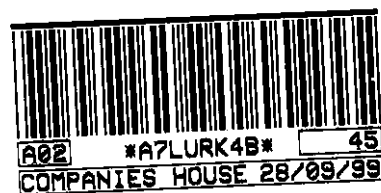


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**B P DEMPSEY LIMITED**

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**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 15 MONTHS ENDED**  
**31 DECEMBER 1998**



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**B P DEMPSEY LIMITED**

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**Company Information**

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<b>Director</b>	B P Dempsey
<b>Secretary</b>	Mrs P Dempsey
<b>Company Number</b>	582895
<b>Registered Office</b>	Meadowbank House Meadowbank Road Rotherham South Yorkshire S61 2DY
<b>Auditors</b>	J S Bethell & Co 70 Clarkehouse Road Sheffield S10 2LJ
<b>Bankers</b>	National Westminster Bank plc P O Box 37 38 Corporation Street Rotherham

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# B P DEMPSEY LIMITED

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Trading and profit and loss account and summaries	10 - 12

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## B P DEMPSEY LIMITED

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### DIRECTOR'S REPORT FOR THE 15 MONTHS ENDED 31 DECEMBER 1998

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The director presents his report and the financial statements for the 15 months ended 31 December 1998.

#### Statement of director's responsibilities

Company law requires the director 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 period. In preparing those financial statements, the director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

#### Principal activities and review of business

The company's principal activity continues to be that of heating and ventilation engineers

Both the level of business and the period end financial position were satisfactory and the Director expects that the present level of activity will be maintained for the foreseeable future.

The results for the period are set out on page 3.

#### Dividends

An interim dividend of £15,000 was paid on 30 November 1998. The Director does not recommend the payment of a final dividend in respect of the period ended 31 December 1998.

#### Director

The director who served during the period and their beneficial interest in the company's issued share capital were :

	Ordinary shares of £1 each	
	1998	1997
B P Dempsey	1,400	-
J L Craven	-	-
G D H Butler	-	-

G D H Butler was appointed a Director on 7 June 1998. Both J L Craven and G D H Butler resigned as Directors on 30 November 1998.

On 30 November 1998 Mr B Dempsey purchased the whole of the issued share capital from Heckett Multiserv (SR) Limited.

#### Auditors

The auditors, J S Bethell & Co, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 9 September 1999 and signed on its behalf.

✓ *P. Dempsey*

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Mrs P Dempsey  
Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS OF B P DEMPSEY LIMITED**

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We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

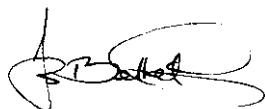
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**J S Bethell & Co**



Chartered Accountants and Registered Auditors  
70 Clarkehouse Road  
Sheffield  
S10 2LJ

20 September 1999

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**B P DEMPSEY LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
**For the 15 months ended 31 December 1998**

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	Note	15 months ended 31 December 1998 £	12 months ended 30 September 1997 £
TURNOVER	1,2	446,205	347,816
Cost of sales		(302,330)	(222,350)
GROSS PROFIT		143,875	125,466
Administrative expenses		(126,229)	(97,789)
OPERATING PROFIT	3	17,646	27,677
Interest receivable		2,643	2,078
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,289	29,755
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	(5,233)	(8,945)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		15,056	20,810
DIVIDENDS	7	(15,000)	(30,000)
RETAINED PROFIT/(LOSS) FOR THE PERIOD		56	(9,190)
RETAINED PROFIT BROUGHT FORWARD		31,335	40,525
RETAINED PROFIT CARRIED FORWARD		£ 31,391	£ 31,335

Turnover and operating profit derive wholly from continuing operations.

There were no recognised gains and losses for 1998 or 1997 other than those included in the profit and loss account.

The notes on pages 5 to 9 form part of these financial statements.

**B P DEMPSEY LIMITED****BALANCE SHEET**  
**As at 31 December 1998**

	Note	£	31/12/98 £	£	30/09/97 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	8		5,712		3,903
<b>CURRENT ASSETS</b>					
Stocks	9	4,354		5,361	
Debtors	10	60,085		57,596	
Cash at bank and in hand		23,467		55,649	
			87,906	118,606	
<b>CREDITORS: amounts falling due within one year</b>	11	(60,827)		(89,774)	
<b>NET CURRENT ASSETS</b>			27,079		28,832
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			£ 32,791		£ 32,735
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		1,400		1,400
Profit and loss account			31,391		31,335
<b>SHAREHOLDERS' FUNDS - All equity</b>	13		£ 32,791		£ 32,735

The financial statements were approved by the board on 9 September 1999 and signed on its behalf

✓  ✓

B Dempsey

Director

The notes on pages 5 to 9 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 31 December 1998**

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**1. ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Director's Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**1.2 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short leasehold property	-		Lease term
Plant & machinery	-	15%	Straight line
Motor vehicles	-	20%	Straight line

**1.4 Finance and Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are capitalised. The liabilities to the leasing companies are shown as obligations under finance leases within creditors.

Depreciation on these leased assets is charged to the profit and loss account on the same basis as owned assets. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

**1.5 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.6 Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the near future.

**1.7 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.



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**B P DEMPSEY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 31 December 1998**

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**2. TURNOVER**

The whole of the turnover and profit before taxation is attributable to the one principal activity of the company, heating and ventilation engineers

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>15 months ended 31 December 1998 £</b>	<b>12 months ended 30 September 1997 £</b>
Depreciation of tangible fixed assets		
- owned by the company	<b>3,116</b>	<b>1,440</b>
Audit fees	<b>2,400</b>	<b>1,200</b>
Operating lease rentals		
- hire of plant & machinery	<b>4,506</b>	<b>7,654</b>
- other	<b>4,876</b>	<b>3,996</b>
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**4. STAFF COSTS**

Staff costs, including director's remuneration, were as follows:

	<b>15 months ended 31 December 1998 £</b>	<b>12 months ended 30 September 1997 £</b>
Wages and salaries	<b>155,734</b>	<b>126,448</b>
Social security costs	<b>11,315</b>	<b>8,600</b>
Other pension costs	<b>11,195</b>	<b>10,897</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>£ 178,244</b>	<b>£ 145,945</b>

The average monthly number of employees, including the director, during the period was as follows:

	<b>15 months ended 31 December 1998</b>	<b>12 months ended 30 September 1997</b>
Administration	<b>4</b>	<b>4</b>
Operatives	<b>6</b>	<b>6</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>10</b>	<b>10</b>

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**B P DEMPSEY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 31 December 1998**

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**5. DIRECTOR'S REMUNERATION**

	<b>15 months ended 31 December 1998 £</b>	<b>12 months ended 30 September 1997 £</b>
Aggregate emoluments	<b>44,487</b>	<b>40,669</b>
	<b>£ 44,487</b>	<b>£ 40,669</b>

**6. TAXATION**

	<b>15 months ended 31 December 1998 £</b>	<b>12 months ended 30 September 1997 £</b>
<b>Current year taxation</b>		
UK Corporation Tax at 21% (1997 - 32%)	<b>5,648</b>	<b>9,600</b>
<b>Prior years</b>		
UK corporation tax	<b>(415)</b>	<b>(655)</b>
	<b>£ 5,233</b>	<b>£ 8,945</b>

**7. DIVIDENDS**

	<b>15 months ended 31 December 1998 £</b>	<b>12 months ended 30 September 1997 £</b>
Ordinary - interim paid	<b>15,000</b>	<b>30,000</b>

# B P DEMPSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 December 1998

### 8. TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
<b>Cost or valuation</b>				
At 1 October 1997	2,431	1,496	26,798	30,725
Additions	-	-	4,925	4,925
At 31 December 1998	<u>2,431</u>	<u>1,496</u>	<u>31,723</u>	<u>35,650</u>
<b>Depreciation</b>				
At 1 October 1997	2,165	1,496	23,161	26,822
Charge for period	150	-	2,966	3,116
At 31 December 1998	<u>2,315</u>	<u>1,496</u>	<u>26,127</u>	<u>29,938</u>
<b>Net Book Value</b>				
At 31 December 1998	£ 116	£ -	£ 5,596	£ 5,712
At 30 September 1997	<u>£ 266</u>	<u>£ -</u>	<u>£ 3,637</u>	<u>£ 3,903</u>

### 9. STOCKS

	31/12/98 £	30/09/97 £
Raw materials and engineering parts	2,057	862
Work in progress	2,296	2,641
Goods for resale	-	1,858
	<u>£ 4,353</u>	<u>£ 5,361</u>

### 10. DEBTORS

	31/12/98 £	30/09/97 £
<b>Due within one year</b>		
Trade debtors	58,402	40,193
Amounts owed by group undertakings	-	16,591
Prepayments and accrued income	1,683	812
	<u>£ 60,085</u>	<u>£ 57,596</u>

# B P DEMPSEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 December 1998

### 11. CREDITORS:

Amounts falling due within one year

	31/12/98 £	30/09/97 £
Trade creditors	26,172	22,331
Amounts owed to group undertakings	-	27,533
Corporation tax	5,333	16,618
Social security and other taxes	7,210	5,373
Other creditors	22,112	17,919
	<u>£ 60,827</u>	<u>£ 89,774</u>

### 12. CALLED UP SHARE CAPITAL

	31/12/98 £	30/09/97 £
<b>Authorised</b>		
2,000 ordinary shares of £1 each	<u>£ 2,000</u>	<u>£ 2,000</u>
<b>Allotted, called up and fully paid</b>		
1,400 ordinary shares of £1 each	<u>£ 1,400</u>	<u>£ 1,400</u>

### 13. SHAREHOLDERS' FUNDS

Reconciliation of movements on shareholders' funds

	31/12/98 £	30/09/97 £
Profit for the period	15,056	20,810
Dividends	(15,000)	(30,000)
	<u>56</u>	<u>(9,190)</u>
Opening shareholders' funds	32,735	41,925
Closing shareholders' funds	<u>£ 32,791</u>	<u>£ 32,735</u>

### 14. OTHER COMMITMENTS

At 31 December 1998 the company had annual commitments under non-cancellable operating leases as follows:

	1998 £	Motor car 1997 £
<b>Expiry date:</b>		
Within 1 year	3,217	3,217
Between 2 and 5 years	7,775	11,797