

MCL INVESTMENTS LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2002**

**Registered Number
4144158**

ORMEROD RUTTER LIMITED



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 Limited
Registered Auditors
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

MCL INVESTMENTS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

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MCL INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present their report and the financial statements for the year ended 31st December 2002.

Principal activities

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

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

	No. of shares 2002	2001
Mr D R Williams	396	396
Mr S S John	-	-

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.

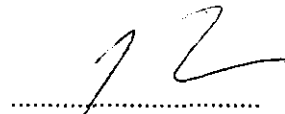
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Ormerod Rutter Limited, 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 29th May 2003 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 June 2002).

On behalf of the board



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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF MCL INVESTMENTS LIMITED
FOR THE YEAR ENDED 31ST DECEMBER 2002

We have audited the financial statements on pages 3 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 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.

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

Dated: 21st June 2003

MCL INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2002

	Note	2002 £	2001 £
Turnover		270,000	360,000
Administrative expenses		204,484	268,465
Operating profit	2	65,516	91,535
Income from investments	3	150,000	598,238
Other interest receivable and similar income		9,346	3,040
Interest payable		(56)	-
Profit on ordinary activities before taxation		224,806	692,813
Tax on profit on ordinary activities	4	(16,909)	(20,020)
Profit for the financial year		207,897	672,793
Dividends		(150,000)	-
Retained profit for the year		£ 57,897	£ 672,793

The annexed notes form part of these financial statements.

MCL INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Investments	5		702		702
Current assets					
Debtors	6	965,813		861,693	
Cash at bank and in hand		69,017		1,000,535	
		<u>1,034,830</u>		<u>1,862,228</u>	
Creditors					
Amounts falling due within one year	7	<u>(304,442)</u>		<u>(1,189,737)</u>	
Net current assets			<u>730,388</u>		<u>672,491</u>
Total assets less current liabilities			<u>731,090</u>		<u>673,193</u>
Net assets			<u>£ 731,090</u>		<u>£ 673,193</u>
Capital and reserves					
Called up share capital	8		400		400
Profit and loss account	9		730,690		672,793
Shareholders' funds			<u>£ 731,090</u>		<u>£ 673,193</u>

Approved by the board of directors on 29th May 2003 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 June 2002).



.....
Mr D R Williams
(Director)

The annexed notes form part of these financial statements.

MCL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

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 June 2002).

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 and its subsidiary form a small size group. 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

During the year the company adopted Financial Reporting Standard No.19, 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 full provision method. The implementation of Financial Reporting Standard No.19 has resulted in no material deferred tax liabilities or assets.

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 profit and loss account as they fall due.

Investments

Investments in subsidiary undertakings are included at cost.

2. Operating profit

	2002 £	2001 £
This is stated after charging:		
Directors' emoluments	47,348	76,997
Pension costs	3,552	6,640
	<hr/>	<hr/>

3. Investment income

	2002 £	2001 £
Dividends from shares in group undertakings	150,000	598,238
	<hr/>	<hr/>

MCL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2002

4. Tax on profit on ordinary activities

	2002	2001
	£	£
Current Tax:		
UK corporation tax on profits of the period	16,909	20,020
Tax on profit on ordinary activities	<u>£ 16,909</u>	<u>£ 20,020</u>

Corporation Tax has been charged at 30% (2001 - 30%).

5. Fixed asset investments

	Unlisted
	£
Cost:	
At 1st January 2002	702
Cost at 31st December 2002	<u>702</u>
Net Book Values:	
As at 31st December 2002	<u>£702</u>
As at 31st December 2001	<u>£702</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

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

The capital and reserves of the subsidiary undertakings and their results for the year are as shown in those companies financial statements.

MCL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2002

6. Debtors

	2002	2001
	£	£
Due within one year:		
Amounts owed by group undertakings	581,738	845,993
Amounts owed by undertakings in which the company has a participating interest	384,075	15,700
	<u>£965,813</u>	<u>£861,693</u>

7. Creditors - amounts falling due within one year

	2002	2001
	£	£
Bank overdraft	1,685	6,245
Trade creditors	6,555	-
Amounts owed to group undertakings	700	700
Amounts owed to undertakings in which the company has a participating interest	273,282	1,134,149
Taxation and social security	22,220	48,643
	<u>£304,442</u>	<u>£1,189,737</u>

Of the above creditors £1,685 (2001 - £6,245) is secured.

MCL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2002

8. Share capital

	2002	2001
	£	£
Authorised		
Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
	£	£
Allotted, called up and partly paid		
Ordinary shares of £1 each	400	400
	<u> </u>	<u> </u>

9. Profit and loss account

	2002
	£
Balance at 1st January 2002	672,793
Profit retained for the year	57,897
	<u> </u>
Balance at 31st December 2002	<u>£730,690</u>

10. Related party transactions

During the year the company received management charges of £270,000 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.