

CROFT ENGINEERING COMPANY LIMITED

ANNUAL REPORT

YEAR ENDED 30 APRIL 2000

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CROFT ENGINEERING COMPANY LIMITED

COMPANY INFORMATION

Directors	J. P. Brookbank B. M. Brookbank
Secretary	B. M. Brookbank
Company Number	1924030
Registered Office	172 Stockhill Road Chilcompton Bath BA3 4JQ
Auditors	PKF Pannell House 6/7 Litfield Place Clifton Bristol BS8 3LX
Bankers	National Westminster Bank Plc 3 High Street Midsomer Norton Bath BA3 2HT

CROFT ENGINEERING COMPANY LIMITED

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CROFT ENGINEERING COMPANY LIMITED

DIRECTORS' REPORT YEAR ENDED 30 APRIL 2000

The directors submit their report and the financial statements for the year ended 30 April 2000.

Principal activity

The principal activity of the company during the year was that of general engineering and machine tool repair.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

	Ordinary £1 shares	
	2000	1999
J. P. Brookbank	5,000	5,000
B. M. Brookbank	5,000	5,000

Interest in land and buildings

The market value of land and buildings, included in the balance sheet at a net book value of £150,509, is considered by the directors to be £160,000.

Auditors

Pannell Kerr Forster changed its name to PKF on 1 November 2000 and will sign the audit report in its new name. PKF is eligible for re-appointment as auditor to the company.

Basis of preparation

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


B. M. Brookbank
Secretary

CROFT ENGINEERING COMPANY LIMITED
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 judgements 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 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' REPORT TO THE SHAREHOLDERS OF
CROFT ENGINEERING COMPANY LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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. 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 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 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


Qualified opinion arising from disagreement of accounting treatment

As explained in note 1c), no provision has been made for the depreciation of freehold buildings. This is not in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (effective March 2000).

We are unable to quantify the effects of the departure from the requirements of the Accounting Standard referred to above, other than as already described in the notes to the financial statements.

Except for the absence of adjustments for depreciation of freehold buildings, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bristol



Registered Auditors

CROFT ENGINEERING COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2000

	Notes	2000 £	1999 £
TURNOVER	2	470,170	469,123
Change in work in progress		(383)	3,019
Other operating income		8,700	8,400
Raw materials		(124,452)	(122,959)
Staff costs	3	(280,407)	(272,900)
Depreciation and amortisation		(6,928)	(5,537)
Other operating charges		<u>(30,525)</u>	<u>(30,579)</u>
OPERATING PROFIT	4	36,175	48,567
(Loss)/profit on disposal of fixed assets		(820)	-
		<u>35,355</u>	<u>48,567</u>
Income from shares in group undertakings		60,000	-
Interest receivable and similar items		485	885
Interest payable and similar items		<u>-</u>	<u>(5,299)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		95,840	44,153
TAXATION	6	(7,454)	(9,382)
PROFIT FOR THE FINANCIAL YEAR		<u><u>88,386</u></u>	<u><u>34,771</u></u>

CROFT ENGINEERING COMPANY LIMITED

BALANCE SHEET

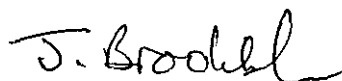
30 APRIL 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible	7	184,981	180,951
Investments	8	66,097	66,097
		<u>251,078</u>	<u>247,048</u>
CURRENT ASSETS			
Stocks		14,962	15,345
Debtors	9	133,460	103,633
Cash at bank and in hand		39,442	40,825
		<u>187,864</u>	<u>159,803</u>
CREDITORS: amounts falling due within one year	10	<u>(94,245)</u>	<u>(110,519)</u>
NET CURRENT ASSETS		<u>93,619</u>	<u>49,284</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>344,697</u>	<u>296,332</u>
CREDITORS: amounts falling due after more than one year	11	-	(40,000)
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>(1,545)</u>	<u>(1,566)</u>
NET ASSETS		<u><u>343,152</u></u>	<u><u>254,766</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	10,000	10,000
Profit and loss account	14	333,152	244,766
		<u><u>343,152</u></u>	<u><u>254,766</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 14 December 2000

Signed on behalf of the board of directors



Director

CROFT ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2000

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation 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 buildings	Not depreciated
Freehold property improvements	4 % straight line basis
Plant, machinery, fixtures, fittings & office equipment	15 % reducing balance basis
Motor vehicles	25 % reducing balance basis

Freehold buildings have not been depreciated. This is not in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (effective March 2000).

Whilst no depreciation is provided against freehold buildings, the cost of maintenance, and ensuring that all buildings are kept in good order and repair, are charged directly against profit in the current year.

(d) Investments

Investments stated as fixed assets are stated at cost.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a average cost basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(f) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

(g) Pensions

The company funds pension liabilities by payments to insurance companies. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These are invested and managed separately from the company's finances.

CROFT ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2000

2 TURNOVER

All turnover arose within the United Kingdom.

3 STAFF COSTS

Staff costs, including directors' emoluments, were as follows:

	2000	1999
	£	£
Wages and salaries	242,934	235,809
Social security costs	23,119	22,739
Other pension costs	14,354	14,352
	<u>280,407</u>	<u>272,900</u>

4 OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	6,928	5,537
Audit fees	1,400	1,400
	<u>8,328</u>	<u>6,937</u>

5 DIRECTORS' EMOLUMENTS AND BENEFITS

	2000	1999
	£	£
Aggregate of directors' emoluments and other benefits as defined in paragraph 1 of Schedule 6 to the Companies Act 1985	<u>29,406</u>	<u>27,355</u>

The numbers of directors accruing benefits under pension schemes were:

	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6 TAXATION

	2000	1999
	£	£
Current year taxation		
UK corporation tax at 19.9% (1999 - 20.9%)	7,475	9,382
Transfer (from)/to deferred taxation	(21)	-
Total UK taxation	<u>7,454</u>	<u>9,382</u>

CROFT ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2000

7 TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 May 1999	163,009	39,874	19,207	222,090
Additions	-	3,638	9,640	13,278
Disposals	-	-	(5,500)	(5,500)
At 30 April 2000	163,009	43,512	23,347	229,868
Depreciation				
At 1 May 1999	4,500	24,297	12,342	41,139
Charge for year	500	2,882	3,546	6,928
On disposals	-	-	(3,180)	(3,180)
At 30 April 2000	5,000	27,179	12,708	44,887
Net book amount				
At 30 April 2000	158,009	16,333	10,639	184,981
At 30 April 1999	158,509	15,577	6,865	180,951

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Loans to group undertakings £	Other investments £	Total £
Cost				
At 1 May 1999	66,097	-	-	66,097
At 30 April 2000	66,097	-	-	66,097

Investments include an investment in a subsidiary, Crescent Universal Tungsten (Bristol) Limited, a company incorporated in England, comprising a holding of 100% of its issued ordinary capital.

During its latest financial year Crescent Universal Tungsten (Bristol) Limited made a profit after tax of **£10,831** (1999 - £10,169) and at the end of that year the aggregate of its capital and reserves was **£58,811** (1999 - £107,980).

CROFT ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2000

9 DEBTORS

	2000	1999
	£	£
Trade debtors	131,460	103,633
Other debtors	2,000	-
	<u>133,460</u>	<u>103,633</u>

10 CREDITORS:

Amounts falling due within one year

	2000	1999
	£	£
Trade creditors	29,882	26,605
Amounts owed to group undertakings	4,498	35,851
Corporation tax	7,475	9,073
Other tax and social security	12,738	10,910
Other creditors	39,652	28,080
	<u>94,245</u>	<u>110,519</u>

11 CREDITORS:

Amounts falling due after more than one year

	2000	1999
	£	£
Director's loan account	-	40,000
	<u>-</u>	<u>40,000</u>

12 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Other provisions £	Total £
At 1 May 1999	1,566	-	1,566
Credited to profit and loss	(21)	-	(21)
At 30 April 2000	<u>1,545</u>	<u>-</u>	<u>1,545</u>

Deferred tax is analysed as follows:

	Provided		Not provided
	2000	1999	2000
	£	£	£
Capital allowances	1,545	1,566	-
	<u>1,545</u>	<u>1,566</u>	<u>-</u>

CROFT ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2000

13 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No.	£
At 1 May 1999 and 30 April 2000 Ordinary shares of £1 each	10,000	10,000	10,000

14 RESERVES

Profit and loss account	£
At 1 May 1999	244,766
Profit for the year	88,386
At 30 April 2000	333,152

15 TRANSACTIONS WITH RELATED PARTIES

Crescent Universal Tungsten (Bristol) Limited is a wholly owned subsidiary of Croft Engineering Company Limited. Management charges received by Croft in the year totalled **£8,400** (1999 - £8,400). Croft pays Crescent's wages and subsequently recharges them to Crescent. Wages reimbursed in the year totalled **£25,000** (1999 - £23,000).

Included within creditors is a loan from J P Brookbank, a director of the company. The balance at the year end was **£15,000** (1999 - £40,000) and the maximum outstanding during the year was £40,000. This loan does not attract interest.

16 PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund.

Contributions made by the company to the scheme during the year amounted to **£14,354** (1999 - £14,352).

17 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is controlled by J. P. Brookbank.