

**Report of the Directors and
Financial Statements for the Year Ended 31 March 1999
for
S W National Ventilation Limited**



S W National Ventilation Limited

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for the Year Ended 31 March 1999**

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S W National Ventilation Limited

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

DIRECTORS:	E J W Davison J M Davison D W Wellings R Francis
SECRETARY:	J M Davison
REGISTERED OFFICE:	34 & 38 North Street Bridgwater Somerset TA6 3PN
REGISTERED NUMBER:	02079355 (England and Wales)
AUDITORS:	Beaty-Pownall & Co Chartered Accountants & Registered Auditors 5 Fir Close Walton on Thames Surrey KT12 2SX
BANKERS:	National Westminster Bank plc 9 York Buildings Cornhill Bridgwater Somerset TA6 3BA

S W National Ventilation Limited

Report of the Directors for the Year Ended 31 March 1999

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale, distribution and installation of ventilation equipment.

DIRECTORS

The directors during the year under review were:

E J W Davison
J M Davison
D W Wellings
R Francis

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

	31.3.99	1.4.98
Ordinary 1 shares		
E J W Davison	45	45
J M Davison	45	45
D W Wellings	5	5
R Francis	5	5

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.

AUDITORS

The auditors, Beaty-Pownall & Co, 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:



J M Davison - SECRETARY

Dated: 16 December 1999

S W National Ventilation Limited

**Report of the Auditors to the Shareholders of
S W National Ventilation Limited**

We have audited the financial statements on pages four to nine 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 six.

Respective responsibilities of directors and auditors

As described on page two 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 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 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.

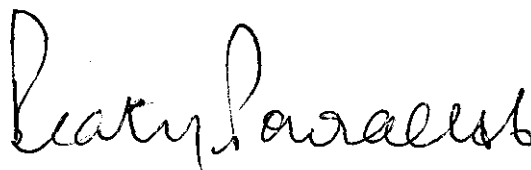
Going concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the deficit shown on the company's balance sheet. In view of the significance of the deficit we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

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

Beaty-Pownall & Co
Chartered Accountants &
Registered Auditors
5 Fir Close
Walton on Thames
Surrey
KT12 2SX



Dated: 16 December 1999

S W National Ventilation Limited

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

		1999	1998
	Notes	£	£
TURNOVER		1,672,149	1,519,004
Cost of sales		1,069,850	967,773
GROSS PROFIT		602,299	551,231
Administrative expenses		507,138	457,646
		95,161	93,585
Other operating income		-	52
OPERATING PROFIT	2	95,161	93,637
Interest payable and similar charges		49,845	45,157
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45,316	48,480
Tax on profit on ordinary activities	3	1,197	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		44,119	48,480
Deficit brought forward		(62,010)	(110,490)
DEFICIT CARRIED FORWARD		£(17,891)	£(62,010)

The notes form part of these financial statements

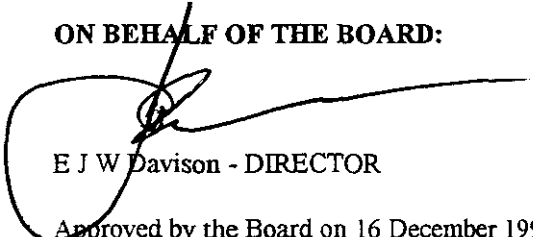
S W National Ventilation Limited

**Balance Sheet
31 March 1999**

	Notes	1999		1998	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	4		79,647		78,735
CURRENT ASSETS:					
Stocks		188,427		108,375	
Debtors	5	401,851		340,135	
Cash in hand		115		277	
		<u>590,393</u>		<u>448,787</u>	
CREDITORS: Amounts falling due within one year	6	<u>686,276</u>		<u>584,915</u>	
NET CURRENT LIABILITIES:			<u>(95,883)</u>		<u>(136,128)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>(16,236)</u>		<u>(57,393)</u>
CREDITORS: Amounts falling due after more than one year	7		<u>1,555</u>		<u>4,517</u>
			<u>£(17,791)</u>		<u>£(61,910)</u>
CAPITAL AND RESERVES:					
Called up share capital	9		100		100
Profit and loss account			<u>(17,891)</u>		<u>(62,010)</u>
Shareholders' funds			<u>£(17,791)</u>		<u>£(61,910)</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:


E J W Davison - DIRECTOR

Approved by the Board on 16 December 1999

S W National Ventilation Limited

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Trading losses in previous accounting periods have given rise to net current liabilities and net liabilities at the balance sheet date.

The company made a trading profit of £45,316 for the year ended 31 March 1999 and since the year end it has continued to trade profitably.

In the light of the above information the directors believe that it is appropriate to prepare the financial statements on the going concern basis.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	- 20% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Factored debts

The company factors a proportion of its sales debtors. The total of factored debts is included in trade debtors and the net amount advanced by the factor is included in creditors falling due within one year.

S W National Ventilation Limited

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

2. OPERATING PROFIT

The operating profit is stated after charging:

	1999 £	1998 £
Depreciation - owned assets	17,284	15,768
Depreciation - assets on hire purchase contracts or finance leases	4,635	6,179
Loss on disposal of fixed assets	2,114	17
Auditors' remuneration	1,650	1,500
Pension costs	2,242	2,520
	<u>106,853</u>	<u>108,792</u>
Directors' emoluments and other benefits etc	<u>106,853</u>	<u>108,792</u>

3. TAXATION

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

	1999 £	1998 £
UK corporation tax	1,197	-
	<u>1,197</u>	<u>-</u>

UK corporation tax has been charged at 21% (1998 - not applicable).

4. TANGIBLE FIXED ASSETS

	Leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 April 1998	8,293	16,607	16,566	83,670	125,136
Additions	-	9,940	915	21,290	32,145
Disposals	-	-	-	(15,002)	(15,002)
	<u>8,293</u>	<u>26,547</u>	<u>17,481</u>	<u>89,958</u>	<u>142,279</u>
At 31 March 1999	8,293	26,547	17,481	89,958	142,279
DEPRECIATION:					
At 1 April 1998	1,658	4,326	4,985	35,432	46,401
Charge for year	1,658	3,333	1,874	15,054	21,919
Eliminated on disposals	-	-	-	(5,688)	(5,688)
	<u>3,316</u>	<u>7,659</u>	<u>6,859</u>	<u>44,798</u>	<u>62,632</u>
At 31 March 1999	3,316	7,659	6,859	44,798	62,632
NET BOOK VALUE:					
At 31 March 1999	<u>4,977</u>	<u>18,888</u>	<u>10,622</u>	<u>45,160</u>	<u>79,647</u>
At 31 March 1998	<u>6,635</u>	<u>12,281</u>	<u>11,581</u>	<u>48,238</u>	<u>78,735</u>

S W National Ventilation Limited

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

4. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1 April 1998	
and 31 March 1999	36,995
DEPRECIATION:	
At 1 April 1998	18,456
Charge for year	4,635
At 31 March 1999	23,091
NET BOOK VALUE:	
At 31 March 1999	13,904
At 31 March 1998	18,539

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

	1999	1998
	£	£
Trade debtors	392,431	328,131
Other debtors	1,149	5,093
Prepayments	3,963	1,406
ACT recoverable	4,308	5,505
	<u>401,851</u>	<u>340,135</u>

Trade debtors include factored debts totalling £382,699 (1998-£309,513).

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

	1999	1998
	£	£
Bank loans and overdrafts	46,536	35,303
Trade creditors	331,339	255,470
Directors current accounts	1,245	17,223
Loan from factor	245,835	207,142
Hire purchase	4,492	8,895
V.A.T.	30,582	28,611
Social security & other taxes	19,254	18,217
Accrued expenses	6,993	14,054
	<u>686,276</u>	<u>584,915</u>

S W National Ventilation Limited

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

**7. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	1999	1998
	£	£
Hire purchase	1,555	4,517
	<u>1,555</u>	<u>4,517</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	1999	1998
	£	£
Bank overdrafts	46,536	35,303
Loan from factor	245,835	207,142
	<u>292,371</u>	<u>242,445</u>

The bank overdraft is secured by a fixed and floating charge over the the assets of the company. The loan from the factor is secured by a fixed charge over trade debtors.

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1999	1998
			£	£
100	Ordinary	1	<u>100</u>	<u>100</u>

10. YEAR 2000 COMPLIANCE

The directors have considered the likely impact of the year 2000 problem upon the company. As is well known, many computer and digital storage systems express dates using only the last two digits of the year and may require modification or replacement to accomodate the year 2000 and beyond in order to avoid malfunction and consequent commercial disruption. The operations of the company depend not only on its own computer systems but also on those of its suppliers and other third parties; this could expose the company to risk in the event that there is a failure by other parties to remedy their own year 2000 problem. With the complexity of the issue, it is not possible for an organisation to guarantee that no year 2000 problems will remain, because at least some level of failure may occur. However, the directors believe that they will achieve an acceptable state of readiness and have also provided resources to deal promptly with significant subsequent failures or issues that may arise within the company and its customers.