
Debtors	10	765,447	678,269
Cash at bank and in hand		411,343	369,941
		<u>1,612,114</u>	<u>1,342,424</u>
CREDITORS: amounts falling due within one year	11	<u>(914,286)</u>	<u>(744,457)</u>
NET CURRENT ASSETS		<u>697,828</u>	<u>597,967</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>804,226</u>	<u>737,726</u>
CREDITORS: amounts falling due after more than one year	12	<u>(8,524)</u>	<u>(37,234)</u>
NET ASSETS		<u><u>795,702</u></u>	<u><u>700,492</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	99	99
Profit and loss account	16	795,603	700,393
TOTAL SHAREHOLDERS' FUNDS	17	<u><u>795,702</u></u>	<u><u>700,492</u></u>

The financial statements were approved by the board of directors on 18/12/01
and signed on its behalf by:



N Whittaker
Director

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

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 2001

2. OPERATING PROFIT

Operating profit	2001	2000
	£	£
After charging:		
Depreciation of fixed assets	32,425	37,754
Loss on disposal of tangible assets	4,771	-
Auditors' remuneration	7,800	8,430
Hire of equipment	13,352	9,419
	<u> </u>	<u> </u>
After crediting:		
Rent received	667	-
Profit on disposal of tangible assets	-	7,940
	<u> </u>	<u> </u>

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2001	2000
	£	£
Interest received and receivable		
Bank interest	14,742	9,170
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
On bank loans and overdrafts	938	377
On overdue tax	-	500
Lease finance charges and hire purchase interest	5,625	4,308
Other interest	8,123	-
	<u> </u>	<u> </u>
	14,686	5,185
	<u> </u>	<u> </u>

5. INFORMATION ON DIRECTORS AND EMPLOYEES

	2001	2000
	£	£
Staff costs		
Wages and salaries	1,138,651	1,012,170
Social security costs	109,630	99,669
Other pension costs	30,400	13,516
	<u> </u>	<u> </u>
	1,278,681	1,125,355
	<u> </u>	<u> </u>

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

5. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)

	2001 No.	2000 No.
The average number of employees during the year was made up as follows:		
Management and administration	18	16
Production	30	31
	<u>48</u>	<u>47</u>

	2001 £	2000 £
Directors' emoluments		
Remuneration for management services	85,683	93,934
Pension contributions to money purchase schemes	28,712	11,667
	<u>114,395</u>	<u>105,601</u>

	2001 £	2000 £
Details of highest paid director's emoluments		
Emoluments (excluding pension contributions)	<u>48,500</u>	<u>47,734</u>

Directors' remuneration fell within the following ranges:

	2001 No.	2000 No.
£35,001 - £40,000	1	-
£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 £30,400 (2000:£13,516).

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£	£
The taxation charge comprises:		
UK corporation tax at 20% (2000 - 21%)	51,756	60,140
Adjustment in respect of prior years	(197)	(1,529)
	<u>51,559</u>	<u>58,611</u>

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Other	Total
	£	£	£	£	£
Cost:					
At 1 Jun. 00	7,112	29,884	311,625	9,032	357,653
Additions	-	1,810	59,890	4,315	66,015
Disposals	-	-	(148,471)	-	(148,471)
At 31 May 01	<u>7,112</u>	<u>31,694</u>	<u>223,044</u>	<u>13,347</u>	<u>275,197</u>
Depreciation:					
At 1 Jun. 00	6,755	28,283	181,427	1,429	217,894
Charge for year	177	682	29,158	2,408	32,425
On disposals	-	-	(81,520)	-	(81,520)
At 31 May 01	<u>6,932</u>	<u>28,965</u>	<u>129,065</u>	<u>3,837</u>	<u>168,799</u>
Net book value:					
At 31 May 01	<u>180</u>	<u>2,729</u>	<u>93,979</u>	<u>9,510</u>	<u>106,398</u>
At 31 May 00	<u>357</u>	<u>1,601</u>	<u>130,198</u>	<u>7,603</u>	<u>139,759</u>

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

	2001	2000
	£	£
Net book values:		
Motor vehicles	<u>91,732</u>	<u>120,733</u>
Depreciation charge for the year:		
Motor vehicles	<u>20,717</u>	<u>18,447</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 2001

9. STOCKS

	2001	2000
	£	£
Raw materials and consumables	77,658	52,921
Short term work in progress	357,666	241,293
	<u>435,324</u>	<u>294,214</u>

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

10. DEBTORS

	2001	2000
	£	£
Trade debtors	560,586	561,814
Amounts owed by group undertakings	186,342	96,203
Prepayments and accrued income	18,519	20,252
	<u>765,447</u>	<u>678,269</u>

11. CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	231,213	168,656
Net obligations under finance leases and hire purchase contracts	32,251	46,626
Trade creditors	281,757	177,718
Corporation tax	51,756	60,140
Other taxes and social security costs	199,953	184,083
Other creditors	22,968	11,754
Accruals and deferred income	94,388	95,480
	<u>914,286</u>	<u>744,457</u>

Bank borrowings amounting to £231,213 (2000 £168,656) 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

	2001	2000
	£	£
Net obligations under finance leases and hire purchase contracts	<u>8,524</u>	<u>37,234</u>

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

13. BORROWINGS

	2001	2000
	£	£
The company's borrowings are repayable as follows		
Up to one year and on demand	<u>231,213</u>	<u>168,656</u>

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2001	2000
	£	£
The company's obligations are repayable as follows:		
Within one year or on demand	31,436	52,488
In two to five years	<u>12,667</u>	<u>41,981</u>
Total gross obligations	44,103	94,469
Finance charges and interest allocated to future accounting periods	<u>(2,928)</u>	<u>(10,609)</u>
Total net obligations	<u>41,175</u>	<u>83,860</u>

15. SHARE CAPITAL

	2001	2000
	£	£
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Equity interests:		
99 Ordinary shares of £1 each	<u>99</u>	<u>99</u>

16. PROFIT AND LOSS ACCOUNT

	2001	2000
	£	£
Retained profit at 1 June 2000 as previously stated	700,393	495,876
Profit for the year	<u>95,210</u>	<u>204,517</u>
Retained profit at 31 May 2001	<u>795,603</u>	<u>700,393</u>

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year	232,444	254,517
Dividends	(137,234)	(50,000)
Net addition to shareholders' funds	95,210	204,517
Opening shareholders' funds	700,492	495,975
Closing shareholders' funds	795,702	700,492
Represented by:-		
Equity interests	795,702	700,492

18. TRANSACTIONS WITH DIRECTORS

	2001 £	2000 £
Amounts owed to directors		
N Whittaker	5,600	-
P Gomes	5,585	-
	11,185	-

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

At the balance sheet date, the company was owed £186,342 (2000: £96,203) by 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.

21. CONTROL

The company has no ultimate controlling party.