

REGISTERED NUMBER
1843421
England and Wales

A R B MECHANICAL SERVICES LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000



A R B MECHANICAL SERVICES LIMITED

DIRECTOR

A. R. Batten

SECRETARY

S. R. Batten

REGISTERED OFFICE

Winchester Road
Waltham Chase
Southampton
SO32 2LL

REGISTERED NUMBER

1843421 England and Wales

AUDITORS

S. L. Scott FCA
235 New London Road
Chelmsford. CM2 9AA

A R B MECHANICAL SERVICES LIMITED

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31ST MARCH 2000

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The following page does not form part of the accounts

15	Detailed Profit and Loss Account
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A R B MECHANICAL SERVICES LIMITED

REPORT OF THE DIRECTOR

The Director presents his report and audited accounts for the year ended 31st March 2000.

Trading Activity

The principal trading activity of the company during the year was that of heating, ventilation and air conditioning engineers.

The director considers that both the level of business and the year end financial position were satisfactory.

Trading Results

The results for the year are set out in the Profit and Loss Account on page 4.

The director does not propose a dividend for the year to 31st March 2000 (1999 - £Nil).

Retained profits of £145,619 (1999 - £435,282 have been allocated to reserves.

Director and his Shareholding

	Shareholding	
	2000	1999
A. R. Batten	49,500	49,500

Fixed Assets

The movement in fixed assets during the year are shown in note 8 to the accounts.

Auditors

A resolution to reappoint S.L. Scott, FCA, Chartered Accountant as auditor to the company will be put to the members at the Annual General Meeting.

A R B MECHANICAL SERVICES LIMITED

REPORT OF THE DIRECTOR

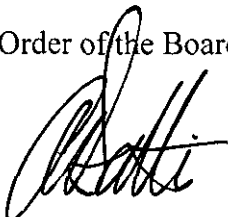
Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which gives 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 accounts the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

By Order of the Board



A.R. Batten
Director

Date: 29 January 2001

AUDITOR'S REPORT

To the Members of A R B Mechanical Services Limited

I have audited the financial statements set out on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

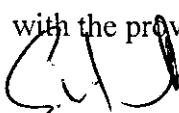
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In my opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 2000 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



S. L. Scott FCA
Chartered Accountant
235 New London Road
Chelmsford. CM2 9AA

Registered Auditor.

Date: 29 January 2001

A R B MECHANICAL SERVICES LIMITED

Profit and Loss Account

For the Year Ended 31st March 2000

	Note	2000 £	1999 £
Turnover			
Continuing Operations	2	265,066	961,302
Cost of Sales		72,080	542,123
		-----	-----
Gross Profit		192,986	419,179
Administrative Expenses		136,036	30,622
		-----	-----
Operating Profit			
Continuing Operations	3	56,950	388,557
Income from Fixed Asset Investments		5,393	4,915
Profit on Disposal of Fixed Assets		8,788	24,732
Interest Receivable	4	142,311	193,866
		-----	-----
Profit on Ordinary Activities Before Taxation		213,442	612,070
Taxation on Profit on Ordinary Activities	7	67,823	176,788
		-----	-----
Profit on Ordinary Activities After Taxation		145,619	435,282
Dividend Proposed		-	-
		-----	-----
Retained Profit for the Year	14	<u>145,619</u>	<u>435,282</u>

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

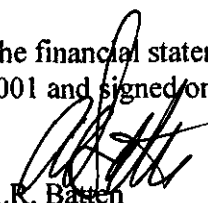
The company has no recognised gains or losses other than the profit or loss for the above two Financial years

A R B MECHANICAL SERVICES LIMITED

Balance Sheet as at 31st March 2000

	Note	2000		1999	
		£	£	£	£
Fixed Assets					
Tangible Assets					
Investment Properties	8	164,956		120,000	
Other	8	8,779		15,686	
			173,735		135,686
Current Assets					
Stocks	9	-		14,718	
Debtors	10	1,070,037		893,017	
Cash at Bank and in Hand		1,269,048		1,632,838	
		2,339,085		2,540,573	
Creditors					
Amounts falling due within one year:-	11	196,660		504,788	
Net Current Assets			2,142,425		2,035,785
Total Assets less Current Liabilities			2,316,160		2,171,471
Provisions For Liabilities and Charges					
Deferred Taxation			7,778		8,708
			2,308,382		2,162,763
Capital & Reserves					
Called up Share Capital	13	50,000		50,000	
Revaluation Reserve	14	42,692		42,692	
Profit and Loss Account		2,215,690		2,070,071	
	14	2,308,382		2,162,763	

The financial statements on pages 4 to 15 were approved by the board of directors on 29 January 2001 and signed on its behalf by:


A.R. Batten
Director

A R B MECHANICAL SERVICES LIMITED

Cash Flow Statement for the Year Ended 31st March 2000

	Notes	2000 £	1999 £
Reconciliation of Operating Profit to Net Cash inflow from Operating Activities			
Operating profit		56,950	388,557
Depreciation charges		7,059	7,994
Decrease/(Increase) in stocks		14,718	138,397
(Increase) in debtors		(177,020)	600,984
(Decrease) in creditors		(196,322)	(492,293)
		-----	-----
Net Cash Inflow from Operating Activities		(294,615)	643,639
		=====	=====
CASH FLOW STATEMENT			
Net Cash Inflow from Operating Activities		(294,615)	643,639
Returns on Investments and Servicing of Finance	15	147,704	198,781
Taxation		(180,559)	(120,556)
Capital Expenditure	15	(36,320)	97,683
		-----	-----
		(363,790)	819,547
Management of Liquid Resources	15	372,531	(833,018)
		-----	-----
Increase/Decrease in Cash		8,741	(13,471)
		=====	=====

There was no movement in net debt during the year (1999 - £Nil) - see note 15c

A R B MECHANICAL SERVICES LIMITED

Notes to the Accounts - 31st March 2000

1. Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of freehold land and buildings.

Turnover

Turnover represents net invoiced sales of goods, excluding VAT

Tangible Fixed Assets

All fixed assets are recorded at cost with the exception of the investment property which was revalued at 31 March 1997.

Depreciation is provided on all tangible fixed assets with a finite useful life at the following annual rates so that the cost of an asset is written off over the period of its expected useful life.

Plant, Fixtures and Equipment	25% on cost
Motor Vehicles	25% on cost

No depreciation is charged on any asset disposed of during a year and a full year's depreciation is charged on additions.

Land and buildings included in Investment Properties are depreciated to write down the cost less estimated residual value over the remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their estimated residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

Stocks

Stocks and Work in Progress for 2000 are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and a proportion of fixed and variable overheads.

A R B MECHANICAL SERVICES LIMITED

Notes to the Accounts - 31st March 2000

1. Accounting Policies (continued)

Deferred taxation

Provision is made at current rates for taxation deferred using the liability method on timing differences arising between depreciation charges and capital allowances and other timing differences to the extent that the benefit derived thereon is likely to reverse in the foreseeable future. Advanced corporation tax which is expected to be recovered in the future is deducted from the deferred taxation balance.

Provision is not made for additional taxation that may arise on the sale of land and buildings at their valuation.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties,

Turnover attributable to geographical markets outside the United Kingdom amounted to £Nil (1999 - £Nil). The turnover is attributable to the activity of that of heating, ventilation and air conditioning engineers.

3. Operating Profit

This is stated after charging:-

	2000	1999
	£	£
Auditor's Remuneration	3,900	4,250
Depreciation of owned fixed assets	7,059	7,994
	=====	=====

4. Interest Receivable, less Payable

	2000	1999
	£	£
Interest on Short Term Deposits	142,311	193,866
	-----	-----
	142,311	193,866
	=====	=====

A R B MECHANICAL SERVICES LIMITED

Notes to the Accounts - 31st March 2000

5. Staff Costs

	2000 £	1999 £
Wages and Salaries	111,750	92,504
Social Security Costs	9,530	7,250
	-----	-----
	121,280	99,754
	=====	=====

The average number of persons, including executive director, employed by the company during the year

Sales and administration	2	2
	---	---
	2	2
	==	==

6. Director's Remuneration

	2000 £	1999 £
Emoluments (including pension contribution)		
Management Services	83,250	68,784
	=====	=====

7. Tax on Profit on Ordinary Activities

	2000 £	1999 £
Based on the profit for the year:		
Corporation Tax at current rates	63,596	176,000
Deferred Tax	(930)	(2,833)
Prior Year Adjustment	4,227	3,621
	-----	-----
	66,893	176,788
	=====	=====

A R B MECHANICAL SERVICES LIMITED

Notes to the Accounts - 31st March 2000

8. Fixed Assets

	Investment Properties £	Motor Vehicles £	Plant £	Total £
Cost or valuation:				
At 1st April 1999	120,000	28,085	27,893	175,978
Additions	431,482	-	152	431,634
Disposals	(386,526)	-	-	(386,526)
	-----	-----	-----	-----
At 31st March 2000	164,956	28,085	28,045	221,086
	=====	=====	=====	=====
 Cost	44,956	28,085	27,893	101,086
Valuation	120,000	-	-	120,000
	-----	-----	-----	-----
	164,956	28,085	28,045	221,086
	=====	=====	=====	=====
 Depreciation:				
At 1st April 1999	-	12,400	27,892	40,292
Charge for the year		7,021	38	7,059
	-----	-----	-----	-----
At 31st March 2000	-	19,421	27,930	47,351
	=====	=====	=====	=====
 Net Book Value:				
At 31st March 1999	£120,000	£15,685	£1	£135,686
	-----	-----	-----	-----
At 31st March 2000	£164,956	£8,664	£115	£173,735
	-----	-----	-----	-----

A R B MECHANICAL SERVICES LIMITED

Notes to the Accounts - 31st March 2000

8. Fixed Assets (Cont....)

Land and Buildings Comprise:-

	2000 £	1999 £
Freeholds	164,956	120,000
	-----	-----
	164,956	120,000
	=====	=====

Land and buildings at valuation, were revalued by the director on the basis of open market value at 31 March 1997.

9. Stocks

	2000 £	1999 £
Raw Materials & Consumables	-	5,481
Work in Progress (Less payments on account)	-	9,237
	-----	-----
	-	14,718
	=====	=====

10. Debtors

	2000 £	1999 £
Due within One Year		
Trade Debtors	105,370	8,667
Other Debtors	964,512	884,195
Prepayments	155	155
	-----	-----
	1,070,37	893,017
	-----	-----

A R B MECHANICAL SERVICES LIMITED

Notes to the Accounts - 31st March 2000

11. Creditors Due within One Year

	2000 £	1999 £
Trade Creditors	120,993	161,233
A R B Mechanical Ltd	-	148,759
Corporation Tax	67,823	179,629
Other Taxation and Social Security Costs	2,194	9,517
Accruals	5,650	5,650
	<u>196,660</u>	<u>504,788</u>

12. Provisions For Liabilities and Charges

The movements in deferred taxation during the current and previous years are as follows

	2000 £	1999 £
At 1 April	8,708	11,541
Charge for the Year	(930)	(2,833)
	<u>7,778</u>	<u>8,708</u>

	2000 Amount Provided £	1999 Amount Provided £
Capital Allowances in advance of depreciation	<u>7,778</u>	<u>8,708</u>

The historical cost of the revalued property is £77,308. The liability for taxation had it been sold at balance sheet date would have been £12,433

A R B MECHANICAL SERVICES LIMITED

Notes to the Accounts - 31st March 2000

13. Called Up Share Capital

	2000 £	1999 £
Authorised		
50,000 Ordinary Shares of £1 each	50,000 =====	50,000 =====
Allotted, Called Up and Fully Paid		
50,000 Ordinary Shares of £1 each	50,000 =====	50,000 =====

14. Reconciliation of Movements on Shareholders Funds

	2000 £	1999 £
Profit for the financial year after taxation	145,619	435,282
Opening Shareholders funds at 1 April 1999	2,162,763 -----	1,727,481 -----
Closing Shareholders funds at 31 March 2000	2,162,763 =====	2,162,763 =====

15. Cash Flow Statement

15(a) Returns on investments and servicing of finance

	2000 £	1999 £
Income from Fixed Assets Investments	5,393	4,915
Interest Received	142,311	193,866
	----- 147,704 =====	----- 198,781 =====

A R B MECHANICAL SERVICES LIMITED

Notes to the Accounts - 31st March 2000

15(b) Capital Expenditure

	2000 £	1999 £
Payments to acquire tangible fixed assets	(431,635)	(7,110)
Receipts from sales of tangible fixed assets	395,315	104,793
	----- (36,320) =====	----- 97,683 =====

15(c) Management of Liquid Resources

	2000 £	1999 £
Movements on short term deposit accounts	372,531 =====	(833,018) =====

(d) Analysis of Changes in Net Debt

	At 1 April 1999 £	Cash Flows £	Other Changes £	At 31 March 2000 £
Cash at bank	(16,159)	8,741	-	(7,418)
Current Asset - - Investments	1,648,997	(372,531)	-	1,276,466
	----- 1,632,838 =====	----- (363,790) =====	----- - =====	----- 1,269,048 =====

16. Transactions with Directors

Included in 'Other debtors' (note 10) is a loan to Riverdore Limited, a company in which Mr A.R. Batten has a material interest. The loan, which is secured by way of first legal charges on freehold and leasehold properties owned by Riverdore Limited, bears interest at 3% over Barclays Bank PLC base rate and is repayable on demand.

	2000 £	1999 £
Amount outstanding at 1 April	773,153	1,216,926
Monies advanced during the year	1,035,093	1,241,298
Monies repaid during the year	(1,016,074)	(1,685,071)
	----- 792,172 =====	----- 773,153 =====