

REGISTRAR OF COMPANIES
PLEASE SIGN & RETURN

CLYDESDALE AIR CONDITIONING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST AUGUST 1998

I.A. STEWART & CO
Chartered Accountants & Registered Auditors
1 Hope Street
Lanark
ML11 7LZ



CLYDESDALE AIR CONDITIONING LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

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CLYDESDALE AIR CONDITIONING LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31st August 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 11th November 1998 we reported as auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

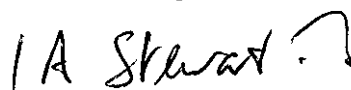
The Company has not provided depreciation in respect of buildings. This does not comply with the requirements of the financial reporting standard for smaller entities.

Fundamental uncertainty

In forming our opinion, we have considered the possible outcome of litigation against a main contractor in respect of claims for payments, the basis of calculation of which are being disputed. The future settlement of this litigation could result in the company's working capital and cashflow becoming insufficient to conduct the current level of business. The results of the litigation to date have been favourable to the company. Our opinion is not qualified in this respect.

1 Hope Street
Lanark
ML11 7LZ

11th November 1998


I.A. STEWART & CO
Chartered Accountants
& Registered Auditors

CLYDESDALE AIR CONDITIONING LIMITED

ABBREVIATED BALANCE SHEET

31ST AUGUST 1998

		1998	1997
		£	£
FIXED ASSETS	2		
Tangible assets		121,984	135,632
CURRENT ASSETS			
Stocks		158,676	221,709
Debtors		23,405	154,499
Cash at bank and in hand		333	502
		<u>182,414</u>	<u>376,710</u>
CREDITORS: Amounts falling due within one year	3	<u>(287,324)</u>	<u>(430,380)</u>
NET CURRENT LIABILITIES		(104,910)	(53,670)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,074</u>	<u>81,962</u>
CREDITORS: Amounts falling due after more than one year	4	(14,657)	(25,133)
PROVISIONS FOR LIABILITIES AND CHARGES		-	(470)
		<u>2,417</u>	<u>56,359</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	20,000	1,000
Profit and loss account		(17,583)	55,359
SHAREHOLDERS' FUNDS		<u>2,417</u>	<u>56,359</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

These financial statements were approved by the directors on the 11th November 1998 and are signed on their behalf by:

Anne Leggatt
A H LEGGATT
Director

The notes on pages 3 to 5 form part of these financial statements.

CLYDESDALE AIR CONDITIONING LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	15%	reducing balance
Fixtures & Fittings	-	15%	reducing balance
Motor Vehicles	-	25%	reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any identifiable losses where appropriate. An element of profit is included in work in progress where the valuation has been agreed by the customer.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

CLYDESDALE AIR CONDITIONING LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1st September 1997	208,659
Additions	34,740
Disposals	(51,030)
At 31st August 1998	<u>192,369</u>
DEPRECIATION	
At 1st September 1997	73,027
Charge for year	23,513
On disposals	(26,155)
At 31st August 1998	<u>70,385</u>
NET BOOK VALUE	
At 31st August 1998	<u>121,984</u>
At 31st August 1997	<u>135,632</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	56,567	54,122
Hire purchase creditors	15,164	13,176
	<u>71,731</u>	<u>67,298</u>

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	12,167	22,684
Hire purchase creditors	2,490	2,449
	<u>14,657</u>	<u>25,133</u>

CLYDESDALE AIR CONDITIONING LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

5. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital brought forward	1,000	1,000
Issue of ordinary shares	<u>19,000</u>	<u>-</u>
	<u>20,000</u>	<u>1,000</u>

The issue of 19,000 ordinary shares in the year was to strengthen the balance sheet and provide additional working capital for the company.