

**E. CROWLEY AND SON LIMITED**

**Financial Statements**

**for the year ended  
31st December 1996**



**Chairman**

Mr E. Crowley

**Registered Office**

Bentalls  
Pipps Hill Industrial Estate  
Basildon  
Essex  
SS14 3BY

**Directors**

Mr E. Crowley  
Mrs D.J. Crowley

**Secretary**

Mrs D.J. Crowley

**Auditors**

Wilkins Kennedy  
1 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

**Bankers**

National Westminster Bank Plc  
73 Main Road  
Gidea Park  
Romford  
Essex  
RM2 5EP

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1 and 2	Directors' Report
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The directors submit their report together with the audited financial statements for the year ended 31st December 1996.

**Principal Activity**

The principal activity of the company continued to be that of the manufacture of high speed saws.

**Directors and their Interests**

The directors who served during the year and their interests, together with the interests of their families, in the share capital of the company were as follows:

	<b>Class of share</b>	<b>31st December 1996</b>	<b>31st December 1995</b>
Mr E. Crowley	Ordinary	1,800	1,800
Mrs D.J. Crowley	Ordinary	100	100

**Cashflow Statement**

In the opinion of the directors the company qualifies as a small company and as such no cashflow statement has been prepared.

**Directors' Statement**

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 company's affairs and of the profit/loss for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

**E. CROWLEY AND SON LIMITED**

**Directors' Report**

**for the year ended 31st December 1996**

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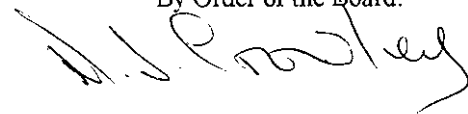
**Auditors**

The Auditors, Wilkins Kennedy Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

**Exemption Statement**

Advantage has been taken, in the preparation of these Financial Statements, of the special exemptions applicable to small companies under the Companies Act 1985.

By Order of the Board:



Mrs D.J. Crowley, Secretary

9th May 1997

We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

**Respective responsibilities of the directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the 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**

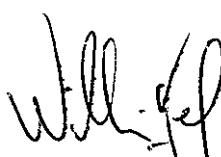
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and 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 consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 as at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

1 Nelson Street  
Southend - on - Sea  
Essex  
SS1 1EG

  
**Wilkins Kennedy**  
**Chartered Accountants**  
**and Registered Auditors**

9th May 1997

**E. CROWLEY AND SON LIMITED****Profit and Loss Account****for the year ended 31st December 1996**

	Notes	£	1996 £	£	1995 £
<b>Turnover</b>	2		697,571		671,839
Cost of sales			562,944		536,752
<b>Gross profit</b>			134,627		135,087
Distribution costs		25,525		36,642	
Administration expenses		126,008		129,476	
			151,533		166,118
			(16,906)		(31,031)
Other operating income	3		39,000		39,000
<b>Operating profit</b>	4		22,094		7,969
Interest payable and similar charges	5		19,542		19,790
<b>Profit/Loss on ordinary activities before Taxation</b>			2,552		(11,821)
Tax on profit/loss on ordinary activities	6		-		1,228
<b>Retained profit/loss transferred to reserves</b>	12		2,552		(13,049)

*There were no recognised gains or losses during the year other than those dealt with in the above profit and loss account.*

*All amounts relate to continuing activities.*

# E. CROWLEY AND SON LIMITED

## Balance Sheet

as at 31st December 1996

	Notes	£	1996 £	£	1995 £
<b>Fixed Assets</b>					
Tangible Fixed Assets	7		359,577		373,498
<b>Current Assets</b>					
Stock		94,609		151,586	
Debtors	8	182,395		180,268	
Cash at bank and in-hand		1,828		1,823	
			278,832	333,677	
<b>Creditors:</b>					
Amounts falling due within one year	9	305,124		348,091	
<b>Net Current Liabilities</b>			(26,292)		(14,414)
<b>Total Assets less Current Liabilities</b>			333,285		359,084
<b>Creditors:</b>					
Amounts falling due after one year	10		35,898		64,249
<b>Net Assets</b>			297,387		294,835
<b>Capital and Reserves</b>					
Called up share capital	11		2,000		2,000
Profit and loss account	12		295,387		292,835
<b>Shareholders' Funds</b>	13		297,387		294,835

The directors have relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

These accounts were approved by the board on 9th May 1997.

Mr E. Crowley

Mrs D.J. Crowley

**Directors**

**1 Principal Accounting Policies***Accounting Convention*

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

*Turnover*

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

*Depreciation*

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases: --

Freehold properties	Not depreciated
Plant and machinery	20% reducing balance basis
Motor vehicles	25% reducing balance basis
Furniture, fixtures and fittings	10% reducing balance basis

No depreciation is provided in respect of freehold land, nor freehold buildings with a life expectancy in excess of 50 years. Although the Statement of Standard Accounting Practice No. 12 (revised) recommends the depreciation of freehold buildings, it is in the opinion of the directors that their market value is considerably in excess of the Balance Sheet value and that the buildings themselves are regularly maintained.

*Stocks and Work in Progress*

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

*Deferred Taxation*

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

*Foreign Currencies*

Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

31st December 1996

*Leased Assets*

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight-line basis over the lease term.

**2 Turnover**

Turnover and profit/loss on ordinary activities before taxation are attributable to the principal activity of the company.

**3 Other Operating Income**

	1996	1995
	£	£
Management fees	39,000	39,000

**4 Operating Profit**

*The operating profit is stated after charging or crediting:*

	1996	1995
	£	£
Auditors' remuneration	3,500	3,500
Depreciation etc.	37,171	42,583
Profit/Loss on sale of fixed assets	(6,020)	2,890

**5 Interest Payable and Similar Charges**

	1996	1995
	£	£
Bank loans, overdrafts and other loans repayable within five years	11,139	13,463
Finance charges in respect of finance leases	8,403	6,327
	19,542	19,790

**6 Taxation On Profit On Ordinary Activities**

	1996	1995
	£	£
<i>Based on the profit/loss for the year:</i>		
Prior year adjustments - corporation tax	-	1,228

31st December 1996

7	Tangible Fixed Assets	Land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	<b>Cost</b>	£	£	£	£	£
	At 1st January 1996	213,421	639,588	74,458	29,996	957,463
	Additions	-	26,400	25,900	2,655	54,955
	Disposals	-	-	(47,195)	-	(47,195)
	At 31st December 1996	213,421	665,988	53,163	32,651	965,223
	<b>Depreciation</b>					
	At 1st January 1996	-	544,482	22,304	17,179	583,965
	Charged for the year	-	24,301	11,588	1,282	37,171
	Relating to disposals	-	-	(15,490)	-	(15,490)
	At 31st December 1996	-	568,783	18,402	18,461	605,646
	<b>Net Book Value</b>					
	At 31st December 1996	213,421	97,205	34,761	14,190	359,577
	At 1st January 1996	213,421	95,106	52,154	12,817	373,498

The net book value of fixed assets includes assets under finance leases or hire purchase contracts amounting to:

Plant and machinery £21,008 (1995: £22,740)

Motor vehicles £34,759 (1995: £50,444)

8	Debtors	1996 £	1995 £
	Trade debtors	182,395	180,268
9	Creditors: Amounts Falling Due Within One Year	1996 £	1995 £
	Bank loans and overdrafts (secured)	44,777	32,269
	Obligations under hire purchase and finance lease contracts (secured)	22,911	32,232
	Trade creditors	84,854	143,792
	Amounts due to related company	105,516	94,497
	Other taxes and social security	33,561	37,832
	Other creditors	1,623	1,919
	Accruals and deferred income	11,882	5,550
		305,124	348,091
10	Creditors: Amounts Falling Due After One Year	1996 £	1995 £
	Bank loans and overdrafts (secured)	11,286	34,684
	Obligations under hire purchase and finance lease contracts (secured)	24,612	29,565
		35,898	64,249

**E. CROWLEY AND SON LIMITED****Notes to the Accounts****31st December 1996**

<b>11</b>	<b>Share Capital</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Authorised ordinary shares of £1 each	2,000	2,000
	Issued and fully paid ordinary shares of £1 each	2,000	2,000
<b>12</b>	<b>Profit and Loss Account</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	At 1st January 1996	292,835	305,884
	Profit/Loss for the year	2,552	(13,049)
	At 31st December 1996	295,387	292,835
<b>13</b>	<b>Reconciliation of Movements in Shareholders Funds</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Profit/Loss for the financial year	2,552	(13,049)
	Opening shareholders' funds	294,835	307,884
	Closing shareholders' funds	297,387	294,835
<b>14</b>	<b>Contingent Liabilities</b>		
	The company had no contingent liabilities at 31st December 1996.		
<b>15</b>	<b>Capital Commitments</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Capital commitments as at 31st December 1996 are as follows:		
	Authorised but not contracted for	-	-
	Authorised and contracted for	-	-
	Other commitments	-	-
<b>16</b>	<b>Post Balance Sheet Events</b>		
	There were no post balance sheet events requiring disclosure.		
<b>17</b>	<b>Transactions With Directors</b>		
	There were no transactions with directors during the year ended 31st December 1996 requiring disclosure.		