

REGISTERED NUMBER: 954865 (England and Wales)

Report of the Directors and

Financial Statements

for the Year Ended 31 March 1996

for

A & D Croucher Limited



A & D Croucher Limited

Company Information
for the Year Ended 31 March 1996

DIRECTORS:

D R Croucher
R I Croucher

SECRETARY:

S A Howard

REGISTERED OFFICE:

40a Milton Street
Maidstone
Kent
ME16 8JY

REGISTERED NUMBER:

954865 (England and Wales)

AUDITORS:

Callingham Crane
Registered Auditors
Chartered Accountants
115 Kingston Road
Leatherhead
Surrey KT22 7SU

A & D Croucher Limited

Report of the Directors
for the Year Ended 31 March 1996

The directors present their report with the financial statements of the company for the year ended 31 March 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of motor engineers.

DIRECTORS

The directors during the year under review were:

D R Croucher
R I Croucher

The beneficial interests of the directors holding office on 31 March 1996 in the issued share capital of the company were as follows:

	31.3.96	1.4.95
Ordinary £1 shares		
D R Croucher	-	500
R I Croucher	1,000	-

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 of the profit or loss of the company for that period. 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;
- 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.

AUDITORS

The auditors, Callingham Crane, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

In preparing this report, the directors have taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

ON BEHALF OF THE BOARD:

R I Croucher - DIRECTOR



Dated: 9 August 1996

A & D Croucher Limited

Report of the Auditors to the Shareholders of
A & D Croucher Limited

We have audited the financial statements on pages four to eleven which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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, except that the scope of our work was limited as explained below.

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 our audit so as to obtain all the 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. However, the evidence available to us was limited as there was no year end stocktake. We have accepted assurances by the directors that stock stood at £5000 at the year end.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the continuing support of the company's bankers and directors. The financial statements have been prepared on a going concern basis, the validity of which depends on this continuing funding. The financial statements do not include any adjustments that would result from a loss of funding. Details of the circumstances relating to this financial uncertainty are described in note 16. Our note is not qualified in this respect.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that may have been found to be necessary had there been a year end stock count, in our opinion the financial statements give a true and fair view of the company's affairs as at 31 March 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.

In respect alone of the limitation on our audit work relating to the year end stock:

1. we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
2. we were unable to determine whether proper accounting records have been maintained.



Callingham Crane
Registered Auditors
Chartered Accountants
115 Kingston Road
Leatherhead
Surrey KT22 7SU

Dated: 9 August 1996

A & D Croucher Limited

Profit and Loss Account
for the Year Ended 31 March 1996

		<u>1996</u>	<u>1995</u>
	Notes	£	£
TURNOVER	2	404,277	385,877
Cost of sales		<u>253,013</u>	<u>223,290</u>
GROSS PROFIT		151,264	162,587
Administrative expenses		<u>141,247</u>	<u>138,793</u>
OPERATING PROFIT	3	10,017	23,794
Interest payable and similar charges		<u>2,700</u>	<u>3,885</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,317	19,909
Tax on profit on ordinary activities	4	<u>2,522</u>	<u>6,240</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		4,795	13,669
Deficit brought forward		<u>(18,643)</u>	<u>(32,312)</u>
DEFICIT CARRIED FORWARD		<u>£(13,848)</u>	<u>£(18,643)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

A & D Croucher Limited

Balance Sheet
31 March 1996

		<u>1996</u>		<u>1995</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		169,496		22,690
CURRENT ASSETS:					
Stocks	6	5,000		3,000	
Debtors	7	25,376		38,764	
Cash in hand		<u>82</u>		<u>107</u>	
		30,458		41,871	
CREDITORS: Amounts falling due within one year	8	<u>81,606</u>		<u>69,683</u>	
NET CURRENT LIABILITIES:			<u>(51,148)</u>		<u>(27,812)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			118,348		(5,122)
CREDITORS: Amounts falling due after more than one year	9		(130,382)		(11,329)
PROVISIONS FOR LIABILITIES AND CHARGES:	12		<u>(814)</u>		<u>(1,192)</u>
			<u>£(12,848)</u>		<u>£(17,643)</u>
CAPITAL AND RESERVES:					
Called up share capital	13		1,000		1,000
Profit and loss account			<u>(13,848)</u>		<u>(18,643)</u>
Shareholders' funds	15		<u>£(12,848)</u>		<u>£(17,643)</u>

In preparing these financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

D R Croucher - DIRECTOR



R I Croucher - DIRECTOR



Approved by the Board on 9 August 1996

The notes form part of these financial statements

A & D Croucher Limited

Notes to the Financial Statements for the Year Ended 31 March 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Improvements to property	- 10% on cost
Plant and machinery	- 10% on cost
Equipment and fittings	- 10% on cost
Motor vehicles	- 20% on cost

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	1996	1995
	£	£
Depreciation - owned assets	5,767	7,310
Loss on disposal of fixed assets	-	627
Auditors' remuneration	<u>3,000</u>	<u>2,800</u>
Directors' emoluments	<u>45,196</u>	<u>43,385</u>

A & D Croucher Limited

Notes to the Financial Statements
for the Year Ended 31 March 1996

4. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1996	1995
	£	£
UK Corporation Tax	2,900	6,514
Deferred taxation	<u>(378)</u>	<u>(274)</u>
	<u>2,522</u>	<u>6,240</u>

UK Corporation Tax has been charged at 25% (1995 - 25%).

5. TANGIBLE FIXED ASSETS

	<u>Freehold property</u>	<u>Improvem- ents to property</u>	<u>Plant and machinery</u>
	£	£	£
COST:			
At 1 April 1995	-	24,744	28,055
Additions	152,573	-	-
Transfer between categories	<u>24,744</u>	<u>(24,744)</u>	-
At 31 March 1996	<u>177,317</u>	-	<u>28,055</u>
DEPRECIATION:			
At 1 April 1995	-	19,930	16,181
Charge for year	-	1,114	2,313
Transfer between categories	<u>21,044</u>	<u>(21,044)</u>	-
At 31 March 1996	<u>21,044</u>	-	<u>18,494</u>
NET BOOK VALUE:			
At 31 March 1996	<u>156,273</u>	-	<u>9,561</u>
At 31 March 1995	<u>-</u>	<u>4,814</u>	<u>11,874</u>

A & D Croucher Limited

Notes to the Financial Statements
for the Year Ended 31 March 1996

	<u>Equipment and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST:			
At 1 April 1995	12,924	7,752	73,475
Additions	-	-	152,573
Disposals	-	-	1
	<u>12,924</u>	<u>7,752</u>	<u>226,049</u>
At 31 March 1996			
	<u>12,924</u>	<u>7,752</u>	<u>226,049</u>
DEPRECIATION:			
At 1 April 1995	8,474	6,200	50,785
Charge for year	789	1,551	5,767
Eliminated on disposals	-	-	1
	<u>9,263</u>	<u>7,751</u>	<u>56,553</u>
At 31 March 1996			
	<u>9,263</u>	<u>7,751</u>	<u>56,553</u>
NET BOOK VALUE:			
At 31 March 1996	<u>3,661</u>	<u>1</u>	<u>169,496</u>
At 31 March 1995	<u>4,450</u>	<u>1,552</u>	<u>22,690</u>

It is the company's policy to maintain its freehold property to a high standard. Because of this, such properties maintain residual values in aggregate, at least equal to their book values and accordingly no provision for depreciation is made. This is not in accordance with the Companies Act 1985 or with Statement of Standard Accounting Practice No.12 and has been adopted because, in the directors' opinion, to charge depreciation amounting to £ 782 would not result in the financial statements showing a true and fair view. The cumulative effect upon retained profits would also amount to £ 782 at the year end.

6. **STOCKS**

	1996	1995
	£	£
Raw materials and consumables	<u>5,000</u>	<u>3,000</u>

7. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1996	1995
	£	£
Trade debtors	<u>25,376</u>	<u>38,764</u>

A & D Croucher Limited

Notes to the Financial Statements
for the Year Ended 31 March 1996

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1996 £	1995 £
Bank loans and overdrafts (see note 10)	23,066	23,043
Other loans (see note 10)	8,878	978
Trade creditors	22,847	16,493
Directors current accounts	4,060	110
Corporation tax	2,900	6,514
Other taxes and social security costs	14,105	16,765
Accruals and deferred income	<u>5,750</u>	<u>5,780</u>
	<u>81,606</u>	<u>69,683</u>

**9. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	1996 £	1995 £
Bank loans (see note 10)	6,672	10,311
Other loans (see note 10)	53,710	1,018
Directors loan accounts	<u>70,000</u>	<u>-</u>
	<u>130,382</u>	<u>11,329</u>

A & D Croucher Limited

Notes to the Financial Statements
for the Year Ended 31 March 1996

10. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1996 £	1995 £
Amounts falling due within one year or on demand:		
Bank overdrafts	16,674	17,776
Bank loans	6,392	5,267
Other loans	<u>8,878</u>	<u>978</u>
	<u>31,944</u>	<u>24,021</u>
Amounts falling due between one and two years:		
Bank loans	5,847	3,000
Other loans	<u>7,860</u>	<u>1,018</u>
	<u>13,707</u>	<u>4,018</u>
Amounts falling due between two and five years:		
Bank loans	825	7,311
Other loans	<u>23,580</u>	<u>-</u>
	<u>24,405</u>	<u>7,311</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Other loans	<u>22,270</u>	<u>-</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	1996 £	1995 £
Bank overdrafts	16,674	17,776
Bank loans	<u>13,064</u>	<u>15,578</u>
	<u>29,738</u>	<u>33,354</u>

The bank borrowings are secured by a fixed and floating charge on all the company's assets including a mortgage debenture over the company's freehold property.

A & D Croucher Limited

Notes to the Financial Statements
for the Year Ended 31 March 1996

12. PROVISIONS FOR LIABILITIES AND CHARGES

	1996 £	1995 £
Deferred taxation	<u>814</u>	<u>1,192</u>
	Deferred taxation £	
Balance at 1 April 1995	1,192	
Reduction in accelerated capital allowances	(344)	
Reduction in tax rate from 25 % to 24 %	<u>(34)</u>	
Balance at 31 March 1996	<u>814</u>	

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1996 £	1995 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

14. TRANSACTIONS WITH DIRECTORS

The company paid rent of £950 to R I Croucher, a Director. The company also paid rent of £3,000 to A S Croucher, who was a shareholder in the company.

The company purchased the freehold property of 40a Milton Street, Maidstone, Kent, in September 1995 for £149,000 paying R I Croucher £79,000 and A S Croucher £70,000.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	<u>4,795</u>	<u>13,669</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	4,795	13,669
Opening shareholders' funds	<u>(17,643)</u>	<u>(31,312)</u>
CLOSING SHAREHOLDERS' FUNDS	<u>(12,848)</u>	<u>(17,643)</u>
Equity interests	<u>(12,848)</u>	<u>(17,643)</u>

16. GOING CONCERN

The continuation of the company's activities is dependant upon the continuing availability of adequate bank borrowing facilities. We have accepted assurances from the directors that these will continue to be made available to the company.