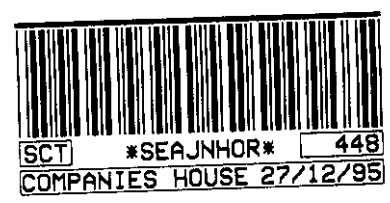


HEATLINE LIMITED

YEAR ENDED

31 MARCH 1995

8



JOHN KERR & COMPANY
CHARTERED ACCOUNTANTS

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995**

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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 27 Hamilton Street SALTCOATS KA21 5DT

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1995

1

The directors submit their report together with the financial statements for the year ended 31 March 1995.

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>	
	31.3.95	31.3.94
William B Stewart	600	600
Sylvia S Stewart	400	400

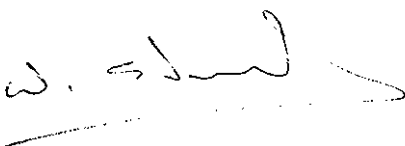
The director who retires by rotation is Mrs S S Stewart who, being eligible, offers herself for re-election.

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

18 December 1995

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1995

2

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
Turnover	2	56,442	38,107
Increase in stocks of finished goods and work in progress		3,600	50
Other operating income		3,614	2,209
		<hr/>	<hr/>
		63,656	40,366
Raw materials and consumables		15,821	13,830
Staff costs		16,211	19,200
Depreciation of tangible fixed assets		4,403	5,871
Other operating charges	4	17,502	8,386
		<hr/>	<hr/>
Operating loss/(profit)		9,719	(6,921)
Interest receivable		4,281	2,950
Interest payable	5	(133)	139
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		13,867	(4,110)
Taxation on profit on ordinary activities	6	1,687	(602)
		<hr/>	<hr/>
Profit for the financial year		12,180	(3,508)
Dividends		4,800	4,133
		<hr/>	<hr/>
Retained profit for year		7,380	(7,641)
Retained profit brought forward		116,624	124,265
		<hr/>	<hr/>
Retained profit carried forward		<u>124,004</u>	<u>(116,624)</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 1995

3

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£	£
Fixed assets			
Tangible assets	7	32,051	36,454
Investments	8	103,477	92,508
		<u>135,528</u>	<u>128,962</u>
Current assets			
Stocks		3,900	300
Debtors - due within one year	9	4,945	2,916
Cash at bank and in hand		94,784	73,503
		<u>103,629</u>	<u>76,719</u>
Creditors: amounts falling due within one year	10	46,574	28,834
		<u>57,055</u>	<u>47,885</u>
Total assets less current liabilities		192,583	176,847
Creditors: amounts falling due after more than one year	11	66,867	58,168
Provisions for liabilities and charges			
Deferred taxation	12	712	1,055
		<u>67,579</u>	<u>59,223</u>
		<u>125,004</u>	<u>117,624</u>
Capital and reserves			
Called up share capital - equity	13	1,000	1,000
Profit and loss account - equity		124,004	116,624
		<u>125,004</u>	<u>117,624</u>

BALANCE SHEET
AS AT 31 MARCH 1995 (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 18 December 1995.

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 1995

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.

2 TURNOVER

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

3 DIRECTORS

	<u>1995</u>	<u>1994</u>
	£	£
Directors' emoluments	12,800	12,800
	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995 (CONTINUED)

6

4 OTHER OPERATING CHARGES

Other operating charges include:	<u>1995</u>	<u>1994</u>
	£	£
Auditors' remuneration	825	715
	===	===

5 INTEREST PAYABLE

Interest payable includes:	<u>1995</u>	<u>1994</u>
	£	£
Bank interest	133	139
	===	===

6 TAXATION

Based on profits for the year:	<u>1995</u>	<u>1994</u>
	£	£
UK corporation tax at 25% (1994 - 25%)	2,030	-
Deferred taxation	(343)	16
Over-Provision in previous year	-	(618)
	-----	-----
	1,687	(602)
	=====	=====

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 1994	59,131	18,843	13,166	91,140

At 31 March 1995	59,131	18,843	13,166	91,140

<u>Depreciation</u>				
At 1 April 1994	42,103	-	12,583	54,686
Provided for year	4,257	-	146	4,403

At 31 March 1995	46,360	-	12,729	59,089

<u>Net Book Value</u>				
At 31 March 1995	12,771	18,843	437	32,051
	=====			
At 31 March 1994	17,028	18,843	583	36,454
	=====			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995 (CONTINUED)

7

8	<u>INVESTMENTS</u>	£	
	At 31.3.94	92,508	
	Additions	10,969	
	At 31.3.95	<u>103,477</u>	
9	<u>DEBTORS</u>		
	Amounts receivable within one year	<u>1995</u>	<u>1994</u>
		£	£
	Trade debtors	150	150
	Others	2,095	1,121
	Prepayments	2,700	1,645
		<u>4,945</u>	<u>2,916</u>
10	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1995</u>	<u>1994</u>
		£	£
	Bank overdraft	11,238	329
	Trade creditors	1,270	4,902
	Other creditors	13,470	5,470
	Tax and social security	3,738	2,394
	Accruals and deferred income	4,570	3,660
	Corporation tax	888	679
	Directors loan	11,400	11,400
		<u>46,574</u>	<u>28,834</u>
11	<u>CREDITORS: AMOUNTS FALLING DUE ONE YEAR</u>	<u>1995</u>	<u>1994</u>
		£	£
	Loans	2,500	2,500
	Other loans	64,367	55,668
		<u>66,867</u>	<u>58,168</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995 (CONTINUED)

8

12 <u>DEFERRED TAXATION</u>	<u>1995</u>		<u>1994</u>	
	Unprovided £	Provided in Accounts £	Unprovided £	Provided in Accounts £
Accelerated capital allowances	-	712	-	1,055
	====	====	====	=====


13 <u>SHARE CAPITAL</u>	Authorised		Allotted, called up and fully paid	
	<u>1995</u> £	<u>1994</u> £	<u>1995</u> £	<u>1994</u> £
Ordinary shares of f1 each	5,000	5,000	1,000	1,000
	=====	=====	=====	=====

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
27 Hamilton Street
SALTCOATS
KA21 5DT

18 December 1995