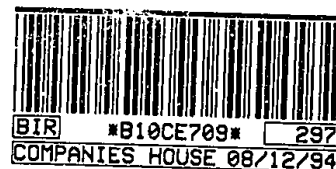

Roof Units (Group) Limited

Report and Financial Statements

◆ *Year ended 31 March 1994* ◆



Company No: 2490139

ROOF UNITS (GROUP) LIMITED

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ROOF UNITS (GROUP) LIMITED

COMPANY INFORMATION

Directors R L Ball (Chairman)
 G J Ball
 D J Hulse
 I J Raybould
 J Norwood
 M Hampson
 D J Blythe
 D J Price

Secretary I J Raybould

Registered office Peartree House
 Peartree Lane
 Dudley
 West Midlands
 DY2 0QU

Registered number 2490139

Auditors Robson Rhodes
 Chartered Accountants
 Centre City Tower
 7 Hill Street
 Birmingham
 B5 4UU

Bankers Barclays Bank PLC
 313 High Street
 West Bromwich
 West Midlands
 B70 8LP

ROOF UNITS (GROUP) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 1994.

Principal activities

The principal activity of the company is the provision of management services to fellow subsidiaries.

Business review and future developments

The company acts as an administration company for certain of the group's activities and has had no trading role during the year.

On 30 June 1993 the entire share capital of the company was acquired by Air Movement (Holdings) Limited, which remains the ultimate parent company.

Results and dividends

The profit for the year after tax amounted to £2,229,760. It is recommended that this amount be dealt with as follows:

	£
Ordinary dividend paid	1,200,000
Transfer to reserves	1,029,760
	<hr/>
	2,229,760
	<hr/>

Fixed assets

The movements in fixed assets are set out in Notes 10 and 11 to the financial statements.

ROOF UNITS (GROUP) LIMITED

REPORT OF THE DIRECTORS

(Continued)

Directors

The directors of the company at the date of this report are set out on page 1. Messrs B W L Hoyes and R A Stokes resigned on 30 June 1993. Mr D J Price was appointed on 1 December 1993.

The interests of the directors, including non-beneficial interests, in the share capital of the company at the balance sheet date are set out below:

	Ordinary shares of 10p each	
	31 March 1994	31 March 1993
R L Ball	-	68,238
I J Raybould	-	2,918
D J Hulse	-	4,700
G J Ball	-	2,918
J Norwood	-	200
M Hampson	-	-
D J Blythe	-	-
D J Price	-	-

Messrs R L Ball, I J Raybould and G J Ball are also directors of the ultimate parent company, Air Movement (Holdings) Limited and their interests in the share capital of Air Movement (Holdings) Limited are shown in the directors' report of that company.

The interests of the other directors in the share capital of Air Movement (Holdings) Limited are as follows:

	Ordinary shares of 10p each 31 March 1994
D J Hulse	4,700
J Norwood	200
M Hampson	100
D J Blythe	100
D J Price	100

The company purchased during the year insurance against the liabilities of all of the directors in relation to the company.

Donations

No charitable donations were made during the year (1993 - £855). There were no political donations (1993 - £Nil).

ROOF UNITS (GROUP) LIMITED

REPORT OF THE DIRECTORS (Continued)

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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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, Robson Rhodes are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 28 October 1994 and signed on its behalf by:



IAN JOHN RAYBOULD
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF ROOF UNITS (GROUP) LIMITED

We have audited the financial statements on pages 6 to 17 which have been prepared on the basis of the accounting policies set out on pages 8.

Respective responsibilities of directors and auditors

As described on page 4 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Robson Rhodes

Robson Rhodes
Chartered Accountants and Registered Auditor

Birmingham
28 October 1994

ROOF UNITS (GROUP) LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 March 1994

	Note	1994 £	1993 £
Turnover - continuing operations	1	-	1,975,000
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	1,975,000
Administrative expenses		(63,918)	(1,816,779)
		<hr/>	<hr/>
Operating (loss)/ profit - continuing operations	2	(63,918)	158,221
Income from fixed asset investments	3	2,436,000	500,000
Interest receivable and similar income	4	164,895	361,612
Interest payable	5	(397,217)	(497,968)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		2,139,760	521,865
Tax on profit on ordinary activities	8	90,000	(53,000)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		2,229,760	468,865
Dividends	9	(1,200,000)	(65,235)
		<hr/>	<hr/>
Retained profit for the year	17	1,029,760	403,630
		<hr/>	<hr/>

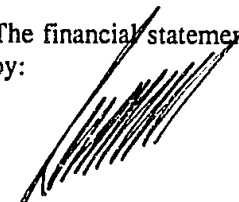
There were no recognised gains or losses other than those shown above.

ROOF UNITS (GROUP) LIMITED

BALANCE SHEET at 31 March 1994

	Note	1994 £	1993 £
Fixed assets			
Tangible assets	10	-	298,964
Investments	11	90,596	90,596
		<hr/>	<hr/>
		90,596	389,560
Current assets			
Debtors	12	5,645,419	5,533,204
Cash at bank and in hand		5,123,413	4,312,653
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	13	10,768,832 (3,651,880)	9,845,857 (3,946,579)
		<hr/>	<hr/>
Net current assets		7,116,952	5,899,278
		<hr/>	<hr/>
Total assets less current liabilities		7,207,548	6,288,838
Creditors: Amounts falling due after more than one year	14	(4,157,500)	(4,268,550)
		<hr/>	<hr/>
Net assets		3,050,048	2,020,288
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	16	12,694	12,694
Merger reserve	17	1,065,667	1,065,667
Profit and loss account	17	1,971,687	941,927
		<hr/>	<hr/>
Shareholders' funds		3,050,048	2,020,288
		<hr/>	<hr/>

The financial statements were approved by the Board on 28 October 1994 and signed on its behalf by:


RAYMOND LESLIE BALL
Director

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1994

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

Turnover

Turnover consists of the invoiced value (excluding VAT) for management charges supplied to subsidiary companies.

Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group companies in independently administered funds. The pension cost charge represents contributions payable by the company to the funds amounting to £Nil (1993 - £262,049). Contributions totalling £Nil (1993 - £24,546) were payable to the funds at the year end and were included in creditors.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Advance corporation tax on dividends paid and proposed for the year is not written off if UK corporation tax liabilities for the period up to the next balance sheet date are expected to be sufficient to absorb this tax.

Tangible fixed assets and depreciation

Depreciation is provided evenly on the costs of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Fixtures and fittings	10% - 20% per annum
Motor vehicles	20% - 25% per annum

Leased assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1994

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is arrived at after charging:

	1994	1993
	£	£
Depreciation of tangible fixed assets	-	52,215
Operating lease rentals		
land and buildings	-	26,550
Auditors' remuneration: audit	1,000	5,000
other	1,000	2,500

3. INCOME FROM FIXED ASSET INVESTMENTS

	1994	1993
	£	£
Income from shares in group undertakings	2,436,000	500,000

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1994	1993
	£	£
Bank deposit interest	125,895	292,916
Interest on certificate of tax deposit	-	2,559
Other interest receivable	39,000	66,137
	164,895	361,612

5. INTEREST PAYABLE

	1994	1993
	£	£
Bank overdrafts and loans repayable wholly within five years	20,244	112,995
9.19% loan stock	376,973	384,973
	397,217	497,968

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1994

6. EMPLOYEES

Average weekly number of employees, including directors:

	1994 No	1993 No
Administration	-	48

Staff costs, including directors:

	1994 £	1993 £
Wages and salaries	-	892,096
Social security costs	-	136,900
Other pension costs	-	262,049
	NIL	1,291,045

7. DIRECTORS

Emoluments of the company's directors, all of which is charged in the accounts of subsidiary companies:

	1994 £	1993 £
Emoluments	626,384	775,000
Compensation for loss of office	49,920	-
Pension contributions	302,538	300,000
	978,842	1,075,000

Compensation for loss of office represents the book value of cars gifted to directors on their retirement.

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1994

7. DIRECTORS (Continued)

Emoluments exclusive of pension contributions:

The emoluments of the chairman were £231,523 (1993 - £208,000). The emoluments of the other directors, also exclusive of pension contributions, were in the following ranges:

	1994 No	1993 No
£15,001 - £20,000	1	-
£30,001 - £35,000	2	-
£40,001 - £45,000	-	4
£45,001 - £50,000	1	-
£50,001 - £55,000	2	-
£60,001 - £65,000	-	2
£65,001 - £70,000	1	1
£70,001 - £75,000	2	-
£90,001 - £95,000	-	1
£105,001 - £110,000	-	1

8. TAXATION

Taxation charge for the year:

	1994 £	1993 £
Corporation tax at 33% (1993 - 33%)	-	53,000
Group relief receivable	(90,000)	-
	<u>(90,000)</u>	<u>53,000</u>

9. DIVIDENDS

	1994 £	1993 £
Proposed ordinary dividend of 551p per share (1993 - 51p)	700,000	65,235
Interim ordinary dividend of 394p per share (1993: £Nil)	500,000	-
	<u>1,200,000</u>	<u>65,235</u>

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 1994

10. TANGIBLE ASSETS

	Plant and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 1993	150,686	340,256	490,942
Transfers	(150,686)	(340,256)	(490,942)
At 31 March 1994	-	-	-
Depreciation			
At 1 April 1993	50,255	141,723	191,978
Transfers	(50,255)	(141,723)	(191,978)
At 31 March 1994	-	-	-
Net book value			
At 31 March 1994	NIL	NIL	NIL
At 31 March 1993	100,431	198,533	298,964

11. INVESTMENTS

	£
Shares in subsidiary undertakings at 1 April 1993 and 31 March 1994:	
Cost	93,596
Provision	(3,000)
Net book value	90,596

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1994

11. INVESTMENTS (Continued)

The subsidiary companies listed below are wholly owned, (with the exception of NCA Manufacturing Limited, which is 95% owned), registered in England and Wales and, if trading, involved in the manufacture and/or supply of heating and ventilation products, unless otherwise noted.

The company is itself a wholly owned subsidiary and has therefore not presented consolidated financial statements.

Owned by Roof Units (Group) Limited:

Air Movement Group Limited (formerly Roof Units Group Limited)
Air Movement Group Services Limited (Property Management)
* Airtrust Limited
NCA Manufacturing Limited

Owned by Air Movement Group Limited:

Beamtone Limited (Provision of Management Services)
* Advent Ventilation Supplies (East Midlands) Limited
* A Paling (Dust Extracting Engineers) Limited
* Fans & Spares Group Limited
* Fans & Spares Limited
* Fans & Spares (East) Limited
* Fans & Spares (E.M.) Limited
* Fans & Spares (N.E.) Limited
* Fans & Spares (N.W.) Limited
* Fans & Spares (Scotland) Limited
* Fans & Spares (S.E.) Limited
* Fans & Spares (Southern) Limited
* Fans & Spares (S.W.) Limited
* Flexible Tubing & Fittings Limited
* Flexible Tubing & Fittings (Dudley) Limited
* Flowline Grilles Limited
* Larkinair Limited
* Powercat Limited
* Power Supplies Limited
* RAM Electronics (UK) Limited
* Roof Units Limited
* Roof Units Marketing Limited
* Roof Units (Engineering) Limited
* Roof Units International Limited
* Specialised Air Movement Equipment Limited
* Supply Air Limited
* Supply Air (London) Limited

* Dormant subsidiaries

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1994

12. DEBTORS

	1994 £	1993 £
Due within one year		
Certificate of tax deposit	-	315,898
Amounts owed by group undertakings	3,226,692	4,269,224
Taxation recoverable	-	45,881
Other debtors	766,727	902,201
Dividends receivable	1,562,000	-
Group relief receivable	90,000	-
	<hr/>	<hr/>
	5,645,419	5,533,204
	<hr/>	<hr/>

Included within other debtors is a loan of £650,000 made on normal commercial terms to Foray 306 Limited. Messrs R L Ball, G J Ball, D J Hulse and I J Raybould are directors and shareholders of Foray 306 Limited.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994 £	1993 £
Bank loans	53,400	217,218
9.19% loan stock (note 19)	71,000	69,000
Trade creditors	-	109,143
Amounts owed to group undertakings	2,753,278	2,752,531
Corporation tax	22,045	155,437
Other taxation and social security	-	30,850
Other creditors	-	193,030
Accruals and deferred income	2,000	353,249
Proposed dividend	700,834	66,121
Group relief payable	49,323	-
	<hr/>	<hr/>
	3,651,880	3,946,579
	<hr/>	<hr/>

ROOF UNITS (GROUP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 March 1994****14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1994 £	1993 £
9.19% loan stock:		
Repayable within 1 to 2 years	1,699,000	1,305,000
Repayable within 2 to 5 years	1,395,000	1,395,000
Repayable after 5 years	930,000	1,395,000
Bank loans:		
Repayable within 1 to 2 years	53,400	53,400
Repayable within 2 to 5 years	80,100	120,150
	<u>4,157,500</u>	<u>4,268,550</u>

Bank loans and overdrafts are secured by fixed charges on certain of the group's freehold properties and cross guarantees between specified subsidiaries.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	1994 Deferred taxation not provided £	1993 Deferred taxation not provided £
Other short term timing differences	<u>34,320</u>	<u>21,450</u>

16. SHARE CAPITAL

	1994 £	1993 £
Authorised		
500,000,000 shares of 10p each	<u>50,000,000</u>	<u>50,000,000</u>
Allotted and fully paid		
126,941 shares of 10p each	<u>12,694</u>	<u>12,694</u>

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 1994

17. RESERVES

	Merger reserve £	Profit and loss account £
At 1 April 1993	1,065,667	941,927
Retained profit	-	1,029,760
	<hr/>	<hr/>
At 31 March 1994	1,065,667	1,971,687
	<hr/>	<hr/>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Total recognised gains	2,229,760	468,865
Dividends	(1,200,000)	(65,235)
Merger reserve adjustment	-	(12,531,418)
	<hr/>	<hr/>
Opening shareholders' funds	1,029,760	(12,127,788)
	2,020,288	14,148,076
	<hr/>	<hr/>
Closing shareholders' funds	3,050,048	2,020,288
	<hr/>	<hr/>

19. LOAN STOCK

The 9.19% loan stock was issued on 24 May 1990 as part consideration of the acquisition of 26.4% of the issued share capital of Beamtone Limited (Beamtone Limited was transferred to Air Movement Group Limited, a subsidiary company, during the year ended 31 March 1993) and is subject to the following conditions:

- (i) The loan stock is redeemable at par at the maximum rate of £465,000 per annum on 30 April each year (commencing in 1991) provided at least one month's notice in writing is given by the stockholder.
- (ii) If less than £465,000 is redeemed in any one year by the stockholders this can be carried forward and added to the amounts available for redemption in future years.
- (iii) The notes, unless previously repaid by the company, will be redeemed at par on 24 May 2010.

ROOF UNITS (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1994

20. CONTINGENT LIABILITIES

The company has guaranteed the bank borrowings of certain subsidiaries.

Guarantees totalling £50,000 have been given to H M Customs & Excise in respect of deferred duty and value added tax on imports.

21. FINANCIAL COMMITMENTS

Capital commitments

Capital expenditure commitments were as follows:

	1994	1993
	£	£
Contracted for, but not provided in the accounts	NIL	NIL
	<hr/>	<hr/>
Authorised by the directors, but not contracted	NIL	NIL
	<hr/>	<hr/>

22. PARENT UNDERTAKING

The ultimate parent company is Air Movement (Holdings) Limited, which is registered in England and Wales.

Its group accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

ROOF UNITS (GROUP) LIMITED

**The following page does not form part of the
audited statutory financial statements and is for
management purpose only**

ROOF UNITS (GROUP) LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1994****For directors' use only**

	1994	1993
	£	£
Income		
Management charge to subsidiaries	-	1,975,000
Dividends receivable from subsidiaries	2,436,000	500,000
	<hr/>	<hr/>
	2,436,000	2,475,000
Administrative expenses		
Directors' bonus	-	231,115
Salaries and pensions	-	1,059,930
Audit	1,000	7,500
Professional fees	1,000	142,854
Motor expenses	-	39,272
Depreciation	-	52,184
Staff welfare and training	-	12,925
Repairs	-	13,944
Light and heat	-	9,171
Bank charges	25,659	37,630
Subscriptions and donations	-	855
Telephone	-	20,351
Postage and stationery	-	19,206
Sundry expenses	-	4,906
Vehicle leasing	-	-
Rent	-	26,550
Insurance	-	6,321
Publicity	-	12,372
Overseas travel	-	42,866
Entertaining	-	9,833
Computer expenses	-	32,820
Airtrust contributions	44,000	37,450
Profit on disposal of fixed assets		(3,276)
Recharged expenses	(7,741)	-
	<hr/>	<hr/>
	63,918	1,816,779
	<hr/>	<hr/>
Profit before interest	2,372,082	658,221
	<hr/>	<hr/>