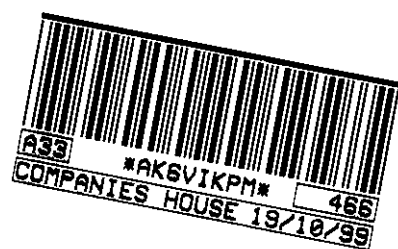


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Report of the Directors and
Financial Statements for the Year Ended 31 October 1998
for
Century Engineering & Refrigeration
Limited



**Century Engineering & Refrigeration
Limited**

**Contents of the Financial Statements
for the Year Ended 31 October 1998**

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**Century Engineering & Refrigeration
Limited**

**Company Information
for the Year Ended 31 October 1998**

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 1998**

The directors present their report with the financial statements of the company for the year ended 31 October 1998.

PRINCIPAL ACTIVITY

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

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 1998 in the issued share capital of the company were as follows:

	31.10.98	1.11.97
Ordinary £1.00 shares		
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: 30/09/99

**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 1999), under the historical cost convention 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Paul Barnes

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

Dated: 30/09/99

**Century Engineering & Refrigeration
Limited**

**Profit and Loss Account
for the Year Ended 31 October 1998**

		<u>31.10.98</u>	<u>31.10.97</u>
	Notes	£	£
TURNOVER		1,377,523	1,481,264
Cost of sales		<u>1,088,123</u>	<u>1,187,043</u>
GROSS PROFIT		289,400	294,221
Administrative expenses		<u>154,752</u>	<u>125,329</u>
OPERATING PROFIT	2	134,648	168,892
Interest receivable and similar income		<u>5,003</u>	<u>1,695</u>
		139,651	170,587
Interest payable and similar charges		<u>2,733</u>	<u>1,542</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		136,918	169,045
Tax on profit on ordinary activities	3	<u>30,225</u>	<u>40,000</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		106,693	129,045
Dividends	4	<u>20,000</u>	<u>20,000</u>
		86,693	109,045
Retained profit brought forward		<u>390,991</u>	<u>281,946</u>
RETAINED PROFIT CARRIED FORWARD		<u>£477,684</u>	<u>£390,991</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 1998**

	<u>31.10.98</u>	<u>31.10.97</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	106,693	129,045
revaluation of freehold property	<u> </u>	<u> </u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>£106,693</u></u>	<u><u>£129,045</u></u>

The notes form part of these financial statements

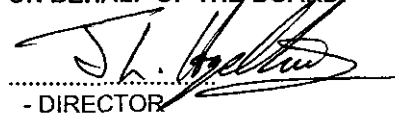
**Century Engineering & Refrigeration
Limited**

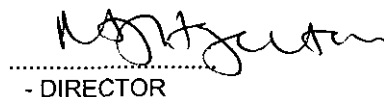
**Balance Sheet
31 October 1998**

		31.10.98		31.10.97	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		94,501		92,943
Investments	6		<u>50,000</u>		<u>-</u>
			144,501		92,943
CURRENT ASSETS:					
Stocks		17,736		18,414	
Debtors	7	489,319		420,455	
Cash at bank and in hand		<u>91,561</u>		<u>134,331</u>	
		598,616		573,200	
CREDITORS: Amounts falling due within one year	8	<u>320,149</u>		<u>329,868</u>	
NET CURRENT ASSETS:			<u>278,467</u>		<u>243,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£422,968</u>		<u>£336,275</u>
CAPITAL AND RESERVES:					
Called up share capital	10		2		2
Revaluation reserve	11		(54,718)		(54,718)
Profit and loss account			<u>477,684</u>		<u>390,991</u>
Shareholders' funds			<u>£422,968</u>		<u>£336,275</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 1999).

ON BEHALF OF THE BOARD:


- DIRECTOR


- DIRECTOR

Approved by the Board on 30/09/99

The notes form part of these financial statements

**Century Engineering & Refrigeration
Limited**

**Notes to the Financial Statements
for the Year Ended 31 October 1998**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

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):

	31.10.98	31.10.97
	£	£
Depreciation - owned assets	11,217	9,098
Profit on disposal of fixed assets	-	(750)
Auditor's remuneration	<u>2,225</u>	<u>1,250</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. TAXATION

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

	31.10.98	31.10.97
	£	£
UK corporation tax	<u>30,225</u>	<u>40,000</u>

UK corporation tax has been charged at 21% (1997 - 23%).

4. DIVIDENDS

	31.10.98	31.10.97
	£	£
Dividend	<u>20,000</u>	<u>20,000</u>

**Century Engineering & Refrigeration
Limited**

**Notes to the Financial Statements
for the Year Ended 31 October 1998**

5. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST:					
At 1 November 1997	65,000	6,624	41,549	11,346	124,519
Additions	-	-	12,775	-	12,775
At 31 October 1998	65,000	6,624	54,324	11,346	137,294
DEPRECIATION:					
At 1 November 1997	-	921	19,310	11,345	31,576
Charge for year	-	2,464	8,753	-	11,217
At 31 October 1998	-	3,385	28,063	11,345	42,793
NET BOOK VALUE:					
At 31 October 1998	65,000	3,239	26,261	1	94,501
At 31 October 1997	65,000	5,703	22,239	1	92,943

Following the review undertaken in 1996 the directors' determined that the Company's freehold property assets were appropriately valued to reflect current realisable values.

6. FIXED ASSET INVESTMENTS

	£
COST:	
Additions	50,000
At 31 October 1998	50,000
NET BOOK VALUE:	
At 31 October 1998	50,000

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: Airconditioning suppliers

Class of shares:	%
Ordinary	holding 100.00

	31.10.98
	£
Aggregate capital and reserves	41,595
Loss for the year	(8,405)

PAC Distribution Ltd. commenced trading activities in August 1997. The financial statements do not include the results of this company. Whilst PAC Distribution Limited is a private company and has only recently commenced trading activities, the Directors' consider the value of the Company's holding, on a realisable basis, to be not less than the cost of the investment made to date.

**Century Engineering & Refrigeration
Limited**

**Notes to the Financial Statements
for the Year Ended 31 October 1998**

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

	31.10.98 £	31.10.97 £
Sales Ledger Control Account	461,816	397,603
Other debtors	22,503	17,852
ACT recoverable	<u>5,000</u>	<u>5,000</u>
	<u>489,319</u>	<u>420,455</u>

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

	31.10.98 £	31.10.97 £
Bank loans and overdrafts	86,148	104,140
Directors current accounts	10,314	17,491
Hire purchase	18,470	10,780
Creditors & Accruals	130,271	119,698
Bad Debts Provision	6,000	6,000
Dividend proposed	20,000	20,000
V.A.T.	13,520	6,558
Taxation	30,426	40,201
ACT Payable	<u>5,000</u>	<u>5,000</u>
	<u>320,149</u>	<u>329,868</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	31.10.98 £	31.10.97 £
Bank overdrafts	<u>86,148</u>	<u>104,140</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.

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.10.98	31.10.97
			£	£
100	Ordinary	£1.00	<u>100</u>	<u>100</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.10.98	31.10.97
			£	£
2	Ordinary	£1.00	<u>2</u>	<u>2</u>

11. REVALUATION RESERVE

	31.10.98 £	31.10.97 £
Brought forward	<u>(54,718)</u>	<u>(54,718)</u>

**Century Engineering & Refrigeration
Limited**

**Notes to the Financial Statements
for the Year Ended 31 October 1998**

12. CONTINGENT LIABILITIES

As part of the banking arrangements for PAC Distribution Ltd., a subsidiary undertaking, the Company has guaranteed monies in favour of that Company's bankers in the sum of £75,000. The guarantee given by the Company is secondary to an "all monies" charge given by PAC Distribution Ltd., in favour of their bankers.

13. TRANSACTIONS WITH DIRECTORS

Mr J L Hazelton, a director of the Company, is the sole proprietor of CERCO an unincorporated business that 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 £196,635 (1996 - £214,381). 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 £352,614 (1997 - £29,973).

14. RELATED PARTY DISCLOSURES

J L Hazelton is the proprietor of CERCO; an unincorporated business that supplies professional services at arms length to the Company. During the year under review the value of such services amounted to £196,635 (1997 - £214,381). 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 £352,614 (1997 - £29,973).