

JOHN EDWARD CROWTHER LIMITED**FINANCIAL STATEMENTS****31 MARCH 2007****CONTENTS**

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Company registration number 298851

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JOHN EDWARD CROWTHER LIMITED**COMPANY INFORMATION****Directors**

D P Crowther (Chairman)
P R Crowther
E R Lee

Secretary and Registered office

E R Lee
Bank Bottom Mills
Marsden
Huddersfield
HD7 6HR

Auditors

Wheawill & Sudworth
Chartered Accountants
35 Westgate
Huddersfield
HD1 1PA

JOHN EDWARD CROWTHER LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2007

Directors

The names of the present directors who served during the year are

D P Crowther	Chairman
P R Crowther	
E R Lee	

The director retiring by rotation is ER Lee who, being eligible offers himself for re-election

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. The financial statements are required by law to 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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing those financial statements, the directors are required to

- ~ select suitable accounting policies and then apply them consistently,
- ~ make judgments and estimates that are reasonable and prudent,
- ~ state whether applicable UK 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 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.

Directors' interests

The directors' shareholdings in the shares of the parent company, JEC Investment Company Limited are as follows

	Ordinary shares of £1 each	
	31 March 2007	31 March 2006
	No	No
David Philip Crowther	7,543	7,543
Philip Roger Crowther	2,000	2,000
Edward Rowland Lee	*9,000	*9,000
*denotes non-beneficial interest		

The directors do not have any interests in any of the other group companies

JOHN EDWARD CROWTHER LIMITED**DIRECTORS' REPORT** (continued)**Principal activity**

Until 2003, the company traded as a yarn spinner. Whilst the disposal of stock and fixed assets from these former activities still continue, the principal activities are now the lettings of the properties formerly used in the yarn spinning activities.

Business review and results

The profit for the year after taxation amounted to £38,478 (2006 loss of £11,843). The directors do not recommend the payment of a dividend. The results for the year are dealt with fully in the annexed accounts.

Work has continued on certain properties to convert them into individual units contributing to the increase in property income from £35,807 in 2006 to £92,596 in 2007.

Auditors

A resolution to re-appoint Wheawill & Sudworth as auditors will be put to the shareholders at the Annual General Meeting.

Statement of disclosure of information to auditors

- (a) So far as the directors are aware there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that we ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

D P CROWTHER
Chairman
17 October 2007



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHN EDWARD CROWTHER LIMITED

We have audited the financial statements of John Edward Crowther Limited for the year ended 31 March 2007 which are set out on pages 6 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the report and financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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 the 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 or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHN EDWARD CROWTHER LIMITED (continued)

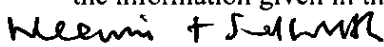
Qualified opinion arising from disagreement about accounting treatment

As explained in note 1 investment properties totalling £600,415 are included at cost less depreciation rather than as required by applicable Accounting Standards at their open market value. We are unable to quantify the effect, if any, on reserves and tangible fixed assets of this non-compliance.

Except for the effect of accounting for investment properties in the manner disclosed above, in our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985,

the information given in the Directors' Report is consistent with the financial statements


WHEAWILL & SUDWORTH

Registered Auditors
Chartered Accountants

35 Westgate
Huddersfield
HD1 1PA
17 October 2007

JOHN EDWARD CROWTHER LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended

31 MARCH 2007

Note		Continuing Activities £	Discontinued Activities £	Total 2007 £	Continuing Activities £	Discontinued Activities £	Total 2006 £
2	Turnover	92,596	5,749	98,345	35,807	9,276	45,083
	Cost of sales	(168,255)	100	(168,155)	(185,608)	55,907	(129,701)
		(75,659)	5,849	(69,810)	(149,801)	65,183	(84,618)
	Distribution costs	-	(628)	(628)	-	21,443	21,443
	Administrative expenses	(18,742)	-	(18,742)	(20,289)		(20,289)
	Other operating income	500	22,042	22,542	500	(7,305)	(6,805)
3	(Loss)/profit on ordinary activities before interest	(93,901)	27,263	(66,638)	(169,590)	79,321	(90,269)
	Interest receivable and similar income			111,016			77,473
	Profit (loss) on ordinary activities before taxation			44,378			(12,796)
4	Taxation on profit (loss) on ordinary activities			(5,900)			953
	Profit (loss) for the financial year			<u>38,478</u>			<u>(11,843)</u>

Total recognised gains and losses

The profit/(loss) for the financial year is the total of all recognised gains and losses for the year

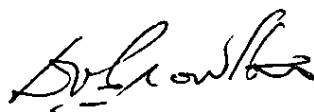
The notes on pages 8 to 13 form part of these financial statements

JOHN EDWARD CROWTHER LIMITED**BALANCE SHEET****31 MARCH 2007**

Note		2007 £	2006 £
	Fixed assets		
5	Tangible assets	604,166	634,099
	Current assets		
6	Stocks	650	3,236
7	Debtors	5,019	20,366
	Amount falling due after more than one year	2,546,955	2,598,341
	Cash at bank and in hand	108,264	170
		<u>2,660,888</u>	<u>2,622,113</u>
8	Creditors amounts falling due within one year	(85,330)	(114,966)
	Net current assets	<u>2,575,558</u>	<u>2,507,147</u>
	Net assets	<u>3,179,724</u>	<u>3,141,246</u>
	Capital and reserves		
9	Called up share capital	287,402	287,402
10	Profit and loss account	2,892,322	2,853,844
11	Shareholders' funds	<u>3,179,724</u>	<u>3,141,246</u>

The financial statements on pages 6 to 13 were authorised for issue by the board of directors on 17 October 2007 and signed on its behalf by

D P CROWTHER
Director



The notes on pages 8 to 13 form part of these financial statements

JOHN EDWARD CROWTHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are judged material in relation to the company's financial statements

Basis of preparation

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of tangible fixed assets is based on cost, less the estimated residual value and is applied on a straight line basis using the following asset lives

Land and buildings	- 25 years
Plant and equipment	- 10 years
Motor vehicles	- 4 years

SSAP 19 "Accounting for Investment Properties" requires properties held for investment to be included in the Balance Sheet at their open market value but the directors consider that to comply with this requirement annually would involve unjustifiable expense and therefore the investment properties are included at cost less depreciation

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost of manufactured products consists of materials and appropriate conversion costs

Turnover

Turnover represents the value of goods sold and services provided net of value added tax

Group taxation relief

The company is party to an agreement between group companies whereby claimant companies pay surrendering companies for the benefit of trading losses surrendered

Deferred taxation

Provision is made on the full provision method based on current tax rates for deferred tax assets and liabilities arising from all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

Pension costs

The company makes contributions to a defined contribution pension scheme operated by the group. The contributions are charged to the profit and loss account on an accruals basis as they become payable

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

JOHN EDWARD CROWTHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2007

2 Turnover

	2007 £	2006 £
Property	92,596	35,807
Yarn spinning	5,749	9,276
	<u>98,345</u>	<u>45,083</u>

The geographical analysis of turnover is as follows

Europe	5,158	4,815
UK	93,187	40,268
	<u>98,345</u>	<u>45,083</u>

3 (Loss)/profit on ordinary activities before interest

(a) This is stated after charging and (crediting)		
Depreciation	64,687	69,525
(Profit) Loss on sale of tangible fixed assets	(15,998)	10,943
Directors' emoluments	126,480	121,449
Auditors' remuneration in respect of		
Audit services	4,800	4,650
Other services	4,053	3,900
	<u>64,687</u>	<u>69,525</u>

(b) Staff numbers and costs

The average monthly number of persons employed including directors' during the year was made up as follows

	Number of employees	
	2007	2006
Maintenance	5	5
Administrative	3	3
	<u>8</u>	<u>8</u>

	£	£
Staff costs		
Wages and salaries	178,824	183,342
Social Security costs	26,425	25,460
Other pension costs	13,662	13,158
	<u>218,911</u>	<u>221,960</u>

JOHN EDWARD CROWTHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2007

(c) Directors' emoluments	2007	2006
	£	£
Aggregate emoluments (including benefits)	116,972	112,273
Director fees	400	400
Pension contributions	9,108	8,776
	<u>126,480</u>	<u>121,449</u>

Retirement benefits are accruing to 2 (2006 2) directors under defined contribution pension schemes

4 Taxation on profit/(loss) on ordinary activities	2007	2006
	£	£
a) UK Corporation tax on profit/(loss) for the year	(5,900)	-
Prior year over reserve	-	953
	<u>(5,900)</u>	<u>953</u>

b) Factors affecting tax charge for the year

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 19% (2006 30%) The differences are explained as follows

Profit/(loss) on ordinary activities before tax	44,378	(12,796)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2006 30%)	8,432	(3,839)
Capital allowances in the year different from depreciation	2,379	5,739
Utilisation of tax losses	(5,180)	(23,796)
Effect of group relief	(292)	22,046
Tax-free rebate	(95)	(150)
Adjustment to tax charge in respect of previous periods	-	(953)
Rounding adjustments	656	-
Current tax charge for the year (note (a))	<u>5,900</u>	<u>(953)</u>

At 31 March 2007 the company has unrelieved trading losses of approximately £217,000 (2006 £240,000)

JOHN EDWARD CROWTHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2007

5	Tangible fixed assets	Investment properties £	Plant and equipment £	Motor Vehicles £	Total £
	Cost				
	At 1 April 2006	1,848,870	80,409	76,943	2,006,222
	Additions	35,857	1,600	3,400	40,857
	Disposals	-	(25,000)	(38,916)	(63,916)
	At 31 March 2007	1,884,727	57,009	41,427	1,983,163
	Depreciation				
	At 1 April 2006	1,220,875	74,305	76,943	1,372,123
	Charge for the year	63,437	400	850	64,687
	Disposals	-	(18,897)	(38,916)	(57,813)
	At 31 March 2007	1,284,312	55,808	38,877	1,378,997
	Net book amount at 31 March 2007	600,415	1,201	2,550	604,166
	31 March 2006	627,995	6,104	-	634,099
6	Stocks			2007 £	2006 £
	Raw materials and consumables			-	2,200
	Finished goods			650	1,036
				650	3,236
7	Debtors				
	Trade debtors			3,696	4,428
	Other debtors			-	14,878
	Prepayments and accrued income			1,323	1,060
				5,019	20,366
8	Creditors: amounts becoming due and payable within one year				
	Bank overdraft			-	53,549
	Trade creditors			6,051	(809)
	Corporation tax			5,900	-
	Other taxes and social security			9,466	7,236
	Accruals and deferred income			63,913	54,990
				85,330	114,966

JOHN EDWARD CROWTHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2007

9 Share capital

	Authorised		Allotted, called up and fully paid	
	2007	2006	2007	2006
	Number	Number	£	£
Ordinary shares of £1 each	350,000	350,000	287,402	287,402

10 Profit and loss account

	£
Balance brought forward	2,853,844
Profit for the financial year	38,478
Equity dividends paid	-
	<u>2,892,322</u>

11 Reconciliation of movements in shareholders' funds

At 1 April 2006	3,141,246	3,153,089
Profit (Loss) for the financial year	38,478	(11,843)
At 31 March 2007	<u>3,179,724</u>	<u>3,141,246</u>

12 Capital commitments

Capital expenditure contracted but not provided for in the accounts	-	26,000
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13 Contingent liabilities

The company is a party to cross-guarantees given by J E C Investment Company Limited and all its subsidiary undertakings as security for overdraft facilities from time to time. At 31 March 2007 group bank accounts taken together were in credit (2006 - in credit)

The company is a member of a VAT group of which John Edward Crowther (Holdings) plc is the representative member and is jointly and severally liable with that company for VAT due by the representative member. At 31 March 2007 the Group had a liability to H M Revenue & Customs of £5,199, which was paid on 27 April 2007

14 Pension commitments

The company was a participating member of a defined benefit scheme operated by its parent company John Edward Crowther (Holdings) plc. The scheme was closed with effect from 31 March 2002 and has been formally wound up during the year.

With effect from 1 April 2002 the company has contributed to a Group Personal Pension Plan of the money purchase type. The company continues to make contributions based on 5% of pensionable pay. The cost for the year was £13,350 and there were no outstanding or prepaid contributions at 31 March 2007.

The company has also made contributions in the year totalling £312 (2006 £312) to the individual pension arrangements of certain directors and employees.

JOHN EDWARD CROWTHER LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****31 MARCH 2007****15 Related party disclosures**

The company's ultimate holding company is J E C Investment Company Limited and the company's financial statements are included in the consolidated financial statements of that company which are available from the Registrar of Companies. Advantage has been taken of the exemption to disclose transactions with other group companies.

Included in current assets are amounts falling due after more than one year of £2,546,955 (2006 £2,598,341) from Hemplow Limited, a company controlled by the shareholders of JEC Investment Company Limited. Interest amounting to £111,016 (2006 - £77,473) has been paid to the company by Hemplow Limited based upon commercial interest rates.

The directors consider there is no ultimate controlling party.