

COMPANY REGISTRATION NUMBER 1072866

MITCHELLS (GLOUCESTER) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999



KINGSCOTT DIX
CHARTERED ACCOUNTANTS
60 KINGS WALK
GLOUCESTER

MITCHELLS (GLOUCESTER) LIMITED

FINANCIAL ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 1999

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The following pages do not form part of the statutory accounts

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MITCHELLS (GLOUCESTER) LIMITED

COMPANY INFORMATION

31 DECEMBER 1999

DIRECTORS N.C. Mitchell [Chairman and Managing Director]
 Mrs. P.B. Mitchell
 G.J. Leeds

SECRETARY M. Norrington

REGISTERED OFFICE 88 Bristol Road
 Gloucester

BANKERS Lloyds TSB Bank PLC
 19 Eastgate Street and 86 Bristol Road
 Gloucester

SOLICITORS Willans
 28-29 Imperial Square
 Cheltenham
 Gloucestershire

Davey Son & Jones
2 Friar's Court
College Street
Gloucester

AUDITORS Kingscott Dix
 Chartered Accountants
 60 Kings Walk
 Gloucester
 GL1 1LA

MITCHELLS (GLOUCESTER) LIMITED

DIRECTORS' REPORT

31 DECEMBER 1999

The Directors present their report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of Electrical Contractors and Suppliers and Installers of Refrigeration and Air-Conditioning Equipment.

DIRECTORS

The Directors who served during the year had no beneficial interest in the ordinary share capital of the Company other than through their interest in the share capital of the Ultimate Parent Company, L.C. Mitchell and Company (Gloucester) Limited. Holdings in the Ultimate Parent Company are as follows:-

	£1 Ordinary Shares 31 December 1998 and 1999
N.C. Mitchell	44,000
Mrs. P.B. Mitchell	1,500
G.J. Leeds	8,500

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements 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 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 to operate.

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.

AUDITORS

Kingscott Dix have agreed to offer themselves for re-appointment as Auditors to the Company.

SMALL COMPANY EXEMPTIONS

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

By Order of the Board

M. Norrington

M. NORRINGTON

Company Secretary

88 Bristol Road
Gloucester

KINGSCOTT DIX

CHARTERED ACCOUNTANTS
60 KINGS WALK, GLOUCESTER, GL1 1LA

AUDITORS' REPORT

TO THE SHAREHOLDERS OF
MITCHELLS (GLOUCESTER) LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the Company's Directors are 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 the 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.

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 mis-statement, 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 at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kingscott Dix

KINGSCOTT DIX
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
10 MAY 2000

MITCHELLS (GLOUCESTER) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1999

		1999	1998
	Note	£	£
TURNOVER		2,476,363	2,720,459
Cost of Sales		<u>1,734,751</u>	<u>2,014,005</u>
GROSS PROFIT		741,612	706,454
Administrative Expenses		<u>694,001</u>	<u>665,932</u>
OPERATING PROFIT	2	47,611	40,522
Interest Payable		<u>8</u>	<u>510</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		47,603	40,012
Tax on Profit on Ordinary Activities	4	<u>(9,638)</u>	<u>(8,403)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED FOR THE YEAR	9	<u>37,965</u>	<u>31,609</u>

The notes on page 6 to 9 form part of these accounts.

MITCHELLS (GLOUCESTER) LIMITED

BALANCE SHEET

AT 31 DECEMBER 1999

		1999	1998
	Note	£	£
CURRENT ASSETS			
Stocks	5	80,744	49,611
Debtors	6	357,800	445,459
Cash at Bank and in Hand		259,380	185,592
		<u>697,924</u>	<u>680,662</u>
CREDITORS: Amounts falling due within one year	7	<u>582,528</u>	<u>603,231</u>
NET CURRENT ASSETS		<u>115,396</u>	<u>77,431</u>
		<u>115,396</u>	<u>77,431</u>
CAPITAL AND RESERVES			
Called Up Share Capital	8	10,000	10,000
Profit and Loss Account	9	105,396	67,431
SHAREHOLDERS' FUNDS		<u>115,396</u>	<u>77,431</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of Directors

N.C. MITCHELLDIRECTOR

9 MAY 2000DATE

The notes on pages 6 to 9 form part of these accounts.

MITCHELLS (GLOUCESTER) LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1999

[1] ACCOUNTING POLICIES

[a] BASIS OF ACCOUNTING

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

[b] TURNOVER

Turnover represents the amount derived from the provision of goods and services falling within the Company's ordinary activities exclusive of value added tax all of which arose within the United Kingdom.

[c] STOCKS AND WORK IN PROGRESS

Stocks and Work in Progress are valued at the lower of cost (including an appropriate proportion of overheads) and estimated net realisable value less progress payments and have been valued on a basis consistent with previous years.

[d] PENSION COSTS

The Company operates a defined contribution pension scheme. Contributions are charged to profit and loss account as they become payable in accordance with the rules of the scheme.

[2] OPERATING PROFIT	1999	1998
The Operating profit is stated after charging:-	£	£
Auditors' Remuneration	<u>4,000</u>	<u>3,900</u>

MITCHELLS (GLOUCESTER) LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1999

[3]	DIRECTORS' REMUNERATION	1999	1998
		£	£
	Remuneration as Executives	31,900	28,000
	Pension Contributions	1,684	1,581
		<u>33,584</u>	<u>29,581</u>
<p>Additionally the Directors received benefits in kind of approximately £3,200 (1998 : £2,792) during the year.</p>			
[4]	TAXATION	1999	1998
		£	£
	Based on the results for the year:		
	Corporation Tax Charge for the year	<u>9,638</u>	<u>8,403</u>
[5]	STOCKS	1999	1998
		£	£
	Work in Progress	100,087	198,120
	Less Progress Payments	(45,773)	(187,279)
		<u>54,314</u>	<u>10,841</u>
	Raw Materials and Components	<u>26,430</u>	<u>38,770</u>
		<u>80,744</u>	<u>49,611</u>
[6]	DEBTORS	1999	1998
		£	£
	Trade Debtors	351,788	436,927
	Other Debtors	6,012	8,532
		<u>357,800</u>	<u>445,459</u>

MITCHELLS (GLOUCESTER) LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1999

[7]	CREDITORS: Amounts falling due within one year	1999 £	1998 £
	Trade Creditors	169,897	236,614
	Amounts Due to Parent Company	365,094	330,533
	Corporation Tax	9,638	8,403
	Other Creditors	6,200	8,736
	Accruals	31,699	18,945
		<u>582,528</u>	<u>603,231</u>
[8]	CALLED UP SHARE CAPITAL	1999 No.	1998 No.
	Authorised: Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
		£	£
	Allotted Called Up and Fully Paid: Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
[9]	PROFIT AND LOSS ACCOUNT	1999 £	1998 £
	Balance at the beginning of the Year	67,431	35,822
	Profit for the Year	<u>37,965</u>	<u>31,609</u>
	Balance at the end of the Year	<u>105,396</u>	<u>67,431</u>

MITCHELLS (GLOUCESTER) LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1999

[10] ULTIMATE HOLDING COMPANY

The Company's ultimate parent company at the balance sheet date was L.C. Mitchell & Company (Gloucester) Limited, a Company incorporated in England.

[11] RELATED PARTY TRANSACTIONS

L.C. Mitchell and Company (Gloucester) Limited raised management charges of £220,000 (1998 : £210,000) during the year. This included a charge for the use of fixed assets including premises from which the Company operates, and remuneration in respect of Directors.

The amount due to the ultimate parent company at the balance sheet date is as shown in note 7.

Mr. N.C. Mitchell is considered to be the ultimate controlling party of the Company.