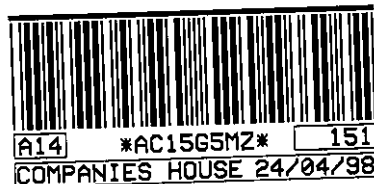


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Heat & Power Services Limited

Abbreviated financial statements
(for filing with the Registrar of Companies) for the period ended 31st December 1997



S. R. Southgate
Chartered Accountant
Withernsea

Auditor's report to Heat & Power Services Limited
under section 247B of the Companies Act 1985

I have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Heat & Power Services Limited prepared under section 226 of the Companies Act 1985 for the period ended 31st December 1997.

Respective responsibilities of directors and auditors

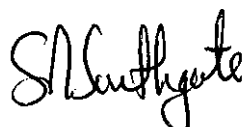
The directors are responsible for preparing the abbreviated accounts. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar and whether the accounts to be delivered have been properly prepared in accordance with the relevant provision.

Basis of opinion

I have carried out the procedures I considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared in accordance with the relevant provision. The scope of my work for the purpose of this report does not include examining or dealing with events after the date of my report on the full financial statements.

Opinion

In my opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts in respect of the period ended 31st December 1997 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with sections 246(5) and (6) of the Act.



S. R. Southgate
Chartered Accountant
Registered Auditor
Withernsea

23rd April 1998

Heat & Power Services Limited
Balance sheet as at 31st December 1997

	<u>1997</u>	
	£	£
FIXED ASSETS		3314
CURRENT ASSETS		
Stock and work in progress	26820	
Debtors	45340	
Cash at bank	22988	

	95148	
	=====	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	85574	
	=====	
NET CURRENT ASSETS		9574

TOTAL ASSETS LESS CURRENT LIABILITIES		£12888
		=====
REPRESENTED BY:		
SHARE CAPITAL AND RESERVES		
Called up share capital		100
Profit and loss account		12788

Shareholders funds		£12888
		=====

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Small Entities.

For and on behalf of the board.

 I. J. Bennett (Director)

23rd April 1998

Heat & Power Services Limited

Notes to the accounts for the period ended 31st December 1997

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover is the value of work done and goods sold during the period and is stated exclusive of Value Added Tax.

Depreciation of tangible fixed assets

Depreciation of tangible fixed assets is calculated by reference to cost at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence.

The rates used for the year are as follows:

Plant & equipment	25% per annum on net book value
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Stock

Stock is stated at the lower of cost and net realisable value. The valuation of work in progress is based on the cost of labour plus appropriate overheads and the cost of materials.

Taxation

Full provision for taxation is made using the liability method. Deferred taxation is provided at the rate applicable to small companies.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

2. TANGIBLE FIXED ASSETS

	<u>Plant & equipment</u>
COST	
Additions in the period	4079

At 31 st December 1997	4079
	=====
DEPRECIATION	
Charge for the period	765

At 31 st December 1997	765
	=====
NET BOOK VALUE	
At 31 st December 1997	3314
	=====

Heat & Power Services LimitedNotes to the accounts for the period ended 31st December 1997

	<u>1997</u>
3. CAPITAL COMMITMENTS	
Contracted for	£45755 =====
4. SHARE CAPITAL	
Authorised	
1000 ordinary shares of £1 each	£1000 =====
Issued and fully paid	
100 ordinary shares of £1 each	£100 =====
5. RELATED PARTY TRANSACTION	
Mrs. P. Bennett provided loan finance of £16494 to the company. An accrual of £1481 in respect of interest on this loan has been made for the period to 31 st December 1997.	
Mrs. P. Bennett is company secretary and is married to I. J. Bennett, the director of the company.	