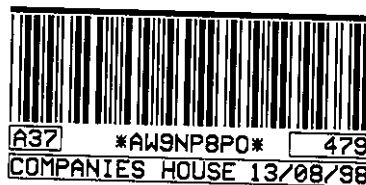


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Report of the Directors and
Financial Statements for the Year Ended 31 October 1997
for
Century Engineering & Refrigeration
Installations Ltd.



**Century Engineering & Refrigeration
Installations Ltd.**

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for the Year Ended 31 October 1997**

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**Century Engineering & Refrigeration
Installations Ltd.**

**Company Information
for the Year Ended 31 October 1997**

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
The Studio
14 Deep Acres
Amersham
Bucks HP6 5NX

Century Engineering & Refrigeration
Installations Ltd.

Report of the Directors
for the Year Ended 31 October 1997

The directors present their report with the financial statements of the company for the year ended 31 October 1997.

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 1997 in the issued share capital of the company were as follows:

	31.10.97	1.11.96
Ordinary £1.00 shares		
J L Hazelton	1	1
Mrs N A J Hazelton	1	1

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 judgments 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: 11/8/98

Century Engineering & Refrigeration
Installations Ltd.

Report of the Auditor to the Shareholders of
Century Engineering & Refrigeration
Installations Ltd.

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, 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 judgments 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 1997 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
The Studio
14 Deep Acres
Amersham
Bucks HP6 5NX

Dated: 4th August '98

**Century Engineering & Refrigeration
Installations Ltd.**

**Profit and Loss Account
for the Year Ended 31 October 1997**

		31.10.97	31.10.96
	Notes	£	£
TURNOVER	2	1,481,264	868,601
Cost of sales		1,187,043	698,708
GROSS PROFIT		294,221	169,893
Administrative expenses		125,329	103,341
OPERATING PROFIT	3	168,892	66,552
Interest receivable and similar income	4	1,695	3,321
		170,587	69,873
Interest payable and similar charges		1,542	2,084
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		169,045	67,789
Tax on profit on ordinary activities	5	40,000	19,760
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		129,045	48,029
Dividends	6	20,000	18,000
		109,045	30,029
Retained profit brought forward		281,946	251,917
RETAINED PROFIT CARRIED FORWARD		£390,991	£281,946

The notes form part of these financial statements

Century Engineering & Refrigeration
Installations Ltd.

Statement of Total Recognised Gains and Losses
for the Year Ended 31 October 1997

	<u>31.10.97</u>	<u>31.10.96</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	129,045	48,029
revaluation of freehold property	-	15,000
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>£129,045</u>	<u>£63,029</u>

The notes form part of these financial statements

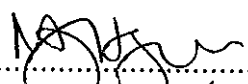
**Century Engineering & Refrigeration
Installations Ltd.**

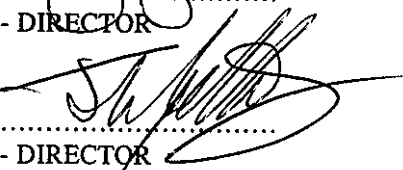
**Balance Sheet
31 October 1997**

		31.10.97		31.10.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		92,943		83,823
CURRENT ASSETS:					
Stocks		18,414		23,410	
Debtors	9	420,455		303,377	
Cash at bank and in hand		134,331		74,853	
		573,200		401,640	
CREDITORS: Amounts falling due within one year	10	329,868		258,233	
NET CURRENT ASSETS:			243,332		143,407
TOTAL ASSETS LESS CURRENT LIABILITIES:			£336,275		£227,230
CAPITAL AND RESERVES:					
Called up share capital	11		2		2
Revaluation reserve	12		(54,718)		(54,718)
Profit and loss account			390,991		281,946
Shareholders' funds			£336,275		£227,230

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.

ON BEHALF OF THE BOARD:


.....
- DIRECTOR


.....
- DIRECTOR

Approved by the Board on 11/8/98

The notes form part of these financial statements

Century Engineering & Refrigeration
Installations Ltd.

Notes to the Financial Statements
for the Year Ended 31 October 1997

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.

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. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

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

	31.10.97	31.10.96
	£	£
Depreciation - owned assets	9,098	6,273
Profit on disposal of fixed assets	(750)	-
Auditor's remuneration	1,250	800
	<u> </u>	<u> </u>

Directors' emoluments and other benefits etc

-	-
<u> </u>	<u> </u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.10.97	31.10.96
	£	£
Deposit account interest	1,695	1,378
Building Society Interest	-	1,943
	<u> </u>	<u> </u>
	<u>1,695</u>	<u>3,321</u>

**Century Engineering & Refrigeration
Installations Ltd.**

**Notes to the Financial Statements
for the Year Ended 31 October 1997**

5. TAXATION

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

	31.10.97	31.10.96
	£	£
UK Corporation Tax	40,000	19,760
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 23 % (1996 - 25%).

6. DIVIDENDS

	31.10.97	31.10.96
	£	£
Dividend	20,000	18,000
	<u> </u>	<u> </u>

7. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST:			
At 1 November 1996	65,000	48,861	113,861
Additions	-	21,718	21,718
Disposals	-	(11,060)	(11,060)
	<u> </u>	<u> </u>	<u> </u>
At 31 October 1997	65,000	59,519	124,519
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:			
At 1 November 1996	-	30,038	30,038
Charge for year	-	9,098	9,098
Eliminated on disposals	-	(7,560)	(7,560)
	<u> </u>	<u> </u>	<u> </u>
At 31 October 1997	-	31,576	31,576
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:			
At 31 October 1997	65,000	27,943	92,943
	<u> </u>	<u> </u>	<u> </u>
At 31 October 1996	65,000	18,823	83,823
	<u> </u>	<u> </u>	<u> </u>

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

**Century Engineering & Refrigeration
Installations Ltd.**

**Notes to the Financial Statements
for the Year Ended 31 October 1997**

8. FIXED ASSET INVESTMENTS

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

PAC Distribution Ltd. commenced trading activities in September 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 greater than the cost of the investment made to date.

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

	31.10.97 £	31.10.96 £
Sales Ledger Control Account	397,603	297,527
Debtors & Prepayments	17,852	1,350
ACT recoverable	5,000	4,500
	<u>420,455</u>	<u>303,377</u>

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

	31.10.97 £	31.10.96 £
Bank loans and overdrafts	104,140	65,524
Directors current accounts	17,491	3,989
Hire purchase	10,780	-
Creditors & Accruals	119,698	117,514
Bad Debts Provision	6,000	6,000
Bank Loan	-	1,334
Dividend proposed	20,000	33,474
V.A.T.	6,558	8,148
Taxation	40,201	17,750
ACT Payable	5,000	4,500
	<u>329,868</u>	<u>258,233</u>

**Century Engineering & Refrigeration
Installations Ltd.**

**Notes to the Financial Statements
for the Year Ended 31 October 1997**

11. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.10.97	31.10.96
		value:	£	£
100	Ordinary	£1.00	100	100
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.10.97	31.10.96
		value:	£	£
2	Ordinary	£1.00	2	2
			<u> </u>	<u> </u>

12. REVALUATION RESERVE

	31.10.97	31.10.96
	£	£
Brought forward	(54,718)	(39,718)
additions	-	(15,000)
	<u> </u>	<u> </u>
	(54,718)	(54,718)
	<u> </u>	<u> </u>

13. 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.

14. 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 £214,381 (1996 - £123,662). 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 £29,973.

15. 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 £214,381 (1996 - £123,641). 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 £29,973.