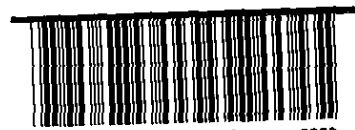


HEATLINE LIMITED  
YEAR ENDED  
31 MARCH 2000

70391



SCT SGODXXRU 0008  
COMPANIES HOUSE 31/01/01

JOHN KERR & COMPANY  
CHARTERED ACCOUNTANTS

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ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2000

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Directors                      W B Stewart

                                    S S Stewart

Secretary                     W B Stewart

Registered Office            52 Kilnford Crescent

                                    DUNDONALD

                                    Ayrshire

                                    KA2 8DN

Registered Number         70391

Reporting Accountants     John Kerr & Company

                                    Chartered Accountants

                                    32A Hamilton Street

                                    SALTCOATS

                                    KA21 5DS

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REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2000

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1

The directors submit their report together with the financial statements for the year ended 31 March 2000.

Results

The profit and loss account is set out on page 2 and shows the profit for the year.

Principal Activities

The company is engaged as contractors in the construction industry.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	<u>Ordinary Shares of £1 each</u>	
	31.3.00	31.3.99
William B Stewart	600	600
Sylvia S Stewart	400	400
	===	===

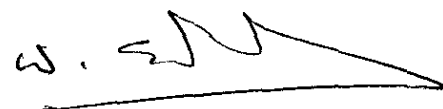
The director who retires by rotation is Mr W B Stewart who, being eligible, offers himself for re-election.

Reporting Accountants

John Kerr & Company have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

In preparing this report we have taken advantage of the special exemptions applicable to small companies.

*By Order of the Board*



*W B Stewart*  
*Secretary*

24 January 2001

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2000

2

	Note	2000 £	1999 £
Turnover	2	48,131	70,786
Increase in stocks of finished goods and work in progress		2,150	958
Other operating income		1,928	7,287
		-----	-----
		52,209	79,031
Raw materials and consumables		15,651	37,073
Staff costs		14,061	14,985
Depreciation of tangible fixed assets		2,491	3,321
Other operating charges	4	9,963	9,096
		-----	-----
Operating profit		9,943	14,556
Interest receivable		6,836	7,965
Interest payable	5	-	(159)
		-----	-----
Profit on ordinary activities before taxation		16,879	22,362
Taxation on profit on ordinary activities	6	3,579	3,697
		-----	-----
Profit for the financial year		13,300	18,665
Dividends		8,000	8,000
		-----	-----
Retained profit for year		5,300	10,665
Retained profit brought forward		95,358	84,693
		-----	-----
Retained profit carried forward		100,658	95,358
		=====	=====

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 5 to 8 form part of these financial statements.

BALANCE SHEET  
AS AT 31 MARCH 2000

3

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	7	26,916	28,807
Investments	8	38,232	38,232
		65,148	67,039
Current assets			
Stocks and work in progress		11,558	9,408
Debtors - due within one year	9	5,761	4,328
Cash at bank and in hand		144,414	137,034
		161,733	150,770
Creditors: amounts falling due within one year	10	29,629	29,761
		132,104	121,009
Net current assets			
Total assets less current liabilities		197,252	188,048
Creditors: amounts falling due after more than one year	11	95,594	91,690
		101,658	96,358
Capital and reserves			
Called up share capital - equity	12	1,000	1,000
Profit and loss account - equity		100,658	95,358
		101,658	96,358

The notes on pages 5 to 8 form part of these financial statements.

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BALANCE SHEET  
AS AT 31 MARCH 2000 (CONTINUED)

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4

In preparing these financial statements advantage has been taken of the special exemptions applicable to small companies on the grounds that the company is entitled to the benefit of those exemptions as a small company.

- a For the year in question the company was entitled to the exemption under subsection (1) of section 249A;
- b No notice requiring an audit had been deposited under subsection (2) of s249B in relation to the accounts for the financial year; and
- c The directors acknowledge their responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with section 221; and
  - (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board on 24 January 2001.



*S S Stewart*  
*Director*

The notes on pages 5 to 8 form part of these financial statements.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2000

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**1 ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following accounting policies have been applied.

**Turnover**

Turnover represents sales to external customers at invoiced amount less value added tax.

**Depreciation**

Depreciation is provided to write off the cost less estimated residual values of all fixed assets, except freehold land and some freehold buildings, over their expected useful lives. It is calculated on the original cost of the assets at the following rates:

Plant and machinery - 25% reducing balance  
Motor vehicles - 25% reducing balance.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

**Deferred Taxation**

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

**Pensions**

The company operates a defined scheme. All of the contributions paid in the year are charged to the Profit and Loss Account.

**2 TURNOVER**

During the year 100% of turnover was attributable to markets within the UK.

**3 DIRECTORS**

	<u>2000</u>	<u>1999</u>
	£	£
Directors' emoluments	11,430	11,300
	<u>          </u>	<u>          </u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

6

**4 OTHER OPERATING CHARGES**

Other operating charges include:	<u>2000</u>	<u>1999</u>
	£	£
Auditors' remuneration	1,150	1,100
	<u>          </u>	<u>          </u>

**5 INTEREST PAYABLE**

Interest payable includes:	<u>2000</u>	<u>1999</u>
	£	£
Bank interest	-	159
	<u>          </u>	<u>          </u>

**6 TAXATION**

Based on profits for the year:	<u>2000</u>	<u>1999</u>
	£	£
UK corporation tax at 20% (1999 - 21%)	3,294	3,697
Under-Provision in previous year	285	-
	<u>          </u>	<u>          </u>
	<u>3,579</u>	<u>3,697</u>

**7 TANGIBLE ASSETS**

	<u>Motor Vehicles</u>	<u>Heritable Property</u>	<u>Plant and Machinery</u>	<u>Total</u>
	£	£	£	£
<u>Cost</u>				
At 1 April 1999	31,625	18,843	13,166	63,634
At 31 March 2000	31,625	18,843	13,166	63,634
<u>Depreciation</u>				
At 1 April 1999	21,860	-	12,967	34,827
Charge for year	2,441	-	50	2,491
At 31 March 2000	24,301	-	13,017	37,318
<u>Net Book Value</u>				
At 31 March 2000	7,324	18,843	149	26,316
At 31 March 1999	9,765	18,843	199	28,807



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

7

8	<u>INVESTMENTS</u>	£	
	At 31.3.99 and 31.3.00	38,232	
		<u><u>          </u></u>	
9	<u>DEBTORS</u>		
	Amounts receivable within one year	<u>2000</u>	<u>1999</u>
		£	£
	Trade debtors	<u>5,761</u>	<u>4,328</u>
		<u><u>          </u></u>	<u><u>          </u></u>
10	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2000</u>	<u>1999</u>
		£	£
	Bank overdraft	-	3,099
	Trade creditors	3,396	3,612
	Other creditors	3,000	3,000
	Tax and social security	7,447	4,127
	Accruals and deferred income	1,286	1,270
	Corporation tax	3,100	3,253
	Directors loan	11,400	11,400
		<u>          </u>	<u>          </u>
		<u>29,629</u>	<u>29,761</u>
		<u><u>          </u></u>	<u><u>          </u></u>
11	<u>CREDITORS: AMOUNTS FALLING DUE ONE YEAR</u>	<u>2000</u>	<u>1999</u>
		£	£
	Directors Loans	<u>95,594</u>	<u>91,690</u>
		<u><u>          </u></u>	<u><u>          </u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

8

12 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Ordinary shares of £1 each	5,000	5,000	1,000	1,000
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

13 MOVEMENT IN SHAREHOLDERS FUNDS

	£
As at 1.4.99	96,358
Profit for year	13,300
	<u>-----</u>
	109,658
Dividend	8,000
	<u>-----</u>
As at 31.3.00	<u>=====</u>

## ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF HEATLINE LIMITED

9

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. In accordance with their instructions and in order to assist the directors to fulfill their responsibilities, we have prepared the accounts on pages 2 to 8 from the accounting records and from information and explanations supplied to us.

As we have not performed an audit we do not provide any assurance that the accounts show a true and fair view, which remains the sole responsibility of the directors.

*John Kerr + Company*

*John Kerr & Company*  
*Chartered Accountants*  
*32a Hamilton Street*  
*SALTCOATS*  
*KA21 5DS*