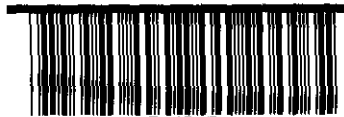


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Report of the Directors and  
Financial Statements for the Year Ended 31 October 1999  
for  
Century Engineering & Refrigeration  
Limited



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**Century Engineering & Refrigeration  
Limited**

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for the Year Ended 31 October 1999**

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**Century Engineering & Refrigeration**  
**Limited**

**Company Information**  
**for the Year Ended 31 October 1999**

**DIRECTORS:**

J L Hazelton  
Mrs N A J Hazelton

**SECRETARY:**

Mrs N A J Hazelton

**REGISTERED OFFICE:**

Unit 7, Monaco Works  
Station Road  
Kings Langley  
HERTS.  
WD4 8LQ

**REGISTERED NUMBER:**

1921649 (England and Wales)

**AUDITOR:**

Paul Barnes  
Registered Auditor  
Chartered Certified Accountant  
"room s"  
8 Copperkins Grove  
Amersham  
Bucks HP6 5QD

**Century Engineering & Refrigeration  
Limited**

**Report of the Directors  
for the Year Ended 31 October 1999**

The directors present their report with the financial statements of the company for the year ended 31 October 1999.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of refrigeration, air conditioning and installation engineers.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors during the year under review were:

J L Hazelton  
Mrs N A J Hazelton

The beneficial interests of the directors holding office on 31 October 1999 in the issued share capital of the company were as follows:

	31.10.99	1.11.98
<b>Ordinary £1.00 shares</b>		
J L Hazelton	1	1
Mrs N A J Hazelton	1	1

**YEAR 2000 REVIEW**

The Company has reviewed its exposure to potential issues brought about by the use of systems and procedures that may be affected by year 2000 changes and considers that any potential impact may be minimal.

**STATEMENT OF DIRECTORS' 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 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 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.

**AUDITOR**

The auditor, Paul Barnes, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
- DIRECTOR

Dated: 14 November 2000.

**Century Engineering & Refrigeration**  
**Limited**

**Report of the Auditor to the Shareholders of**  
**Century Engineering & Refrigeration**  
**Limited**

I have audited the financial statements on pages four to ten which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page seven.

**Respective responsibilities of directors and auditor**

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

**Basis of opinion**

I conducted my 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 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Paul Barnes  
Registered Auditor  
Chartered Certified Accountant  
"room s"  
8 Copperkins Grove  
Amersham  
Bucks HP6 5QD

Dated: 14 November 2000

**Century Engineering & Refrigeration  
Limited**

**Profit and Loss Account  
for the Year Ended 31 October 1999**

		<u>31.10.99</u>	<u>31.10.98</u>
	Notes	£	£
<b>TURNOVER</b>		1,343,329	1,377,523
Cost of sales		<u>1,047,612</u>	<u>1,088,123</u>
<b>GROSS PROFIT</b>		295,717	289,400
Administrative expenses		<u>244,815</u>	<u>154,752</u>
<b>OPERATING PROFIT</b>	2	50,902	134,648
Interest receivable and similar income		<u>4,040</u>	<u>5,003</u>
		54,942	139,651
Interest payable and similar charges		<u>1,781</u>	<u>2,733</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		53,161	136,918
Tax on profit on ordinary activities	3	<u>19,127</u>	<u>30,225</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		34,034	106,693
Dividends	4	<u>-</u>	<u>20,000</u>
		34,034	86,693
Retained profit brought forward		<u>477,684</u>	<u>390,991</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£511,718</u>	<u>£477,684</u>

The notes form part of these financial statements

**Century Engineering & Refrigeration**  
**Limited**

**Statement of Total Recognised Gains and Losses**  
**for the Year Ended 31 October 1999**

	<u>31.10.99</u>	<u>31.10.98</u>
	£	£
<b>PROFIT FOR THE FINANCIAL YEAR</b>	34,034	106,693
revaluation of freehold property	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES</b>		
<b>RELATING TO THE YEAR</b>	<u>£34,034</u>	<u>£106,693</u>

The notes form part of these financial statements

**Century Engineering & Refrigeration  
Limited**

**Balance Sheet  
31 October 1999**

		31.10.99		31.10.98	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	5		95,320		94,501
Investments	6		<u>-</u>		<u>50,000</u>
			95,320		144,501
<b>CURRENT ASSETS:</b>					
Stocks		21,027		17,736	
Debtors	7	520,878		489,319	
Cash at bank and in hand		<u>54,837</u>		<u>91,561</u>	
		596,742		598,616	
<b>CREDITORS:</b> Amounts falling due within one year	8	<u>235,060</u>		<u>320,149</u>	
<b>NET CURRENT ASSETS:</b>			<u>361,682</u>		<u>278,467</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>£457,002</u>		<u>£422,968</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	10		2		2
Revaluation reserve	11		(54,718)		(54,718)
Profit and loss account			<u>511,718</u>		<u>477,684</u>
Shareholders' funds			<u>£457,002</u>		<u>£422,968</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD

  
- DIRECTOR

  
- DIRECTOR

Approved by the Board on 14/11/00

The notes form part of these financial statements



**Century Engineering & Refrigeration  
Limited**

**Notes to the Financial Statements  
for the Year Ended 31 October 1999**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**2. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.10.99	31.10.98
	£	£
Depreciation - owned assets	9,469	11,217
Profit on disposal of fixed assets	(3,525)	-
Auditor's remuneration	<u>2,230</u>	<u>2,225</u>
 Directors' emoluments and other benefits etc	 <u>10,000</u>	 <u>-</u>

**3. TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.10.99	31.10.98
	£	£
UK corporation tax	<u>19,127</u>	<u>30,225</u>

UK corporation tax has been charged at 20% (1998 - 21%).

**4. DIVIDENDS**

	31.10.99	31.10.98
	£	£
Dividend	<u>-</u>	<u>20,000</u>

**Century Engineering & Refrigeration  
Limited**

**Notes to the Financial Statements  
for the Year Ended 31 October 1999**

**5. TANGIBLE FIXED ASSETS**

	Freehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
<b>COST:</b>					
At 1 November 1998	65,000	6,624	54,324	11,346	137,294
Additions	-	-	11,614	-	11,614
At 31 October 1999	<u>65,000</u>	<u>6,624</u>	<u>65,938</u>	<u>11,346</u>	<u>148,908</u>
<b>DEPRECIATION:</b>					
At 1 November 1998	-	3,385	28,064	11,345	42,794
Charge for year	-	1,325	9,469	-	10,794
At 31 October 1999	-	<u>4,710</u>	<u>37,533</u>	<u>11,345</u>	<u>53,588</u>
<b>NET BOOK VALUE:</b>					
At 31 October 1999	<u>65,000</u>	<u>1,914</u>	<u>28,405</u>	<u>1</u>	<u>95,320</u>
At 31 October 1998	<u>65,000</u>	<u>3,239</u>	<u>26,261</u>	<u>1</u>	<u>94,501</u>

**6. FIXED ASSET INVESTMENTS**

	£
<b>COST:</b>	
At 1 November 1998 and 31 October 1999	<u>50,000</u>
<b>PROVISIONS:</b>	
Provision during year	<u>50,000</u>
At 31 October 1999	<u>50,000</u>
<b>NET BOOK VALUE:</b>	
At 31 October 1999	-
At 31 October 1998	<u>50,000</u>
	31.10.99
	£
Unlisted investments	<u>-</u>
	31.10.98
	£
	<u>50,000</u>

**Century Engineering & Refrigeration  
Limited**

**Notes to the Financial Statements  
for the Year Ended 31 October 1999**

**6. FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**PAC Distribution Ltd.**

Nature of business: Air conditioning suppliers

Class of shares:	%
Ordinary	holding 90.00

	31.10.99	31.10.98
	£	£
Aggregate capital and reserves	(2,357)	41,595
Loss for the year	<u>(71,714)</u>	<u>(8,405)</u>

PAC Distribution Ltd. commenced trading activities in September 1997. The financial statements do not include the results of this company. PAC Distribution Ltd. suffered a reversal in its trading fortunes in the year to 31st October 1999 and since the year end has ceased to trade. The financial statements of PAC Distribution Ltd indicate that the Company will not recover any funds advanced to PAC Distribution Ltd. The results of the Company reflect this fact.

**7. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.10.99	31.10.98
	£	£
V.A.T.	37	-
Sales Ledger Control Account	519,341	461,816
Other debtors	-	22,503
Debtors & Prepayments	1,500	-
ACT recoverable	<u>-</u>	<u>5,000</u>
	<u>520,878</u>	<u>489,319</u>

**8. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.10.99	31.10.98
	£	£
Bank loans and overdrafts	45,999	86,148
Directors current accounts	10,137	10,314
Hire purchase	12,817	18,470
Creditors & Accruals	140,419	130,271
Bad Debts Provision	-	6,000
Dividend proposed	-	20,000
V.A.T.	-	13,520
Taxation	25,688	30,426
ACT Payable	<u>-</u>	<u>5,000</u>
	<u>235,060</u>	<u>320,149</u>

**9. SECURED DEBTS**

The following secured debts are included within creditors:

	31.10.99	31.10.98
	£	£
Bank overdrafts	<u>45,999</u>	<u>86,148</u>

The Company's bankers held a fixed and floating charge over the assets of the Company in support of facilities made available to the Company.

**Century Engineering & Refrigeration  
Limited**

**Notes to the Financial Statements  
for the Year Ended 31 October 1999**

**10. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	31.10.99 £	31.10.98 £
100	Ordinary	£1.00	<u>100</u>	<u>100</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31.10.99 £	31.10.98 £
2	Ordinary	£1.00	<u>2</u>	<u>2</u>

**11. REVALUATION RESERVE**

	31.10.99 £	31.10.98 £
Brought forward	<u>(54,718)</u>	<u>(54,718)</u>

**12. CONTINGENT LIABILITIES**

As part of the banking arrangements for PAC Distribution Ltd., a subsidiary undertaking, the Company guaranteed monies in favour of their bankers to a maximum of £75,000. The guarantee given by the Company was secondary to an "all monies" charge given by the subsidiary in favour of their bankers - Midland Bank PLC. Since the year end, PAC Distribution Ltd. ceased to trade. Under the guarantee the Company has paid £51,113 called under the guarantee and has received formal notice from Midland Bank that its guarantee has now been cancelled.

**13. TRANSACTIONS WITH DIRECTORS**

Mr J L Hazelton, a director of the Company, is the sole proprietor of CERCO an unincorporated business which supplies, at arms length and on full commercial terms, consultancy services to the Company. During the course of the year under review the Company was invoiced £253,635 (1998 - £196,635). Mr J L Hazelton and Mrs N A J Hazelton are both Directors of PAC Distribution Limited, a subsidiary of the Company who during the course of the year supplied goods to the Company (at arms length) amounting to £227,522 (1998 - £352,614).

**14. RELATED PARTY DISCLOSURES**

J L Hazelton is the proprietor of CERCO; an unincorporated business which supplies professional services at arms length to the Company. During the year under review the value of such services amounted to £253,635 (1998 - £196,635). Mr J L Hazelton and Mrs N A J Hazelton are Directors and have an indirect beneficial interest in the issued share capital of PAC Distribution Limited a private incorporated business that supplies, on an arms length basis, certain goods and consumables to the Company. During the year under review this amounted to £227,522 (1998 - £352,614).

**15. POST BALANCE SHEET EVENTS**

Following the year end, the Company's subsidiary - PAC Distribution Ltd. ceased to trade following continued unsuccessful periods of trade. The financial statements of PAC Distribution Ltd. indicate that the Company will not recover any monies either invested or advanced to this subsidiary company. As a result, the financial statements for the current year under review include full provision for all monies advanced to the Company at the year end totaling £74,583. In addition monies totaling £51,113 were paid to PAC Distribution Ltd's banker's following calls under guarantee obligations.