

Company Registration No. 01773699 (England and Wales)

**ROBERT HEATH HEATING LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

WEDNESDAY



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04/07/2012  
COMPANIES HOUSE

# ROBERT HEATH HEATING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R B Heath J S Heath R Foster S Cocks F Corr M L Heath K L Ellmore (Appointed 27 January 2012) J Heath
<b>Secretary</b>	J S Heath
<b>Company number</b>	01773699
<b>Registered office</b>	Heath House 264 Burlington Road New Malden Surrey KT3 4NN
<b>Auditors</b>	Ward Williams Park House 25 - 27 Monument Hill Weybridge Surrey KT13 8RT
<b>Bankers</b>	National Westminster Bank plc 93 Central Road Worcester Park Surrey KT4 8DZ

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# **ROBERT HEATH HEATING LIMITED**

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# ROBERT HEATH HEATING LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and financial statements for the year ended 31 December 2011

### Principal activities and review of the business

The principal activity of the company continues to be that of installing, servicing and maintaining central heating installation systems

The 2011 financial year has transpired to be the most successful trading period in the Company's history with earnings before interest and tax in excess of £1m. The record trading profits were achieved in spite of a trading loss for the period of January stemming from adverse weather conditions, a key risk factor associated with the central heating industry. The remainder of the year saw RHH deliver consistent profits on a monthly basis resulting in a substantial increase in the annual net profit margin.

The continuing success of the business development team has seen the Company awarded multiple contracts throughout 2011, the most noteworthy being the Domestic and Commercial contracts for Hanover Housing Group.

The business has also seen consolidation and growth in Devon, one of the Company's new regional hubs. The Devon regional office currently operates a team of over 20 directly-employed personnel and has full responsibility for the managing the Mid, North, East and West Devon contracts with a combined property count of over 10,000.

Consequently, at the year end the Company was responsible for circa 95,000 domestic properties an increase of 12% compared to the prior year.

Excellent financial performance for the 12-month period ending 31st December 2011 combined with the Company's continuing efforts to exploit and explore new business opportunities means the Directors have forecast net profit growth for the forthcoming year.

### Key Performance Indicators

The Directors use and review both financial and non-financial key performance indicators to track the Company's success against its strategic business objectives.

The 2 key financial indicators are

	2011	2010
Sales	£18,006,691	£14,426,733
Gross Profit	£6,885,722	£5,361,317

The 25% increase and 28% increase in sales and gross profit respectively shows the company is continuing to achieve success against the pre determined financial performance indicators.

The Company's key non-financial indicators are

- First time job completion rates
- Gas safety compliancy rates
- Customer satisfaction rates

# **ROBERT HEATH HEATING LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **Results and dividends**

The results for the year are set out on page 6

### **Directors**

The following directors have held office since 1 January 2011

R B Heath

J S Heath

R Foster

S Cocks

F Corr

M L Heath

K L Ellmore

J Heath

(Appointed 27 January 2012)

### **Auditors**

The auditors, Ward Williams, are deemed to be reappointed under section 487(2) of the Companies Act 2006

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

# ROBERT HEATH HEATING LIMITED

## DIRECTORS' REPORT (CONTINUED)

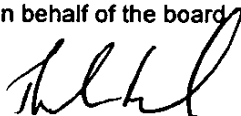
FOR THE YEAR ENDED 31 DECEMBER 2011

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



M L Heath

Director

27/06/12.

# **ROBERT HEATH HEATING LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ROBERT HEATH HEATING LIMITED**

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We have audited the financial statements of Robert Heath Heating Limited for the year ended 31 December 2011 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditors' report 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# ROBERT HEATH HEATING LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF ROBERT HEATH HEATING LIMITED

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Ward Williams*

Richard Hayward (Senior Statutory Auditor)  
for and on behalf of Ward Williams

*28 June 2012*

Chartered Accountants  
Statutory Auditor

Park House  
25 - 27 Monument Hill  
Weybridge  
Surrey  
KT13 8RT



# ROBERT HEATH HEATING LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	18,006,691	14,426,733
Cost of sales		(11,120,969)	(9,065,416)
<b>Gross profit</b>		<b>6,885,722</b>	<b>5,361,317</b>
Administrative expenses		(5,804,774)	(5,042,377)
<b>Operating profit</b>	3	<b>1,080,948</b>	<b>318,940</b>
Interest payable and similar charges	4	(11,019)	(14,726)
<b>Profit on ordinary activities before taxation</b>		<b>1,069,929</b>	<b>304,214</b>
Tax on profit on ordinary activities	5	(240,912)	(95,165)
<b>Profit for the year</b>	15	<b>829,017</b>	<b>209,049</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

### Note of historical cost profits and losses

	2011 £	2010 £
<b>Reported profit on ordinary activities before taxation</b>	<b>1,069,929</b>	<b>304,214</b>
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	9,543	9,543
<b>Historical cost profit on ordinary activities before taxation</b>	<b>1,079,472</b>	<b>313,757</b>
<b>Historical cost profit for the year retained after taxation, extraordinary items and dividends</b>	<b>665,251</b>	<b>94,429</b>

# ROBERT HEATH HEATING LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011		2010	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7	1,495,191		1,520,854	
Investments	8	87,798		40,850	
		<u>1,582,989</u>		<u>1,561,704</u>	
<b>Current assets</b>					
Stocks	9	186,897		104,528	
Debtors	10	3,959,961		3,142,753	
Cash at bank and in hand		291,705		473	
		<u>4,438,563</u>		<u>3,247,754</u>	
<b>Creditors' amounts falling due within one year</b>	11	<u>(3,632,221)</u>		<u>(2,997,708)</u>	
<b>Net current assets</b>		<u>806,342</u>		<u>250,046</u>	
<b>Total assets less current liabilities</b>		<u>2,389,331</u>		<u>1,811,750</u>	
<b>Creditors' amounts falling due after more than one year</b>	12	<u>(189,838)</u>		<u>(267,965)</u>	
		<u>2,199,493</u>		<u>1,543,785</u>	
<b>Capital and reserves</b>					
Called up share capital	14	1,000		1,000	
Revaluation reserve	15	420,466		430,009	
Profit and loss account	15	1,778,027		1,112,776	
<b>Shareholders' funds</b>	16	<u>2,199,493</u>		<u>1,543,785</u>	

Approved by the Board and authorised for issue on 27/06/12.

  
R B Heath  
Director

Company Registration No 01773699

# ROBERT HEATH HEATING LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
<b>Net cash inflow from operating activities</b>		782,088		291,153
<b>Returns on investments and servicing of finance</b>				
Interest paid	(11,019)		(14,726)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(11,019)		(14,726)
<b>Taxation</b>		(50,592)		(51,155)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(13,974)		(7,561)	
Payments to acquire investments	(46,948)		(40,850)	
<b>Net cash outflow for capital expenditure</b>		(60,922)		(48,411)
<b>Equity dividends paid</b>		(173,309)		(124,163)
<b>Net cash inflow before management of liquid resources and financing</b>		486,246		52,698
<b>Financing</b>				
Repayment of long term bank loan	(78,127)		(81,368)	
Repayment of other short term loans	(1,284)		(11,329)	
<b>Net cash outflow from financing</b>		(79,411)		(92,697)
<b>Increase/(decrease) in cash in the year</b>		<u>406,835</u>		<u>(39,999)</u>

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Reconciliation of operating profit to net cash inflow from operating activities		2011	2010
		£	£
Operating profit		1,080,948	318,940
Depreciation of tangible assets		39,637	39,686
Increase in stocks		(82,369)	(38,686)
Increase in debtors		(817,208)	(654,814)
Increase in creditors within one year		561,080	626,027
<b>Net cash inflow from operating activities</b>		<u>782,088</u>	<u>291,153</u>

2 Analysis of net debt	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	473	291,232	-	291,705
Bank overdrafts	(813,200)	115,603	-	(697,597)
	<u>(812,727)</u>	<u>406,835</u>	<u>-</u>	<u>(405,892)</u>
Bank deposits	-	-	-	-
Debt				
Debts falling due within one year	(79,720)	1,284	-	(78,436)
Debts falling due after one year	(267,965)	78,127	-	(189,838)
	<u>(347,685)</u>	<u>79,411</u>	<u>-</u>	<u>(268,274)</u>
<b>Net debt</b>	<u>(1,160,412)</u>	<u>486,246</u>	<u>-</u>	<u>(674,166)</u>

3 Reconciliation of net cash flow to movement in net debt		2011	2010
		£	£
Increase/(decrease) in cash in the year		406,835	(39,999)
Cash outflow from decrease in debt		79,411	92,697
<b>Movement in net debt in the year</b>		<u>486,246</u>	<u>52,698</u>
Opening net debt		(1,160,412)	(1,213,110)
<b>Closing net debt</b>		<u>(674,166)</u>	<u>(1,160,412)</u>

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company meets its day to day working capital requirements through an invoice discounting facility which is repayable on demand. The nature of the company's business is such that there can be an element of inconsistency in the timing of cash inflows. The directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements. On the basis of this cash flow information and discussions with the company's bankers and financiers, the directors consider that the company will continue to operate within the facilities currently agreed and within that which they expect will be agreed on the normal renewal dates for those facilities. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

#### 1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Buildings Freehold	Fifty years
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	15% Reducing balance

No depreciation is provided in respect of freehold land.

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.8 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

#### 1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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**1 Accounting policies** **(continued)**

**1.10 Deferred taxation**

The accounting policy in respect of deferred tax is to reflect the requirements of FRS19. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

**2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Operating profit</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation of tangible assets	39,637	39,686
Operating lease rentals		
- Plant and machinery	480,915	392,563
Auditors' remuneration (including expenses and benefits in kind)	9,500	9,250
	<u>          </u>	<u>          </u>

<b>4 Interest payable</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	40	50
On other loans wholly repayable within five years	6,827	8,748
Other interest	4,152	5,928
	<u>          </u>	<u>          </u>
	<u>11,019</u>	<u>14,726</u>

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

5	Taxation	2011 £	2010 £
	<b>Domestic current year tax</b>		
	U K corporation tax	286,634	92,282
	Adjustment for prior years	(45,722)	2,883
	<b>Total current tax</b>	<u>240,912</u>	<u>95,165</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,069,929</u>	<u>304,214</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.50% (2010 - 28.00%)	<u>283,531</u>	<u>85,180</u>
	Effects of		
	Non deductible expenses	5,485	4,556
	Depreciation add back	10,504	11,112
	Capital allowances	(12,811)	(5,975)
	Tax losses utilised	-	(1,549)
	Adjustments to previous periods	(45,722)	2,883
	Other tax adjustments	(75)	(1,042)
		<u>(42,619)</u>	<u>9,985</u>
	<b>Current tax charge for the year</b>	<u>240,912</u>	<u>95,165</u>
6	Dividends	2011 £	2010 £
	Ordinary interim paid	<u>173,309</u>	<u>124,163</u>

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 7 Tangible fixed assets

	Buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2011	1,500,000	19,592	138,416	2,499	1,660,507
Additions	-	-	13,974	-	13,974
At 31 December 2011	1,500,000	19,592	152,390	2,499	1,674,481
<b>Depreciation</b>					
At 1 January 2011	31,072	16,760	90,705	1,116	139,653
Charge for the year	31,073	425	7,931	208	39,637
At 31 December 2011	62,145	17,185	98,636	1,324	179,290
<b>Net book value</b>					
At 31 December 2011	1,437,855	2,407	53,754	1,175	1,495,191
At 31 December 2010	1,468,928	2,832	47,711	1,383	1,520,854

The freehold property acquired at a cost of £1,228,759 was valued on 7th June 2010 by external valuers, Jonathan Berney commercial property surveyors, on an open market value existing use basis to the sum of £1,500,000. The last valuation was carried out on the 13th August 2007.

### Comparable historical cost for the land and buildings included at valuation

	£
<b>Cost</b>	
At 1 January 2011 & at 31 December 2011	1,228,759
<b>Depreciation based on cost</b>	
At 1 January 2011	188,360
Charge for the year	21,717
At 31 December 2011	210,077
<b>Net book value</b>	
At 31 December 2011	1,018,682
At 31 December 2010	1,040,399



# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 8 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2011	40,850
Additions	46,948
	<hr/>
At 31 December 2011	87,798
	<hr/>
<b>Net book value</b>	
At 31 December 2011	87,798
	<hr/> <hr/>
At 31 December 2010	40,850
	<hr/> <hr/>

9 Stocks	2011 £	2010 £
Finished goods and goods for resale	186,897	104,528
	<hr/> <hr/>	<hr/> <hr/>

10 Debtors	2011 £	2010 £
Trade debtors	2,881,900	2,150,860
Amounts recoverable on long term contracts	178,152	317,251
Amounts owed by subsidiary undertakings	639,222	426,652
Other debtors	28,077	50,509
Prepayments and accrued income	232,610	197,481
	<hr/> <hr/>	<hr/> <hr/>
	3,959,961	3,142,753

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

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11 Creditors: amounts falling due within one year	2011	2010
	£	£
Bank loans and overdrafts	776,033	892,920
Trade creditors	1,422,077	1,309,829
Corporation tax	282,602	92,282
Other taxes and social security costs	757,642	588,225
Other creditors	225,558	8,017
Accruals and deferred income	168,309	106,435
	<u>3,632,221</u>	<u>2,997,708</u>

The bank loan is secured by a first legal mortgage over freehold at 264 Burlington Road, New Malden, Surrey

The invoice discounting facility is secured by a debenture being a fixed charge over the fixed and current assets of the company together with a second mortgage over 264 Burlington Road, New Malden, Surrey and personal guarantees from the directors

12 Creditors: amounts falling due after more than one year	2011	2010
	£	£
Bank loans	<u>189,838</u>	<u>267,965</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>268,274</u>	<u>347,685</u>
Included in current liabilities	<u>268,274</u> <u>(78,436)</u>	<u>347,685</u> <u>(79,720)</u>
	<u>189,838</u>	<u>267,965</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	<u>82,879</u>	<u>81,046</u>
In more than two years but not more than five years	<u>106,959</u>	<u>186,919</u>

The company has one loan outstanding at the year end, it is fully repayable by May 2015 and for which capital repayments commenced in September 2005. The interest rate charged is 2% above the bank's base rate

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 13 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>40,950</u>	<u>37,682</u>

### 14 Share capital

	2011 £	2010 £
<b>Allotted, called up and fully paid</b> 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 15 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2011	430,009	1,112,776
Profit for the year	-	829,017
Transfer from revaluation reserve to profit and loss account	-	9,543
Dividends paid	-	(173,309)
Depreciation written back	(9,543)	-
Balance at 31 December 2011	<u>420,466</u>	<u>1,778,027</u>

### 16 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	829,017	209,049
Dividends	(173,309)	(124,163)
Net addition to shareholders' funds	<u>655,708</u>	<u>84,886</u>
Opening shareholders' funds	<u>1,543,785</u>	<u>1,458,899</u>
Closing shareholders' funds	<u>2,199,493</u>	<u>1,543,785</u>

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 17 Contingent liabilities

The company is, from time to time, required to provide performance bonds in accordance with the terms of contract entered into in its normal course of business. The amount of these bonds as at 31 December 2011 were £120,000 (2010 £20,000). A bank terminable indemnity, secured under the same terms as the bank loan and overdraft, guarantees these performance bonds.

### 18 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Other 2011	2010
	£	£
Operating leases which expire		
Within one year	436,958	377,498
Between two and five years	264,622	399,619
	<u>701,580</u>	<u>777,117</u>

### 19 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	678,367	606,307
Company pension contributions to defined contribution schemes	15,493	16,282
	<u>693,860</u>	<u>622,589</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2010 - 7)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	216,682	186,481
Company pension contributions to defined contribution schemes	600	600
	<u>217,282</u>	<u>187,081</u>

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

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### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Management and administration	80	76
Service and installation	153	113
	<u>233</u>	<u>189</u>

#### Employment costs

	2011 £	2010 £
Wages and salaries	7,431,300	6,270,755
Social security costs	753,283	634,512
Other pension costs	40,950	37,682
	<u>8,225,533</u>	<u>6,942,949</u>

### 21 Control

The ultimate parent company is Robert Heath Group Limited, a company registered in England and Wales

The consolidated financial statements of Robert Heath Group Limited can be obtained from Heath House, 264 Burlington Road, New Malden, Surrey, KT3 4NN

The ultimate controlling party is R B Heath, a director of all group companies

# ROBERT HEATH HEATING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 22 Related party relationships and transactions

#### Loans to directors

Transactions in relation to loans with directors during the year are outlined in the table below

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Loan 1	-	40,000	-	-	(20,000)	20,000
		<u>40,000</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>20,000</u>

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

The company sponsors Team Heath a Limited company under the control of James Heath, son of Robert Heath James Heath is a professional golfer and the company sponsor him in this capacity During the year sponsorship amounted to £18,050 (2010 £22,075)

Within cost of sales are goods and subcontracted labour made available to directors totalling £96,488 (2010 £42,652), Robert Heath £nil (2010 £3,896), Michael Heath £53,370 (2010 £38,756) and Jennifer Heath £43,118 (2010 £nil) these are included as Directors' remuneration in note 20