

Company Registration No. 05158607 (England and Wales)

K & T HEATING SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

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K & T HEATING SERVICES LIMITED

COMPANY INFORMATION

Directors	J W Day D Greenfield M D Sewell
Secretary	D Greenfield
Company number	05158607
Registered office	Thames House Stone Foundry Estate 669 Woolwich Road Charlton London SE7 8LH
Auditors	HLB Vantis Audit Plc Nexus House 2 Cray Road Sidcup Kent DA14 5DA
Bankers	HSBC Plc 141 High Street Beckenham Kent BR3 1BX
Solicitors	Woolsey Morris & Kennedy 100 Station Road Sidcup Kent DA15 7DT

K & T HEATING SERVICES LIMITED

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K & T HEATING SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2008

The directors present their report and financial statements for the year ended 31 July 2008.

Principal activities and review of the business

The principal activity of the company continued to be that of plumbing and heating engineers.

The directors present the results for the year ended 31 July 2008. Whilst they are pleased to report an increase in turnover of 3%, profitability was much reduced compared to the previous year as the company invested in maintaining its income and profitability for the future.

In 2007/08 a number of maintenance and servicing contracts came to an end though these were replaced with one significant contract which extends for a period of 7 years. Operationally, the company had to deal with pre-existing issues with the running of this contract which took some time, and cost, to resolve. Replacing well run, efficiently maintained contracts with one which required attention impacted on profitability, particularly during the latter part of the year.

The directors are pleased to report that these issues have now been addressed and management results to date indicate a return to much improved levels of profitability with the company having a firmer base for continued growth in turnover and profits over the short to medium term.

Financial instruments

The company operates a treasury function which is responsible for managing the liquidity and interest risks associated with its activities.

The company's principal financial instruments include bank overdrafts and hire purchase arrangements, the main purpose of which is to provide finance for its operations. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business.

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank overdrafts and loans.

Investments of cash surpluses and borrowings are made through banks and institutions which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures and trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Results and dividends

The results for the year are set out on page 5.

Interim ordinary dividends were paid amounting to £230,000. The directors do not recommend payment of a final dividend.

Future developments

The company is expected to continue operating within the scope of its current activities for the foreseeable future.

K & T HEATING SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

Directors

The following directors have held office since 1 August 2007:

J W Day
D Greenfield
M D Sewell

Charitable donations	2008 £	2007 £
During the year the company made the following payments:		
Charitable donations	2,638	5,540

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

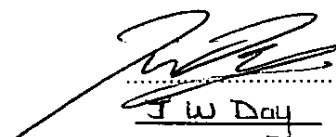
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 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.

Statement of disclosure to auditor

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


J W Day
08-01-09.

K & T HEATING SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF K & T HEATING SERVICES LIMITED

We have audited the financial statements of K & T Heating Services Limited for the year ended 31 July 2008 set out on pages 5 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

K & T HEATING SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF K & T HEATING SERVICES LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

HLB Vantis Audit plc
HLB Vantis Audit Plc

8 January 2009.

Chartered Accountants
Registered Auditor



Nexus House
2 Cray Road
Sidcup
Kent
DA14 5DA

K & T HEATING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2008

	Notes	2008 £	2007 £
Turnover	2	7,032,165	6,828,720
Cost of sales		(5,244,759)	(4,913,948)
Gross profit		1,787,406	1,914,772
Administrative expenses		(1,668,521)	(1,365,631)
Operating profit	3	118,885	549,141
Other interest receivable and similar income	4	7,321	6,858
Interest payable and similar charges	5	(35,364)	(16,498)
Profit on ordinary activities before taxation		90,842	539,501
Tax on profit on ordinary activities	6	(55,955)	(196,799)
Profit for the year	17	34,887	342,702

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.

K & T HEATING SERVICES LIMITED

BALANCE SHEET

AS AT 31 JULY 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Intangible assets	8	-		129,250	
Tangible assets	9	495,530		223,285	
		<u>495,530</u>		<u>352,535</u>	
Current assets					
Stocks	10	16,500		11,900	
Debtors	11	1,508,210		1,583,127	
Cash at bank and in hand		60,815		272,711	
		<u>1,585,525</u>		<u>1,867,738</u>	
Creditors: amounts falling due within one year	12	(1,171,518)		(1,291,018)	
Net current assets		<u>414,007</u>		<u>576,720</u>	
Total assets less current liabilities		<u>909,537</u>		<u>929,255</u>	
Creditors: amounts falling due after more than one year	13	(244,228)		(78,343)	
Provisions for liabilities	14	(17,568)		(8,058)	
		<u>647,741</u>		<u>842,854</u>	
Capital and reserves					
Called up share capital	16	5,000		5,000	
Profit and loss account	17	642,741		837,854	
Shareholders' funds	18	<u>647,741</u>		<u>842,854</u>	

Approved by the Board and authorised for issue on 8/1/09



D. GREENFIELD
Director

K & T HEATING SERVICES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2008

	£	2008 £	£	2007 £
Net cash inflow from operating activities		360,152		889,669
Returns on investments and servicing of finance				
Interest received	7,321		6,858	
Interest paid	(35,364)		(16,498)	
Net cash outflow for returns on investments and servicing of finance		(28,043)		(9,640)
Taxation		(373,628)		3,377
Capital expenditure				
Payments to acquire tangible assets	(92,284)		(48,228)	
Net cash outflow for capital expenditure		(92,284)		(48,228)
Equity dividends paid		(230,000)		-
Net cash (outflow)/inflow before management of liquid resources and financing		(363,803)		835,178
Financing				
Capital element of hire purchase contracts	(65,084)		(17,895)	
Net cash outflow from financing		(65,084)		(17,895)
(Decrease)/increase in cash in the year		<u>(428,887)</u>		<u>817,283</u>

K & T HEATING SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit	118,885	549,141
	Depreciation of tangible assets	142,430	47,645
	Amortisation of intangible assets	129,250	129,250
	Loss on disposal of tangible assets	-	998
	(Increase)/decrease in stocks	(4,600)	19,294
	Decrease in debtors	74,917	325,164
	Decrease in creditors within one year	(100,730)	(181,823)
	Net cash inflow from operating activities	360,152	889,669

2	Analysis of net (debt)/funds	1 August 2007	Cash flow	Other non-cash changes	31 July 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	272,711	(211,896)	-	60,815
	Bank overdrafts	-	(216,991)	-	(216,991)
		<u>272,711</u>	<u>(428,887)</u>	<u>-</u>	<u>(156,176)</u>
	Debt:				
	Finance leases	(91,818)	65,084	(322,391)	(349,125)
	Net funds/(debt)	<u>180,893</u>	<u>(363,803)</u>	<u>(322,391)</u>	<u>(505,301)</u>

3	Reconciliation of net cash flow to movement in net (debt)/funds	2008	2007
		£	£
	(Decrease)/increase in cash in the year	(428,887)	817,283
	Cash outflow from decrease in debt and lease financing	65,084	17,895
	Change in net debt resulting from cash flows	(363,803)	835,178
	New finance lease	(322,391)	(92,292)
	Movement in net (debt)/funds in the year	(686,194)	742,886
	Opening net funds/(debt)	180,893	(561,993)
	Closing net (debt)/funds	(505,301)	180,893

K & T HEATING SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

4 Major non-cash transactions

During the year the company entered into finance leases in respect of capital equipment with a capital value at the inception of the lease of £322,391 (2007: £92,292).

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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

1.4 Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and subsequently as and when necessary if circumstances emerge that indicate that they carrying value may not be recoverable.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	Straight line over 4 years.
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1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Straight line over 10 years
Plant and machinery	25% Reducing balance and straight line over 3 years
Equipment	25% Reducing balance and straight line over 3 years
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

1.6 Leasing and hire purchase commitments

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.7 Stock

Stock is valued at the lower of cost and net realisable value, where cost is determined on a first in first out basis.

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

1 Accounting policies

(continued)

1.8 Pensions

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.9 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Turnover

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

3 Operating profit

	2008 £	2007 £
Operating profit is stated after charging:		
Amortisation of intangible assets	129,250	129,250
Depreciation of tangible assets	142,430	47,645
Loss on disposal of tangible assets	-	998
Operating lease rentals		
- Plant and machinery	101,206	129,239
- Other assets	55,374	46,922
Auditors' remuneration	10,000	12,000

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

4	Investment income	2008	2007
		£	£
	Bank interest	7,321	6,858
		<u>7,321</u>	<u>6,858</u>
		<u><u>7,321</u></u>	<u><u>6,858</u></u>
5	Interest payable	2008	2007
		£	£
	On bank loans and overdrafts due within five years	3,088	4,675
	Hire purchase interest	30,068	4,391
	On overdue tax	2,108	-
	Other interest	100	7,432
		<u>35,364</u>	<u>16,498</u>
		<u><u>35,364</u></u>	<u><u>16,498</u></u>

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

6	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	46,445	189,760
	Adjustment for prior years	-	(1,019)
	Current tax charge	<u>46,445</u>	<u>188,741</u>
	Deferred tax		
	Origination and reversal of timing differences	9,510	8,058
		<u>55,955</u>	<u>196,799</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>90,842</u>	<u>539,501</u>
	 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2007 - 30.00%)	 <u>19,077</u>	 <u>161,850</u>
	Effects of:		
	Non deductible expenses	8,881	12,265
	Depreciation add back	57,053	53,368
	Capital allowances	(37,708)	(16,481)
	Small companies relief	(1,523)	(21,242)
	Adjustments to previous periods	-	(1,019)
	Capital items expensed	665	-
		<u>27,368</u>	<u>26,891</u>
	Current tax charge	<u>46,445</u>	<u>188,741</u>
7	Dividends	2008 £	2007 £
	Ordinary interim paid	<u>230,000</u>	<u>-</u>

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 August 2007 & at 31 July 2008	517,000
Amortisation	
At 1 August 2007	387,750
Charge for the year	129,250
At 31 July 2008	517,000
Net book value	
At 31 July 2008	-
At 31 July 2007	129,250

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

9 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 August 2007	9,789	72,810	65,282	186,609	334,490
Additions	-	12,214	16,103	386,358	414,675
At 31 July 2008	9,789	85,024	81,385	572,967	749,165
Depreciation					
At 1 August 2007	2,199	41,552	33,934	33,520	111,205
Charge for the year	979	19,689	11,580	110,182	142,430
At 31 July 2008	3,178	61,241	45,514	143,702	253,635
Net book value					
At 31 July 2008	6,611	23,783	35,871	429,265	495,530
At 31 July 2007	7,590	31,258	31,348	153,089	223,285

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values			
At 31 July 2008	11,206	372,527	383,733
At 31 July 2007	14,942	91,273	106,215
Depreciation charge for the year			
At 31 July 2008	3,735	92,603	96,338
At 31 July 2007	4,981	3,077	8,058

10 Stocks

	2008 £	2007 £
Raw materials and consumables	16,500	11,900

K. & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

11 Debtors	2008 £	2007 £
Trade debtors	852,059	787,581
Other debtors	104,930	132,845
Prepayments and accrued income	551,221	662,701
	<u>1,508,210</u>	<u>1,583,127</u>
12 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	216,991	-
Net obligations under hire purchase contracts	104,897	13,475
Trade creditors	295,981	326,439
Corporation tax	46,445	373,628
Other taxes and social security costs	280,845	286,255
Other creditors	54,756	159,152
Accruals and deferred income	171,603	132,069
	<u>1,171,518</u>	<u>1,291,018</u>

Bank loans and overdrafts are secured by a debenture dated 19 July 2005 which encompasses a fixed and floating charge over all the assets of the company. The directors, J W Day and D Greenfield have each provided a personal guarantee to the company's bankers of £100,000.

Obligations under hire purchase agreements are secured on the assets concerned.

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

13 Creditors: amounts falling due after more than one year	2008 £	2007 £
Net obligations under hire purchase contracts	<u>244,228</u>	<u>78,343</u>

Obligations under hire purchase agreements are secured on the assets concerned.

Net obligations under hire purchase contracts

Repayable within one year	104,897	13,475
Repayable between one and five years	<u>244,228</u>	<u>78,343</u>
	349,125	91,818
Included in liabilities falling due within one year	<u>(104,897)</u>	<u>(13,475)</u>
	<u>244,228</u>	<u>78,343</u>

14 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 August 2007	8,058
Profit and loss account	<u>9,510</u>
Balance at 31 July 2008	<u>17,568</u>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>17,568</u>	<u>8,058</u>

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

15 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2008 £	2007 £
Contributions payable by the company for the year	27,852	23,600

16 Share capital

	2008 £	2007 £
Authorised		
100,000 Ordinary of £1 each	100,000	100,000
Allotted, called up and fully paid		
5,000 Ordinary of £1 each	5,000	5,000

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2007	837,854
Profit for the year	34,887
Dividends paid	(230,000)
Balance at 31 July 2008	642,741

18 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	34,887	342,702
Dividends	(230,000)	-
Net (depletion in)/addition to shareholders' funds	(195,113)	342,702
Opening shareholders' funds	842,854	500,152
Closing shareholders' funds	647,741	842,854

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

19 Financial commitments

At 31. July 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2009:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	14,652	25,289
Between two and five years	-	-	16,952	55,848
In over five years	44,088	44,088	-	-
	<u>44,088</u>	<u>44,088</u>	<u>31,604</u>	<u>81,137</u>

20 Directors' emoluments

	2008	2007
	£	£
Emoluments for qualifying services	209,946	263,598
Company pension contributions to money purchase schemes	25,364	23,600
	<u>235,310</u>	<u>287,198</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2007 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	77,306	113,859
Company pension contributions to money purchase schemes	9,682	11,800
	<u>86,988</u>	<u>125,659</u>

21 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2008	2007	in year
	£	£	£
J W Day	34,005	44,005	79,005
D Greenfield	24,634	29,570	69,634
	<u>58,639</u>	<u>73,575</u>	<u>148,639</u>

K & T HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

22 Employees

Number of employees

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

	2008 Number	2007 Number
Directors	3	3
Administration	30	27
Engineers and direct labour	79	73
	<u>112</u>	<u>103</u>

Employment costs

	2008 £	2007 £
Wages and salaries	3,337,630	3,070,702
Social security costs	389,337	338,208
Other pension costs	27,852	23,600
	<u>3,754,819</u>	<u>3,432,510</u>

23 Control

The company was under the control of J W Day and D Greenfield, both directors, who between them hold 100% of the issued ordinary share capital.