

REGISTERED NUMBER: 2004668

T.A. HORN LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MAY 1998**

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



T.A. HORN LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998**

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T.A. HORN LIMITED

**COMPANY INFORMATION
AS AT 31 MAY 1998**

DIRECTORS

P Jones
N Whittaker
P Gomes

SECRETARY

P Jones

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

Barclays Bank plc
1250 High Street
Whetstone
London N20 0PB

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 1998.

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 £21,815.

The directors consider these results to be satisfactory and anticipate that the results for the ensuing year will be comparable with those for the year under review.

DIVIDENDS AND TRANSFERS TO RESERVES

No dividends were paid during the year and no recommendation is made as to dividends.

The combined Prior Year Adjustment and retained profit for the year of £39,609 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 company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		1998	1997
P Jones	Ordinary shares	33	33
N Whittaker	Ordinary shares	33	33
P Gomes	Ordinary shares	33	33

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;
- comply with applicable accounting standards 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 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 have made an assessment of the Year 2000 problem.

The company has undertaken a review of all systems affected by the problem and will acquire replacement products as necessary.

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.

By order of the board:


P Jones
Secretary

Approved by the board:

2.12.98

T.A. HORN LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 8.

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 1998 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

3.12.98

T.A. HORN LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1998**

	Notes	1998	1997 as restated
TURNOVER		3,503,405	4,191,486
Cost of sales		2,801,128	3,391,716
GROSS PROFIT		702,277	799,770
Distribution costs		87,491	115,996
Administrative expenses		572,494	598,117
OPERATING PROFIT	2	42,292	85,657
Investment income and interest receivable	3	1,066	614
Interest payable and similar charges	4	(8,807)	2,424
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		34,551	88,695
Tax on profit on ordinary activities	7	(12,736)	(22,600)
PROFIT FOR THE FINANCIAL YEAR	16	21,815	66,095

Continuing operations

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

The notes on pages 8 to 15 form part of these financial statements.

T.A. HORN LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MAY 1998**

	1998	1997 as restated
Profit for the financial year after taxation	21,815	66,095
Prior year adjustment (as explained in note 19)	17,794	-
TOTAL NET GAINS SINCE LAST ANNUAL REPORT	<u>39,609</u>	<u>66,095</u>

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.

The notes on pages 8 to 15 form part of these financial statements.

T.A. HORN LIMITED**BALANCE SHEET
AT 31 MAY 1998**

		1998	1997 as restated
FIXED ASSETS			
Tangible assets	8	122,920	165,337
CURRENT ASSETS			
Stocks and work in progress	9	173,492	180,732
Debtors	10	768,877	763,975
Cash at bank and in hand		1,575	1,504
		<u>943,944</u>	<u>946,211</u>
CREDITORS: amounts falling due within one year	11	<u>(597,935)</u>	<u>(656,678)</u>
NET CURRENT ASSETS		346,009	289,533
TOTAL ASSETS LESS CURRENT LIABILITIES		468,929	454,870
CREDITORS: amounts falling due after more than one year	12	<u>(2,625)</u>	<u>(10,381)</u>
NET ASSETS		<u>466,304</u>	<u>444,489</u>
CAPITAL AND RESERVES			
Called up share capital	15	99	99
Profit and loss account	16	466,205	444,390
TOTAL SHAREHOLDERS' FUNDS	17	<u>466,304</u>	<u>444,489</u>

The financial statements were approved by the board of directors on 2.12.98
and signed on its behalf by:

P Jones)
)
) Directors
N Whittaker)

The notes on pages 8 to 15 form part of these financial statements.

T.A. HORN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

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 1998****2. OPERATING PROFIT**

Operating profit	1998	1997 as restated
	£	£
After charging:		
Depreciation of fixed assets	43,199	42,523
Amortisation of intangible assets	1,123	-
Auditors' remuneration	7,250	3,400
Hire of equipment	22,696	16,574
	<hr/>	<hr/>
After crediting:		
Profit on disposal of tangible assets	355	1,406
	<hr/>	<hr/>

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	1998	1997
	£	£
Interest received and receivable		
Bank interest	1,066	614
	<hr/>	<hr/>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1998	1997 as restated
	£	£
On bank loans and overdrafts	1,841	5,540
On other loans repayable after five years	-	(15,105)
On overdue tax	876	799
Lease finance charges and hire purchase interest	6,090	6,342
	<hr/>	<hr/>
	8,807	(2,424)
	<hr/>	<hr/>

5. INFORMATION ON DIRECTORS AND EMPLOYEES

	1998	1997
	£	£
Staff costs		
Wages and salaries	883,960	814,654
Social security costs	84,275	77,503
Other pension costs	2,862	15,534
	<hr/>	<hr/>
	971,097	907,691
	<hr/>	<hr/>

T.A. HORN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998****5. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)**

	1998 No.	1997 No.
The average number of employees during the year was made up as follows:		
Management and administration	17	21
Production	28	30
	<u>45</u>	<u>51</u>

	1998 £	1997 £
Directors' emoluments		
Remuneration for management services	181,967	164,669
Pension contributions to money purchase schemes	(1,642)	11,919
	<u>180,325</u>	<u>176,588</u>

	1998 £	1997 £
Details of highest paid director's emoluments		
Emoluments (excluding pension contributions)	<u>61,745</u>	<u>55,759</u>

Other directors' remuneration fell within the following ranges:

	1998 No.	1997 No.
£60,001 - £65,000	<u>2</u>	<u>2</u>

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 £2,862 (1997:£15,534).

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 as restated £
The taxation charge comprises:		
UK corporation tax at 21.0% (1997 - 24%)	12,736	23,244
Adjustment in respect of prior years	-	(644)
	<u>12,736</u>	<u>22,600</u>

T.A. HORN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998**

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost:						
At 1 Jun. 97 as restated	56,150	7,112	29,059	298,761	44,623	435,705
Additions	-	-	825	4,500	-	5,325
Disposals	-	-	-	(5,700)	-	(5,700)
At 31 May. 98	56,150	7,112	29,884	297,561	44,623	435,330
Depreciation:						
At 1 Jun. 97 as restated	-	5,700	26,558	212,799	25,311	270,368
Charge for year	1,123	701	534	35,280	6,684	44,322
On disposals	-	-	-	(2,280)	-	(2,280)
At 31 May. 98	1,123	6,401	27,092	245,799	31,995	312,410
Net book value:						
At 31 May. 98	55,027	711	2,792	51,762	12,628	122,920
At 31 May. 97 as restated	56,150	1,412	2,501	85,962	19,312	165,337
				1998		1997
				£		as restated
Analysis of net book value of land and buildings:						£
Long leasehold				55,027		56,150

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

	1998 £	1997 £
Net book values:		
Motor vehicles	30,574	76,248
Depreciation charge for the year:		
Motor vehicles	10,741	24,779

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 1998****9. STOCKS**

	1998 £	1997 £
Raw materials and consumables	68,773	42,526
Short term work in progress	104,719	138,206
	<u>173,492</u>	<u>180,732</u>

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

10. DEBTORS

	1998 £	1997 £
Trade debtors	730,753	727,487
Director's current account	17,132	16,089
Prepayments and accrued income	20,992	20,399
	<u>768,877</u>	<u>763,975</u>

11. CREDITORS: amounts falling due within one year

	1998 £	1997 as restated £
Bank loans and overdrafts	219,698	246,936
Net obligations under finance leases and hire purchase contracts	9,730	35,034
Trade creditors	163,658	147,485
Corporation tax	27,406	26,808
Other taxes and social security costs	134,065	156,703
Other creditors	1,022	1,022
Accruals and deferred income	42,356	42,690
	<u>597,935</u>	<u>656,678</u>

Bank borrowings amounting to £219,698 (1997 £246,936) are secured by a fixed and floating charge, dated 19 October 1993, on the assets of the company.

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

	1998 £	1997 £
Net obligations under finance leases and hire purchase contracts	<u>2,625</u>	<u>10,381</u>

T.A. HORN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998****13. BORROWINGS**

	1998	1997
	£	as restated £
The company's borrowings are repayable as follows		
Up to one year and on demand	219,698	246,936

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1998	1997
	£	£
The company's net obligations are repayable as follows:		
Within one year or on demand	11,698	40,719
In two to five years	3,138	12,682
Finance charges and interest allocated to future accounting periods	14,836 (2,481)	53,401 (7,986)
Included in current liabilities	12,355 (9,730)	45,415 (35,034)
	2,625	10,381

15. SHARE CAPITAL

	1998	1997
	£	£
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

	1998	1997
	£	as restated £
Retained profit at 1 June 1997 as previously stated	426,596	378,295
Prior year adjustments	17,794	-
Retained profit at 1 June 1997 as restated	444,390	378,295
Profit for the year	21,815	66,095
Retained profit at 31 May 1998	466,205	444,390

T.A. HORN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998****17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998	1997
	£	as restated £
Profit for the financial year	21,815	66,095
Opening shareholders' funds as previously reported	426,695	378,394
Prior year adjustment	17,794	-
Closing shareholders' funds	466,304	444,489
Represented by:-		
Equity interests	466,304	444,489

18. TRANSACTIONS WITH DIRECTORS

	1998	1997
	£	£
Amounts owed by directors		
P Jones	5,435	4,688
N Whittaker	6,715	6,419
P Gomes	4,982	4,982
	17,132	16,089

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 £32,500 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 three directors of the company. All transactions with regard to rents paid are at a fair market value and are at arms length.

19. PRIOR YEAR ADJUSTMENT

	1998	1997
	£	as restated £
Retained profits at the beginning of the financial year as previously reported	426,596	378,295
Prior year adjustment	17,794	-
Adjusted retained profits at the beginning of the financial year	444,390	378,295

T.A. HORN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998**

19. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the correction of an error in the accounting for a capital payment received from the pension fund in the two years to 31 May 1997.

When the pension fund purchased the premises at Central House, 24A St. Wilfrids Road, Barnet a substantial amount of refurbishment costs were incurred and it was decided that these would be paid for and owned by the pension fund. In error, the refurbishments were shown as being owned by the company with an associated loan being owed to the pension fund.

The prior year adjustment corrects this treatment and eliminates depreciation provided on the assets concerned and loan interest accrued with respect to the pension fund loan.

The effect of the adjustment is to increase profit after tax in the year ended 31 May 1996 by £9,560 and profit after tax in the year ended 31 May 1997 by £8,234.