

**J.E.C. INVESTMENT COMPANY LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS**

**31 MARCH 2003**

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**Company registration number 580578**



**J.E.C. INVESTMENT COMPANY LIMITED****COMPANY INFORMATION****Directors**

David Philip Crowther    Chairman  
Elizabeth Jane Peacock  
Gillian Rose Crowther

**Secretary and Registered office**

E R Lee  
Bank Bottom Mills  
Marsden  
Huddersfield  
HD7 6HR

**Auditors**

Wheawill & Sudworth  
Chartered Accountants  
35 Westgate  
Huddersfield  
HD1 1PA

## J.E.C. INVESTMENT COMPANY LIMITED

### DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2003.

#### Statement of 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 group and of the profit or loss for that period. 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 group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

#### Principal activities

The principal activity of the company was that of an investment holding company and that of its major operating subsidiary undertakings yarn spinners. In March 2003, it was announced that the Group was to enter a period of consultation, which ultimately led to the Group disengaging from manufacturing.

#### Review of the year and post balance sheet events

The results of the year are as shown on page 5. The group profit for the year before taxation is £1,690,731 (2002 loss of £258,500). The results for the year include a profit of £3,835,194 (2002 £1,278,274) in respect of the sale of cottage and other properties to a related company, and a provision of £1,485,971 for the costs of disengaging from manufacturing.

All the workforce was made redundant during June and July 2003. Deliveries to customers of yarn ordered are expected to continue until the early part of 2004.

The directors are currently organising the orderly sale of plant and equipment, which is expected to realise an amount in excess of the book value. Such proceeds will be dealt with in the 2004 financial statements.

#### Results for the year

The result for the year is shown below.

	£
The group profit on ordinary activities before taxation is	1,690,731
Tax on profit on ordinary activities	-
Profit on ordinary activities after taxation	1,690,731
Minority interest, being dividends to external preference shareholders of John Edward Crowther (Holdings) plc	1,419
Profit attributable to the group	1,689,312
The directors recommend the following ordinary dividend: Annual ordinary at £1.764 per share	44,100
Profit for year to add to retained profits	1,645,212

**J.E.C. INVESTMENT COMPANY LIMITED****DIRECTORS' REPORT** (continued)**Directors**

The directors who held office during the year were as follows:

David Philip Crowther - Chairman  
 Elizabeth Jane Peacock  
 James Barry Smith  
 Gillian Rose Crowther

James Barry Smith retired as a Director on 1 April 2003

**Directors' interests**

The interests in the shares of the company of directors holding office at the end of the year were as follows:

	Ordinary shares	
	31 March	1 April
	2003	2002
David Philip Crowther	7,543	7,543
Elizabeth Jane Peacock	2,250	2,250
James Barry Smith	* 1	* 1
Gillian Rose Crowther	* 9,000	* 9,000

\* Denotes non-beneficial interest.

**Retirement**

Mrs G R Crowther retires by rotation and, being eligible, offers herself for re-election.

**Auditors**

In accordance with Section 385 of the Companies Act 1985 a resolution for the re-appointment of Wheawill & Sudworth as auditors of the company is to be proposed at the Annual General Meeting.

Signed on behalf of the board

D P CROWTHER  
 Director



Bank Bottom Mills  
 Marsden  
 Huddersfield  
 HD7 6HR  
 24 October 2003

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

## **J.E.C. INVESTMENT COMPANY LIMITED**

We have audited the financial statements of J.E.C. Investment Company Limited for the year ended 31 March 2003 which are set out on pages 5 to 18. These financial statements have been prepared under the historical cost convention and 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**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. *Our responsibility is to audit the financial statements in accordance with relevant legal requirements and United Kingdom Auditing Standards.*

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 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 United Kingdom 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 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31 March 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Wheawill & Sudworth*

WHEAWILL & SUDWORTH

Registered Auditors  
Chartered Accountants

35 Westgate  
Huddersfield  
HD1 1PA  
24 October 2003

**J.E.C. INVESTMENT COMPANY LIMITED****CONSOLIDATED PROFIT & LOSS ACCOUNT**

for the year ended

**31 MARCH 2003**

Note		2003 £	2002 £
2	<b>Turnover</b>	7,105,719	6,742,263
	Cost of sales	(7,401,850)	(7,283,513)
	<b>Gross loss</b>	(296,131)	(541,250)
	Distribution costs	(49,357)	(45,514)
	Administrative expenses	(564,403)	(1,123,951)
	Other operating income	242,010	185,914
3	<b>Operating loss</b>	(667,881)	(1,524,801)
4	Profit on sale of land and buildings	3,835,194	1,278,274
5	Loss on termination of operations	(1,485,971)	-
	<b>Profit (loss) on ordinary activities before interest</b>	1,681,342	(246,527)
6	Income from fixed asset investments	2,044	1,305
7	Interest	7,345	(13,278)
	<b>Profit (loss) on ordinary activities before taxation</b>	1,690,731	(258,500)
8	Tax on profit (loss) on ordinary activities	-	7,435
	<b>Profit (loss) on ordinary activities after taxation</b>	1,690,731	(251,065)
	Minority interests	(1,419)	(1,644)
9	Ordinary dividend	(44,100)	(44,100)
	<b>Retained profit (loss) for the financial year</b>	1,645,212	(296,809)
	Retained profit brought forward	3,885,628	4,182,437
17	<b>Retained profit carried forward</b>	5,530,840	3,885,628
	<b>Retained profit carried forward</b>		
17	The company	391,906	345,912
	Subsidiary undertakings	5,138,934	3,539,716
		5,530,840	3,885,628

**Total recognised gains and losses**

The profit for the financial year is the total of all recognised gains and losses for the year.

The accounting policies and notes on pages 10 to 18 form an integral part of these financial statements.

## J.E.C. INVESTMENT COMPANY LIMITED

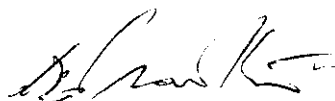
## CONSOLIDATED BALANCE SHEET

31 MARCH 2003

Note		2003	2002
		£	£
	<b>Fixed assets</b>		
10	Tangible assets	1,353,023	2,171,909
	<b>Current assets</b>		
12	Stocks	1,878,136	1,747,853
13	Debtors:		
	Amounts due within one year	1,726,950	2,319,105
	Amounts due after more than one year	4,563,825	375,000
	Cash and bank balances	1,146	10,338
		<u>8,170,057</u>	<u>4,452,296</u>
14	<b>Creditors: amounts falling due within one year</b>	<u>(1,068,374)</u>	<u>(1,298,533)</u>
	<b>Net current assets</b>	<u>7,101,683</u>	<u>3,153,763</u>
	<b>Total assets less current liabilities</b>	<u>8,454,706</u>	<u>5,325,672</u>
15	<b>Provision for liabilities and charges</b>	<u>(1,485,971)</u>	<u>-</u>
	<b>Net assets</b>	<u><u>6,968,735</u></u>	<u><u>5,325,672</u></u>
	<b>Capital and reserves</b>		
16	Called up share capital	25,002	25,002
17	Share premium account	224,411	224,411
17	Capital redemption reserve fund	249,410	249,410
17	Other reserves - arising on acquisition of subsidiary undertakings	914,815	913,697
17	Profit and loss account	5,530,840	3,885,628
17	<b>Shareholders' funds</b>	<u>6,944,478</u>	<u>5,298,148</u>
18	<b>Minority interests - preference</b>	<u>24,257</u>	<u>27,524</u>
		<u><u>6,968,735</u></u>	<u><u>5,325,672</u></u>

The financial statements on pages 5 to 18 were approved by the board of directors on 24 October 2003 and signed on its behalf by:

D P CROWTHER  
Director



The accounting policies and notes on pages 10 to 18 form an integral part of these financial statements.

## J.E.C. INVESTMENT COMPANY LIMITED

## COMPANY BALANCE SHEET

31 MARCH 2003

Note		2003	2002
	<b>Fixed assets</b>	£	£
10	Tangible assets	131,834	213,158
11	Investments	814,649	812,500
		<u>946,483</u>	<u>1,025,658</u>
	<b>Current assets</b>		
13	Debtors	58,525	57,093
	Cash at bank	8,639	-
		<u>67,164</u>	<u>57,093</u>
14	<b>Creditors: amounts falling due within one year</b>	<u>(122,918)</u>	<u>(238,016)</u>
	<b>Net current liabilities</b>	(55,754)	(180,923)
	<b>Net assets</b>	<u>890,729</u>	<u>844,735</u>
	<b>Capital and reserves</b>		
16	Called up share capital	25,002	25,002
17	Share premium account	224,411	224,411
17	Capital redemption reserve fund	249,410	249,410
17	Profit and loss account	391,906	345,912
17	<b>Shareholders' funds</b>	<u>890,729</u>	<u>844,735</u>

The financial statements on pages 5 to 18 were approved by the board of directors on 24 October 2003 and signed on its behalf by:

D P CROWTHER  
Director



The accounting policies and notes on pages 10 to 18 form an integral part of these financial statements.



**J.E.C. INVESTMENT COMPANY LIMITED****CONSOLIDATED CASH FLOW STATEMENT****for the year ended****31 MARCH 2003**

Note		2003	2002
(a)	Net cash (outflow) inflow from operating activities	£ (919,207)	£ 285,627
(b)	Returns on investments and servicing of finance	7,880	(13,617)
(c)	Capital expenditure and financial investment	707,965	(112,697)
	Equity dividend paid	(44,100)	(44,100)
	<b>(Decrease) increase in cash in the year</b>	<u>(247,462)</u>	<u>115,213</u>
	<b>Reconciliation of net cash flow to movement in net (debt) funds</b>		
	Change in net funds resulting from cash flows	(247,462)	115,213
	Net funds (debt) at beginning of year	10,338	(104,875)
(d)	Net (debt) funds at end of year	<u>(237,124)</u>	<u>10,338</u>

The accounting policies and notes on pages 10 to 18 form an integral part of these financial statements.

## J.E.C. INVESTMENT COMPANY LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

for the year ended

31 MARCH 2003

(a)	<b>Reconciliation of operating loss to net cash flow from operating activities</b>	2003 £	2002 £	
	Operating loss	(667,881)	(1,524,801)	
	Depreciation charge	323,660	571,582	
	Surplus on sale of tangible fixed assets	(294)	(6,915)	
	(Increase)decrease in stocks	(130,283)	539,709	
	Decrease in debtors	155	561,205	
	(Decrease) increase in creditors	(444,564)	144,847	
	<b>Net cash (outflow) inflow from operating activities</b>	<u>(919,207)</u>	<u>285,627</u>	
(b)	<b>Returns on investments and servicing of finance</b>			
	Income from fixed asset investments	2,044	1,305	
	Interest received	13,955	67	
	Interest paid	(6,610)	(13,345)	
	Dividends paid to minority interests	(1,509)	(1,644)	
		<u>7,880</u>	<u>(13,617)</u>	
(c)	<b>Capital expenditure and financial investment</b>			
	Purchase of tangible fixed assets	(252,760)	(116,111)	
	Proceeds on sale of tangible fixed assets	962,874	6,915	
	Purchase of minority shareholding	(2,149)	(3,501)	
		<u>707,965</u>	<u>(112,697)</u>	
(d)	<b>Analysis of changes in net funds (debt)</b>	At beginning of year £	Cashflow £	At end of year £
	Cash at bank and in hand	10,338	(9,192)	1,146
	Bank overdraft	-	(238,270)	(238,270)
		<u>10,338</u>	<u>(247,462)</u>	<u>(237,124)</u>

**J.E.C. INVESTMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****for the year ended****31 MARCH 2003****1 Accounting policies**

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

**Basis of preparation**

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

**Basis of consolidation**

The group financial statements consolidate the financial statements of J.E.C. Investment Company Limited and all its subsidiary undertakings all of which are made up to 31 March 2003. The acquisition method of accounting has been adopted. Uniform accounting policies are followed throughout the group and all unrealised profits and losses arising from inter-group trading are eliminated.

In the company's financial statements, investments in subsidiary undertakings are stated at cost.

In accordance with Section 230(4) of the Companies Act 1985 J.E.C. Investment Company Limited is exempt from the requirement to present its own profit and loss account.

The amount of the profit for the financial year dealt with in the financial statements of J.E.C. Investment Company Limited is disclosed in note 17 to these financial statements.

**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

**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 amounts receivable, for goods sold and services supplied and excludes value added tax and transactions between group companies.

**J.E.C. INVESTMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****for the year ended****31 MARCH 2003****1 Accounting policies (continued)****Taxation**

The charge for taxation is based on the profit or loss for the financial year and includes taxation deferred. Provision is made on the liability method measured on an undiscounted basis at 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**

Contributions to the defined contribution pension scheme are charged to the profit and loss account on an accruals basis as they become due.

**2 Turnover**

2003

2002

£

£

Analysis of turnover by geographical area based on customer location:

UK

6,922,881

6,612,658

Rest of the world

182,838

129,605

7,105,7196,742,263**3 Operating loss**

(a) The operating loss is stated after charging:

Auditors' remuneration:

- audit

11,740

11,250

- other

1,690

25,565

Depreciation: Normal

323,660

460,165

Additional

-

111,417

Directors' emoluments

- fees

8,100

9,600

- other emoluments

5,239

32,596

**J.E.C. INVESTMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****for the year ended****31 MARCH 2003****3 Operating loss (continued)**

(b) Staff numbers and costs	2003	2002
The average monthly number of persons employed by the group including directors during the year was made up as follows:	Number of employees	
Manufacturing	270	238
Administrative	23	26
	<u>293</u>	<u>264</u>
<b>Staff costs</b>	£	£
Wages and salaries	3,419,031	3,057,468
Social security costs	272,117	251,545
Other pension costs	69,192	534,455
	<u>3,760,340</u>	<u>3,843,468</u>

**(c) Pension schemes**

The defined benefit pension scheme operated by the group was closed with effect from 31 March 2002 and is in wind up. Contributions to the scheme in the year were £15,145 (2002 £498,736). Contributions outstanding at 31 March 2003 were £nil (2002 £393,327).

With effect from 1 April 2002 the group has operated a group personal pension plan of the money purchase type to which the employer continues to make contributions based on 5% of pensionable pay. The assets of the scheme are held separately from those of the group in an independently administered fund through an insurance company. The pension cost charge for the year was £53,735 and contributions outstanding at 31 March 2003 were £nil.

The group has also made contributions in the year totalling £312 (2002 £35,719) to individual pension arrangements for certain directors and employees.

**4 Exceptional income**

Subsidiary undertakings have sold certain properties for a total consideration of £4,536,000 (2002 £1,350,000) giving rise to exceptional profits of £3,835,194 (2002 £1,278,274). The sales in 2003 were to a related company (note 19).

**J.E.C. INVESTMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****for the year ended****31 MARCH 2003****5 Loss on termination of operations**

The loss arising on termination of operations consists of the following:

	2003 £	2002 £
Payments relating to staff redundancies	571,011	-
Stock provisions	257,979	-
Other losses	656,981	-
	<u>1,485,971</u>	<u>-</u>

The provision for termination costs relates to the disengagement from manufacturing, on which consultation commenced in March 2003.

**6 Income from fixed asset investments**

	2003 £	2002 £
Unlisted	<u>2,044</u>	<u>1,305</u>

**7 Interest**

Bank overdraft	(6,610)	(13,345)
Bank deposits	1,948	67
Arising from property disposal	12,007	-
	<u>7,345</u>	<u>(13,278)</u>

**8 Taxation**

Irrecoverable ACT	-	(7,455)
Deferred tax	-	15,000
Corporation tax prior year adjustment	-	(110)
	<u>-</u>	<u>7,435</u>

The tax charge is low in relation to the profit for the year due to the different tax and accounts treatment of properties sold in the year and pension scheme contributions.

**9 Dividend**

Ordinary at £1.764 per share (2002 £1.764)	<u>44,100</u>	<u>44,100</u>
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## J.E.C. INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended

31 MARCH 2003

10	<b>Tangible fixed assets Group</b>	<b>Land and buildings £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
	Cost:			
	At 1 April 2002	2,562,593	11,167,802	13,730,395
	Additions	141,359	59,801	201,160
	Disposals	(755,034)	(68,966)	(824,000)
	At 31 March 2003	1,948,918	11,158,637	13,107,555
	Depreciation:			
	At 1 April 2002	1,128,932	10,429,554	11,558,486
	Charge for the year	70,214	253,446	323,660
	Disposals	(58,654)	(68,960)	(127,614)
	At 31 March 2003	1,140,492	10,614,040	11,754,532
	Net book amount:			
	31 March 2003	808,426	544,597	1,353,023
	31 March 2002	1,433,661	738,248	2,171,909

Land and buildings are primarily freehold. The cost of long leasehold property is £nil (2002 £42,336) and the net book amount £nil (2002 £32,178).

	<b>Tangible fixed assets Company</b>	<b>Long leasehold property improvements £</b>	<b>Freehold land and buildings £</b>	<b>Total £</b>
	Cost:			
	At 1 April 2002	-	241,714	241,714
	Additions	136,865	1,929	138,794
	Group transfer	-	(243,643)	(243,643)
	At 31 March 2003	136,865	-	136,865
	Depreciation:			
	At 1 April 2002	-	28,556	28,556
	Charge for the year	5,031	-	5,031
	Group transfer	-	(28,556)	(28,556)
	At 31 March 2003	5,031	-	5,031
	Net book amount:			
	At 31 March 2003	131,834	-	131,834
	At 31 March 2002	-	213,158	213,158

**J.E.C. INVESTMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****for the year ended****31 MARCH 2003**

11	<b>Fixed asset investments</b>	<b>Shares in subsidiary undertakings</b>	
		<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	<b>Company</b>		
	Cost:		
	At 1 April 2002	812,500	808,999
	Additions	2,149	3,501
	At 31 March 2003	<u>814,649</u>	<u>812,500</u>
The investment in subsidiary undertakings is made up as follows:			
	John Edward Crowther (Holdings) plc		
	3,500,000 (2002 3,500,000) ordinary shares of £1 each	500,000	500,000
	475,743 (2002 472,476) 5½% cumulative preference shares of £1 each	314,649	312,500
		<u>814,649</u>	<u>812,500</u>

During the year the company has acquired 3,267 5½% cumulative preference shares of John Edward Crowther (Holdings) plc from minority shareholders for a consideration of £2,149 including stamp duty.

The company owns the whole of the allotted ordinary share capital and 95.1% (2002 94.5%) of the allotted preference share capital of John Edward Crowther (Holdings) plc, which is registered in England and Wales.

John Edward Crowther (Holdings) plc owns the whole of the allotted share capital of the following companies, all of which are registered in England and Wales and trade principally in England.

<b>Company</b>	<b>Class of shares</b>	<b>Principal activity</b>
John Edward Crowther Limited	Ordinary	Yarn spinners
Colne Valley Spinning Company Limited	Ordinary	Yarn spinners
Crowther, Bruce & Co Limited	Ordinary	Property owners
	Cumulative preference	
Deer Hill Estates Limited	Ordinary	Property owners

12	<b>Stocks</b>	<b>Group</b>	
		<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	620,925	744,057
	Work in progress	627,538	570,574
	Finished goods	629,673	433,222
		<u>1,878,136</u>	<u>1,747,853</u>



**J.E.C. INVESTMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****for the year ended****31 MARCH 2003**

13	Debtors	Group		Company	
		2003 £	2002 £	2003 £	2002 £
	Amounts due within one year:				
	Trade debtors	1,335,529	1,348,327	-	-
	Other debtors	-	-	57,183	57,093
	Prepayments and accrued income	16,421	3,778	1,342	-
	Amounts receivable in respect of property sale (see below)	375,000	967,000	-	-
		<u>1,726,950</u>	<u>2,319,105</u>	<u>58,525</u>	<u>57,093</u>
	Amounts due after more than one year:				
	Amounts receivable in respect of property sales:			-	-
	Hemplow Limited	4,563,825	-	-	-
	Other	-	375,000		
		<u>6,290,775</u>	<u>2,694,105</u>	<u>58,525</u>	<u>57,093</u>

The group hold security for the debt of £375,000 by way of a first legal charge over the property to which the debt relates. Since the year end, the debt of £375,000 has been repaid in full and the legal charge released.

14	Creditors: amounts falling due within one year	Group		Company	
		2003 £	2002 £	2003 £	2002 £
	Bank overdraft (see below)	238,270	-	-	142,316
	Trade creditors	383,519	453,118	-	51,600
	Amounts owed by subsidiary undertakings	-	-	62,693	-
	Taxes and social security	249,117	278,961	-	-
	Accruals and deferred income	152,701	521,597	16,125	-
	Dividend (since paid to minority shareholders)	667	757	-	-
	Proposed dividend (since paid)	44,100	44,100	44,100	44,100
		<u>1,068,374</u>	<u>1,298,533</u>	<u>122,918</u>	<u>238,016</u>

The company and all its subsidiary undertakings have given cross-guarantees as security for overdraft facilities from time to time. At 31 March 2003 group bank accounts taken together were overdrawn to the extent of £347,526 (2002 £30,614).

## J.E.C. INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended

31 MARCH 2003

15	<b>Provisions for liabilities and charges</b>	Group		Company				
		2003 £	2002 £	2003 £	2002 £			
	Costs arising on the termination of operations							
	Charge to profit and loss account	1,485,971	-	-	-			
		<u>1,485,971</u>	<u>-</u>	<u>-</u>	<u>-</u>			
	At 31 March 2003	<u>1,485,971</u>	<u>-</u>	<u>-</u>	<u>-</u>			
16	<b>Called up share capital</b>			2003 £	2002 £			
	Authorised, allotted called up and fully paid							
	25,000 ordinary shares of £1 each			25,000	25,000			
	2 subscriber shares of £1 each			2	2			
				<u>25,002</u>	<u>25,002</u>			
17	<b>Reconciliation of movements in shareholders' funds</b>	Share capital £	Share premium account £	Capital redemption reserve fund £	Reserves arising on acquisition of subsidiary undertakings £	Profit and loss account £	Total 2003 £	Total 2002 £
	<b>Group</b>							
	At 1 April 2002	25,002	224,411	249,410	913,697	3,885,628	5,298,148	5,593,133
	Profit (loss) for the financial year	-	-	-	-	1,689,312	1,689,312	(252,709)
	Dividend	-	-	-	-	(44,100)	(44,100)	(44,100)
	Purchase of minority interests	-	-	-	1,118	-	1,118	1,824
	At 31 March 2003	<u>25,002</u>	<u>224,411</u>	<u>249,410</u>	<u>914,815</u>	<u>5,530,840</u>	<u>6,944,478</u>	<u>5,298,148</u>
	<b>Company</b>							
	At 1 April 2002	25,002	224,411	249,410	-	345,912	844,735	826,627
	Profit for the financial year	-	-	-	-	90,094	90,094	62,208
	Dividend	-	-	-	-	(44,100)	(44,100)	(44,100)
	At 31 March 2003	<u>25,002</u>	<u>224,411</u>	<u>249,410</u>	<u>-</u>	<u>391,906</u>	<u>890,729</u>	<u>844,735</u>

**J.E.C. INVESTMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****for the year ended****31 MARCH 2003**

<b>18</b>	<b>Minority interests</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	<b>Group</b>		
	At 1 April 2002	27,524	32,849
	Acquired during the year	(3,267)	(5,325)
	At 31 March 2003	<u>24,257</u>	<u>27,524</u>

Minority interests comprise £24,257 (2002 £27,524) 5½% cumulative preference shares of £1 each in the company's subsidiary undertaking, John Edward Crowther (Holdings) plc.

**19 Related party disclosures**

On 31 March 2003 various properties owned by the group were sold to Hemplow Limited, a company controlled by the shareholders of J.E.C. Investment Company Limited. The value attributed to the properties of £4,536,000 was based on a professional valuation carried out by an independent firm of Residential, Commercial and Industrial Surveyors having regard to the rental status of the properties at the date of sale. The consideration of £4,536,000 together with applicable VAT is outstanding at 31 March 2003 and is included under debtors on page 6.