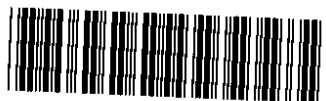


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HEATLINE LIMITED
YEAR ENDED
31 MARCH 1999

JOHN KERR & COMPANY
CHARTERED ACCOUNTANTS



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COMPANIES HOUSE 30/12/99

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999

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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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1999

1

The directors submit their report together with the financial statements for the year ended 31 March 1999.

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>	
	31.3.99	31.3.98
William B Stewart	600	600
Sylvia S Stewart	400	400
	<u> </u>	<u> </u>

The director who retires by rotation is Mrs S S Stewart who, being eligible, offers herself 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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1999

2

	Note	<u>1999</u> £	<u>1998</u> £
Turnover	2	70,786	62,546
Increase in stocks of finished goods and work in progress		958	4,890
Other operating income		7,287	3,597
		<u>79,031</u>	<u>71,033</u>
Raw materials and consumables		37,073	31,762
Staff costs		14,985	16,474
Depreciation of tangible fixed assets		3,321	4,428
Other operating charges	4	9,096	8,256
		<u>14,556</u>	<u>10,113</u>
Operating profit		14,556	10,113
Interest receivable		7,965	6,028
Interest payable	5	(159)	(140)
		<u>22,362</u>	<u>16,001</u>
Profit on ordinary activities before taxation		22,362	16,001
Taxation on profit on ordinary activities	6	3,697	4,427
		<u>18,665</u>	<u>11,574</u>
Profit for the financial year		18,665	11,574
Dividends		8,000	8,000
		<u>10,665</u>	<u>3,574</u>
Retained profit for year		10,665	3,574
Retained profit brought forward		84,693	81,119
		<u>95,358</u>	<u>84,693</u>
Retained profit carried forward		<u>95,358</u>	<u>84,693</u>

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 1999

3

	<u>Note</u>	<u>1999</u>		<u>1998</u>
		£	£	£
Fixed assets				
Tangible assets	7		28,807	32,128
Investments	8		38,232	51,000
			<u>67,039</u>	<u>83,128</u>
Current assets				
Stocks and work in progress		9,408		8,450
Debtors - due within one year	9	4,328		4,186
Cash at bank and in hand		137,034		111,269
		<u>150,770</u>		<u>123,905</u>
Creditors: amounts falling due within one year	10	29,761		37,136
				<u>37,136</u>
Net current assets			121,009	86,769
			<u>188,048</u>	<u>169,897</u>
Total assets less current liabilities				
Creditors: amounts falling due after more than one year	11		91,690	84,204
			<u>96,358</u>	<u>85,693</u>
Capital and reserves				
Called up share capital - equity	12		1,000	1,000
Profit and loss account - equity			95,358	84,693
			<u>96,358</u>	<u>85,693</u>

BALANCE SHEET
AS AT 31 MARCH 1999 (CONTINUED)

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 16 December 1999.

S. Stewart.

S S Stewart
Director

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999

5

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>1999</u>	<u>1998</u>
	£	£
Directors' emoluments	11,300	13,120

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

6

4 OTHER OPERATING CHARGES

Other operating charges include:	<u>1999</u>	<u>1998</u>
	£	£
Auditors' remuneration	1,100	1,000
	<u>=====</u>	<u>=====</u>

5 INTEREST PAYABLE

Interest payable includes:	<u>1999</u>	<u>1998</u>
	£	£
Bank interest	159	140
	<u>=====</u>	<u>=====</u>

6 TAXATION

Based on profits for the year:	<u>1999</u>	<u>1998</u>
	£	£
UK corporation tax at 21% (1998 - 24%)	3,697	3,679
Deferred taxation	-	(550)
Under-Provision in previous year	-	1,298
	<u>=====</u>	<u>=====</u>
	3,697	4,427
	<u>=====</u>	<u>=====</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 1998	31,625	18,843	13,166	63,634
At 31 March 1999	31,625	18,843	13,166	63,634
<u>Depreciation</u>				
At 1 April 1998	18,605	-	12,901	31,506
Charge for year	3,255	-	66	3,321
At 31 March 1999	21,860	-	12,967	34,827
<u>Net Book Value</u>				
At 31 March 1999	9,765	18,843	199	28,807
At 31 March 1998	13,020	18,843	265	32,128

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

7

8	<u>INVESTMENTS</u>	£	
	At 31.3.98	51,000	
	Less: Disposal	17,834	

	At 31.3.99	33,166	
		=====	
9	<u>DEBTORS</u>		
	Amounts receivable within one year	<u>1999</u>	<u>1998</u>
		£	£
	Trade debtors	4,328	4,186
	Prepayments	=====	=====
10	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1999</u>	<u>1998</u>
		£	£
	Bank overdraft	3,099	1,683
	Trade creditors	3,612	9,581
	Other creditors	3,000	3,000
	Tax and social security	4,127	6,241
	Accruals and deferred income	1,270	3,070
	Corporation tax	3,253	2,161
	Directors loan	11,400	11,400
		-----	-----
		=====	=====
11	<u>CREDITORS: AMOUNTS FALLING DUE ONE YEAR</u>	<u>1999</u>	<u>1998</u>
		£	£
	Directors Loans	91,690	84,204
		=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

8

12 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£	£	£	£
Ordinary shares of £1 each	5,000	5,000	1,000	1,000
	=====	=====	=====	=====

13 MOVEMENT IN SHAREHOLDERS FUNDS

£

As at 1.4.98	85,693
Profit for year	18,665

	104,358
Dividend	8,000

As at 31.3.99	96,358
	=====

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 fulfil 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
Chartered Accountants
32a Hamilton Street
SALTCOATS
KA21 5DS

23. December 1999.