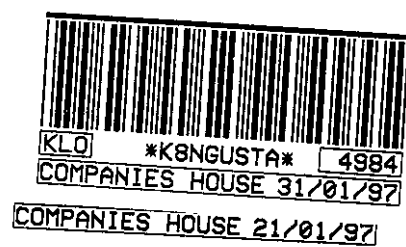


AIRFLOW HEATING LIMITED

Company Number: 02197179

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH 1996



AIRFLOW HEATING LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1996

The directors present their annual report with the accounts of the company for the year ended 31st March 1996.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial accounts 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 accounts we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial accounts 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 accounts 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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was central heating engineers.

DIRECTORS

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>1996</u>	<u>1995</u>
R J Moch	99	50
C A Moch (resigned 31.3.96)	-	50
P J Moch (resigned 30.11.95)	-	-

AUDIT

The directors consider that for the year ended 31st March 1996 the company was entitled to exemption from a statutory audit under section 249A of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

Signed on behalf of the
board of directors



R J Moch - Director

Date: 11th January 1997

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL ACCOUNTS OF
AIRFLOW HEATING LIMITED

We report on the financial accounts for the year ended 31st March 1996 set out on pages 2 to 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1, the company's directors are responsible for the preparation of the financial accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

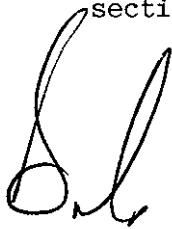
BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) the financial accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



BREEN AND CO
Reporting Accountants

8 Leighton Road
Linslade
Leighton Buzzard
Beds LU7 7LF

Date: 11th January 1997

AIRFLOW HEATING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
TURNOVER		78,337	145,476
Cost of Sales		42,164	85,656
<u>GROSS PROFIT</u>		36,173	59,820
Net Operating Expenses			
Administrative Expenses		41,261	58,032
<u>OPERATING (LOSS)/PROFIT</u>	2	(5,088)	1,788
Interest Payable		-	48
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(5,088)	1,740
Tax on Ordinary Activities	3	(1,153)	434
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£ (3,935)	£ 1,306
 <u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		12,292	10,986
Retained (Loss)/Profit for the Year		(3,935)	1,306
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 8,357	£ 12,292

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

There were no recognised gains or losses other than the profit or loss for the the above two financial years.

The attached notes form part of these accounts.

AIRFLOW HEATING LIMITED

BALANCE SHEET AS AT 31ST MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
FIXED ASSETS			
Tangible Assets	4	4,164	4,897
CURRENT ASSETS			
Debtors	5	5,316	11,533
Cash at Bank and in Hand		2,785	4,273
		8,101	15,806
CREDITORS : Amounts Falling Due within One Year	6	(3,548)	(7,931)
NET CURRENT ASSETS		4,553	7,875
TOTAL ASSETS LESS CURRENT LIABILITIES		8,717	12,772
PROVISION FOR LIABILITIES AND CHARGES - Deferred Taxation		(260)	(380)
		£ 8,457	£ 12,392
CAPITAL AND RESERVES			
Equity Interests			
Called up share capital	7	100	100
Profit and Loss Account		8,357	12,292
TOTAL SHAREHOLDERS' FUNDS	8	£ 8,457	£ 12,392

The directors consider that for the year ended 31st March 1996 the company was entitled to exemption under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

In the preparation of the accounts advantage has been taken of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

Signed on behalf of the board of directors


 R J Moch - Director

Approved by the board:

11th January 1997

AIRFLOW HEATING LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention and include the results of the company's operations, which are described in in the directors report, and all of which are continuing.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Motor Vehicles	20% on cost
Plant and Equipment	10-20% on cost
Loose Tools	10% on cost

Deferred Taxation

Deferred Taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

2. OPERATING (LOSS)/PROFIT

The Operating Loss (1995 - Profit) is stated after charging:

	<u>1996</u> £	<u>1995</u> £
Directors Remuneration	25,045	38,500
Depreciation of Tangible Fixed Assets	1,483	1,642
	<u> </u>	<u> </u>

3. TAXATION

The tax charge on the loss on ordinary activities was as follows:

	<u>1996</u> £	<u>1995</u> £
Corporation Tax	(1,033)	564
Deferred Taxation	(120)	(130)
	<u> </u>	<u> </u>

Corporation tax has been charged on the loss at 25% (1995 25%).

AIRFLOW HEATING LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

4. TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant & Equipment	Loose Tools	TOTAL
	£	£	£	£
COST				
At 1st April 1995	4,380	3,192	2,137	9,709
Additions in the year	-	1,050	200	1,250
Disposals in the year	(900)	(1,567)	-	(2,467)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1996	3,480	2,675	2,337	8,492
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1st April 1995	2,178	2,003	631	4,812
Write Off On Disposal	(315)	(1,345)	-	(1,660)
Charge for the year	696	261	219	1,176
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1996	2,559	919	850	4,328
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31st March 1996	921	1,756	1,487	4,164
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1995	2,202	1,189	1,506	4,897
	<hr/>	<hr/>	<hr/>	<hr/>

5. DEBTORS

	<u>1996</u> £	<u>1995</u> £
Amounts due within one year:		
Trade Debtors	3,065	11,093
Other Debtors	2,251	440
	<hr/>	<hr/>
	5,316	11,533
	<hr/>	<hr/>

6. CREDITORS: Amounts falling Due within One Year

Trade Creditors	1,616	4,357
Social Security and Other Taxes	1,200	2,326
Corporation Tax	-	564
Other Creditors	732	684
	<hr/>	<hr/>
	3,548	7,931
	<hr/>	<hr/>

AIRFLOW HEATING LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

7. SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, Issued and Fully Paid:		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

(Loss)/profit for the financial year	(3,935)	1,306
Opening Shareholders' Funds	12,392	11,086
	<u> </u>	<u> </u>
Closing Shareholders' Funds	8,457	12,392
	<u> </u>	<u> </u>