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HEATLINE LIMITED
YEAR ENDED
31 MARCH 2006

70391

WEDNESDAY



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COMPANIES HOUSE

JOHN KERR & COMPANY
CHARTERED ACCOUNTANTS

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

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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 2006

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The directors submit their report together with the financial statements for the year ended 31 March 2006

Results

The profit and loss account is set out on page 2 and shows the profit for the year. A dividend of £Nil is proposed for the year (2005 £nil)

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 06	31 3 05
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

DIRECTOR'S 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 and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 keeping 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

By Order of the Board



W B Stewart
Secretary

24 January 2007

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006

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	<u>Note</u>	<u>2006</u> £	<u>2005</u> £
Turnover	2	63,197	54,162
Raw materials and consumables		20,471	27,262
Staff costs		12,724	8,793
Depreciation of tangible fixed assets		948	1,293
Other operating charges	4	15,067	13,380
		<hr/>	<hr/>
Operating profit		13,987	3,434
Interest receivable	5	878	222
		<hr/>	<hr/>
Profit on ordinary activities before taxation		14,865	3,656
Taxation on profit on ordinary activities	6	1,184	
		<hr/>	<hr/>
Profit for the financial year		13,681	3,656
Dividends			
		<hr/>	<hr/>
Retained profit for year		13,681	3,656
Retained profit brought forward		87,577	83,921
		<hr/>	<hr/>
Retained profit carried forward	12	<u>101,258</u>	<u>87,577</u>

All amounts relate to continuing activities

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

The notes on pages 6 to 9 form part of these financial statements

BALANCE SHEET
AS AT 31 MARCH 2006

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	Note	2006	2005
		£	£
<u>Fixed assets</u>			
Tangible assets	7	21,686	22,634
Investments	8	130,000	130,000
		<u>151,686</u>	<u>152,634</u>
<u>Current assets</u>			
Stocks and work in progress		12,233	11,489
Debtors due within one year	9	9,314	216
Cash at bank and in hand		32,154	27,724
		<u>53,701</u>	<u>39,429</u>
<u>Creditors amounts falling due within one year</u>	10	<u>58,453</u>	<u>58,810</u>
<u>Net current liabilities</u>			
		(4,752)	(19,381)
<u>Total assets less current liabilities</u>		<u>146,934</u>	<u>133,253</u>
<u>Capital and reserves</u>			
Called up share capital equity	11	100	1,000
Profit and loss account equity		146,834	132,253
		<u>146,934</u>	<u>133,253</u>

The notes on pages 6 to 9 form part of these financial statements

BALANCE SHEET
AS AT 31 MARCH 2006 (CONTINUED)

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The Director

- 1 confirm that for the year ending 31 March 2006 the company was entitled to the exemption under subsection (1) of section 249A,
- 2 confirm that no notice requiring an audit had been deposited under subsection (2) of s249B in relation to the accounts for the financial year,
- 3 acknowledge his responsibility for
 - (a) ensuring that the company keeps accounting records which comply with section 221, and
 - (b) 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

The Director has taken advantage of the exemptions conferred by Part VII to the Companies Act 1985, applicable to small companies in the presentation of their accounts, and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company



Director

24 January 2006

The notes on pages 6 to 9 form part of these financial statements

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

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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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- Deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of roller relief, and
- The recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Pensions

Contributions to the company's money purchase scheme are charged to the profit and loss account in the year in which they become payable.

2 TURNOVER

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

3 DIRECTORS

	<u>2006</u>	<u>2005</u>
	£	£
Directors' emoluments, including pension contributions	12,724	8,793
	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006 (CONTINUED)

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4 OTHER OPERATING CHARGES

Other operating charges include	<u>2006</u>	<u>2005</u>
	£	£
Reporting Accountants remuneration	1,200	1,250
	=====	=====

5 OTHER INCOME

Interest payable includes:	<u>2006</u>	<u>2005</u>
	£	£
Interest received	878	222
	====	====

6 TAXATION

Based on profits for the year	<u>2006</u>	<u>2005</u>
	£	£
UK corporation tax at 19% (2005 19%)	1,184	
	=====	==

Taxation reconciliation

	<u>2006</u>
	£
Profits at 19%	2,824
Reconciled by:	
Marginal relief	(1,663)
Depreciation	180
Capital Allowances	(157)

	1,184
	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006 (CONTINUED)

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7 <u>TANGIBLE ASSETS</u>	<u>Motor Vehicles</u> £	<u>Heritable Property</u> £	<u>Plant and Machinery</u> £	<u>Total</u> £
<u>Cost</u>				
At 1 April 2005	18,500	18,843	15,915	53,258
At 31 March 2006	18,500	18,843	15,915	53,258
<u>Depreciation</u>				
At 1 April 2005	15,758		14,866	30,624
Charge for year	686		262	948
At 31 March 2006	16,444		15,128	31,572
<u>Net Book Value</u>				
At 31 March 2006	2,056	18,843	787	21,686
At 31 March 2005	2,742	18,843	1,049	22,634

8 INVESTMENTS

£

As at 31 March 2005 and 31 March 2006

130,000

The market value at 31 March was £38,011 (2005 £27,730) The directors do not consider this a permanent impairment

9 DEBTORS

Amounts receivable within one year

	<u>2006</u> £	<u>2005</u> £
Trade Debtors	7,919	216
Prepayments	1,395	—
	9,314	216

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006 (CONTINUED)

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10	<u>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2006</u>	<u>2005</u>
		£	£
	Trade creditors	4,042	1,476
	Other creditors	5,009	5,009
	Tax and social security	2,368	2,876
	Accruals and deferred income	1,309	1,303
	Directors loan	44,541	48,146
	Corporation tax	1,184	
		-----	-----
		58,453	58,810
		=====	=====
11	<u>SHARE CAPITAL</u>		
		Authorised	Allotted, called up and fully paid
		<u>2006</u>	<u>2005</u>
		£	£
	Ordinary shares of £1 each	5,000	1,000
		=====	=====
12	<u>MOVEMENT IN SHAREHOLDERS FUNDS</u>		
		£	
	As at 1 April 2005	133,253	
	Profit for year	13,681	

	As at 31 March 2006	146,934	
		=====	
13	<u>RELATED PARTIES</u>		

During the year the company undertook works on behalf of the directors. The services were in respect of building new properties and amounted to £

CHARTERED ACCOUNTANTS' REPORT

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In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have prepared the accounts of the company on pages 3 to 9 from the accounting records and information and explanations supplied to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the accounts on behalf of the Company's Board of Directors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of accounts

You have acknowledged on the balance sheet for the year ended 31 March 2006 your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts

Signature ..

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

Date