

MCL INVESTMENTS LIMITED

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31ST DECEMBER 2001**

**Registered Number
4144158**

**ORMEROD RUTTER
CHARTERED ACCOUNTANTS**



MCL INVESTMENTS LIMITED

COMPANY INFORMATION

Company Number: 4144158

Directors: Mr D R Williams
Mr S S John

Secretary: Mr S S John

Registered Office: Mercury House
Unit 15 Harris Industrial Park
Stoke Prior
Bromsgrove
Worcestershire
B60 4AD

Auditors: Ormerod Rutter
Chartered Accountants
Registered Auditors
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

MCL INVESTMENTS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2001

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MCL INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2001

The directors present their report and the financial statements for the period ended 31st December 2001.

Principal activities

The principal activity of the company during the period was that of a holding company.

The company was incorporated on 19th January 2001 and commenced trading on this date.

During the period the company shortened its accounting reference date to 31st December.

The principal activities of the subsidiary undertakings are as shown in the notes to the financial statements.

Directors' interests

The directors of the company during the period and their interests in the share capital of the company as recorded in the register of directors' interests were as follows:

	No. of shares 2001
Mr D R Williams (appointed 19th January 2001)	396
Mr R D Williams (appointed 19th January 2001)	4
Mr S S John (appointed 19th January 2001)	-

The directors regret to announce the death of Mr R D Williams during the period.

The directors' interests in the subsidiary undertakings are as shown within those companies' financial statements.

Responsibilities of the directors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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.

MCL INVESTMENTS LIMITED

DIRECTORS' REPORT (Continued)

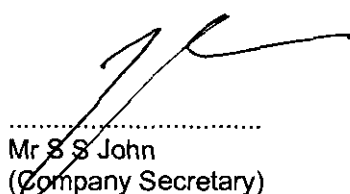
FOR THE PERIOD ENDED 31ST DECEMBER 2001

Auditors

The auditors, Ormerod Rutter, Chartered Accountants, who were appointed during the period, have indicated their willingness to accept re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on 9th August 2002 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

On behalf of the board



.....
Mr S S John
(Company Secretary)

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF MCL INVESTMENTS LIMITED
FOR THE PERIOD ENDED 31ST DECEMBER 2001

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

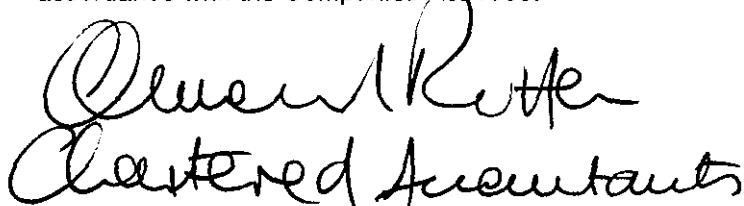
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 misstatements, 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 31st December 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ormerod Rutter
Chartered Accountants

Ormerod Rutter
Chartered Accountants
Registered Auditors
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

19th August 2002

MCL INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST DECEMBER 2001

	Note	2001 £
Turnover		360,000
Administrative expenses		268,465
Operating profit	2	<u>91,535</u>
Income from investments	3	598,238
Other interest receivable and similar income		3,040
Profit on ordinary activities before taxation		<u>692,813</u>
Tax on profit on ordinary activities	4	(20,020)
Retained profit for the period		<u><u>£ 672,793</u></u>

The annexed notes form part of these financial statements.

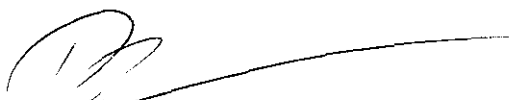
MCL INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2001

	Note	£	2001 £
Fixed assets			
Investments	5		702
Current assets			
Debtors	6	861,693	
Cash at bank and in hand		1,000,535	
		<u>1,862,228</u>	
Creditors			
Amounts falling due within one year	7	(1,189,737)	
		<u>(1,189,737)</u>	
Net current assets			672,491
Total assets less current liabilities			<u>673,193</u>
Net assets			<u>£ 673,193</u>
Capital and reserves			
Called up share capital	8		400
Profit and loss account	9		672,793
			<u>£ 673,193</u>
Shareholders' funds			<u>£ 673,193</u>

Approved by the board of directors on 9th August 2002 and signed on its behalf. 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 in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).



 Mr D R Williams
 (Director)

The annexed notes form part of these financial statements.

MCL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2001

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is a small company.

The company is exempt from the requirement to prepare group accounts under Section 248 of the Companies Act 1985. As a result these financial statements present information about the company and not its group.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on straight line basis over the term of the lease.

Pension costs

The company operates a defined contribution pension scheme and pension contributions are charged to the profit and loss account as they fall due.

2. Operating profit

**2001
£**

This is stated after charging:

Directors' emoluments	76,997
Pension costs	6,640

MCL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 31ST DECEMBER 2001

3. Income from investments

	2001 £
Dividend received from subsidiary	598,238
	<u> </u>

4. Tax on profit on ordinary activities

	2001 £
Current Tax:	
UK corporation tax on profits	20,020
Tax on profit on ordinary activities	£ 20,020
	<u> </u>

Corporation tax has been charged at 30%.

5. Fixed asset investments

	Unlisted £
Cost:	
Additions	702
	<u> </u>
Cost at 31st December 2001	702
	<u> </u>
Net Book Values:	
As at 31st December 2001	£702
	<u> </u>

As at the balance sheet date the company held the following investments in subsidiary undertakings:

Subsidiary	Holding	Nature of business	Country of incorporation
Lamont Group Limited	100% ordinary £1 shares	Dormant	England and Wales
Mercury Climatic Limited	100% ordinary £1 shares	Service and maintenance of air conditioning units	England and Wales
Mercury Air Products Limited	100% ordinary £1 shares	Dormant	England and Wales
Mercury Climatic Control Limited	100% ordinary £1 shares	Dormant	England and Wales

The company also holds a 50% investment in Cool Solutions Limited, a company incorporated in England and Wales.

The retained reserves of the subsidiary undertakings are as disclosed in those companies' financial statements.

MCL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31ST DECEMBER 2001

6. Debtors

	2001 £
Due within one year:	
Amounts owed by group undertakings	845,993
Amounts owed by undertakings in which the company has a participating interest	15,700
	<u>£ 861,693</u>

7. Creditors - amounts falling due within one year

	2001 £
Bank overdraft	6,245
Amounts owed to group undertakings	700
Amounts owed to undertakings in which the company has a participating interest	1,134,149
Taxation and social security	48,643
	<u>£1,189,737</u>

Of the above creditors £6,245 is secured.

8. Share capital

	2001 £
Authorised	
Ordinary shares of £1 each	1,000
	<u>£</u>
Allotted, called up and fully paid	
Ordinary shares of £1 each	400
	<u>£</u>

During the period the company issued 400 ordinary shares of £1 each at par in order to form the capital base of the company.

MCL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 31ST DECEMBER 2001

9. Profit and loss account

	2001 £
Profit retained for the period	672,793
Balance at 31st December 2001	<u>£ 672,793</u>

10. Leasing commitments

At 31st December 2001 the company had annual commitments under non-cancellable operating leases as detailed below:

	Other 2001 £
Operating leases which expire:	
After more than one year	12,960
	<u>£12,960</u>

11. Related party transactions

During the period the company received management charges of £360,000 from Mercury Climatic Limited, a group company. In addition, all audit fees were charged through Mercury Climatic Limited as group administration costs.

All transactions were undertaken under normal commercial trading terms.

12. Comparatives

This is the company's first period of trade and therefore there are no comparatives.

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