

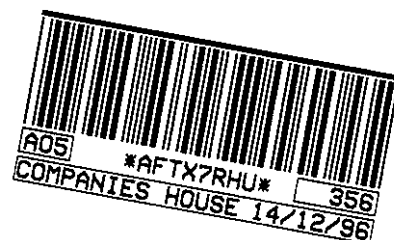
Company No: 2220215

CREST LIFTS LIMITED

Registered No. 2220215

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY, 1996



REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements of the company for the year ended 31st May, 1996.

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 for that period. In preparing those financial statements the directors are required to:-

- a. select suitable accounting policies and apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

Results and Dividends

The results for the year and the financial position of the company are shown in the annexed financial statements. In particular, the profit for the year after taxation was £1477, and after payment of a dividend of £5000, the balance has been transferred from reserves.

Review of the Business

The principal activity of the company is that of lift maintenance and installation. The progress of the company during the year accorded with expectations and the position at the year end is regarded as satisfactory. No significant changes in the future development of the company are proposed, nor has there occurred since the year end any event of such significance that reference to it should be made in this report.

Fixed Assets

Details of changes in fixed assets are given in the notes to the financial statements.

REPORT OF THE DIRECTORS (Continued)Directors

The directors who served during the year and their beneficial interest in the issued share capital were as follows:-

	<u>Ordinary shares of £1 each</u>	
	<u>number held as at:</u>	
	<u>31-3-96</u>	<u>31-3-95</u>
K. Lynch	16000	16000
Mrs. A. Lynch	4000	4000

Close Company Status

In the opinion of the directors, the company is a close company as defined by the ICTA, 1988.

Auditors

A resolution to re-appoint Messrs. Stewart & Co., as auditors will be put to the members at the annual general meeting.

Approved by the board  
and signed on its behalf

*...A.B. Lynch.....*  
Secretary *✓* Mrs. A. Lynch

Registered Office

Knoll House,  
Knoll Road,  
Camberley,  
Surrey. GU15 3SY.

Date: *.3.12.1996.*

AUDITORS' REPORT FOR THE YEAR ENDED 31ST MAY, 1996

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st May, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act, 1985 applicable to small companies.

Knoll House,  
Knoll Road,  
Camberley,  
Surrey.

Date ..... 3/12/96 .....



Stewart & Co.,  
Chartered Accountants  
& Registered Auditor

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAY, 1996

	<u>Notes</u>	<u>1996</u>		<u>1995</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Turnover	1		462046		351928
Cost of sales			<u>255646</u>		<u>215214</u>
Gross profit			206400		136714
Administrative expenses			<u>204756</u>		<u>135734</u>
Operating profit	2		1644		980
Interest receivable		756		194	
Interest payable	3	( <u>3806</u> )		( <u>3640</u> )	
			( <u>3050</u> )		( <u>3446</u> )
(Loss)/profit on ordinary activities before taxation			( 1406 )		( 2466 )
Tax on loss on ordinary activities	5		( <u>2883</u> )		<u>605</u>
Profit/(loss) on ordinary activities after taxation			1477		( 3071 )
Dividends	6		( <u>5000</u> )		<u>-</u>
Retained (loss) for the year			( 3523 )		( 3071 )
Profit and loss account brought forward			( <u>28271</u> )		( <u>25200</u> )
Profit and loss account carried forward			( <u>31794</u> )		( <u>28271</u> )

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Profit/(loss) for the financial year (1995 restated as explained in note 15)	<u>1477</u>	( <u>3071</u> )
Total recognised gains and losses relating to the year	<u>1477</u>	( <u>3071</u> )
Prior period adjustment (as explained in note 15)		( <u>33879</u> )
Total gains and losses recognised since last annual report		( <u>36950</u> )

CREST LIFTS LIMITEDPage 7BALANCE SHEET AS AT 31ST MAY, 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		<u>£</u>	<u>£</u>
<u>Fixed Assets</u>			
Tangible assets	7	49324	37114
<u>Current Assets</u>			
Stocks	8	4375	4375
Debtors	9	80826	80876
Cash at bank and in hand		<u>23804</u>	<u>9267</u>
		109005	94518
<u>Creditors - amounts falling due within one year</u>	10	( <u>155168</u> )	( <u>128221</u> )
<u>Net Current Assets</u>		( <u>46163</u> )	( <u>33703</u> )
<u>Total Assets less Current Liabilities</u>		3161	3411
<u>Creditors - amounts falling due after more than one year</u>	11	( <u>14955</u> )	( <u>11682</u> )
<u>Net Liabilities</u>		( <u>11794</u> )	( <u>8271</u> )
<u>Capital and Reserves</u>			
Called up share capital	12	20000	20000
Profit and loss account	13	( <u>31794</u> )	( <u>28271</u> )
Shareholders funds, all equity interests	14	( <u>11794</u> )	( <u>8271</u> )

Approved by the board  
and signed on its behalf

.....K. Lynch.....

K. Lynch - Director

Date .3.12.1996...

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 19961. Accounting Policies

The principal accounting policies of the company are as follows:-

a. Basis of Accounting

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

b. Turnover

Turnover represents net invoiced work done, excluding value added tax, and is wholly attributable to the principal activity of the company and to one geographical market.

c. Tangible Fixed Assets

Depreciation is provided on the following basis to write off the cost less any anticipated residual value of assets over their useful lives:-

Plant and machinery	- 12.5% or 20% of cost per annum
Fixtures, fittings and equipment	- 15% or 25% on the reducing balance (1995: 15% reducing balance)
Computer equipment	- 20% or 25% of cost per annum (1995 33.3% of cost per annum)
Motor vehicles	- 25% on the reducing balance

The directors undertake to review the useful economic lives of assets on a regular basis and make revisions where necessary.

d. Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives, the corresponding obligations being shown as liabilities. The interest element of the obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under leases are charged to the profit and loss account in the year in which they are incurred.

e. Stock

Stock is consistently valued at the lower of cost and net realisable value on an item by item basis.

f. Pension Contributions

The company operates a defined contribution pension scheme, contributions being charged to the profit and loss account as they became payable in accordance with rules of the scheme.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 1996g. Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences 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 foreseeable future.

h. Cash Flow Statement

In the opinion of the directors, the company qualifies as a small company and accordingly it has taken advantage of the exemption under FRS 1 not to produce a cash flow statement.

2. Operating Profit

	<u>1996</u>	<u>1995</u>
The operating profit is stated after charging or crediting:-	<u>£</u>	<u>£</u>
Depreciation of owned assets	4193	5028
Depreciation of assets held under hire purchase agreements	4905	6540
Directors' remuneration	44784	43286
Directors' pension contributions	5000	9772
Auditor's remuneration	<u>2350</u>	<u>350</u>

3. Interest Payable

Interest was payable in respect of the following borrowings:-

Hire purchase contracts	1691	1469
Loan from directors' pension fund	<u>2115</u>	<u>2171</u>
	<u>3806</u>	<u>3640</u>

4. Staff Costs

Staff costs including directors' remuneration comprise:-

Wages and salaries	173623
Social security costs	19745
Other pension costs	<u>8094</u>
	<u>201462</u>

The average weekly number of employees during the year was as follows:-

	<u>Number</u>	<u>Number</u>
Operational	6	6
Administration and technical	5	5

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 1996

5. <u>Tax on Loss on Ordinary Activities</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Provision for corporation tax based on the (loss)/ profit for the year	-	605
Repayments due	( 2883 )	-
	<u>( 2883 )</u>	<u>605</u>

No liability for corporation tax arises this year due to the loss incurred as adjusted for tax purposes.

The repayments of corporation tax due arise from the prior period adjustment as explained in note 15.

Deferred tax - At the year end the amount of deferred tax unprovided for amounted to £1367. A provision has not been made due to outstanding loss relief available to the company, as a result of which the deferred tax liabilities are not expected to crystallise in the foreseeable future.

6. <u>Dividends</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Dividends were declared and paid in the year as follows:-		
31st May, 1996	<u>5000</u>	<u>-</u>

7. <u>Tangible Fixed Assets</u>	<u>Plant and machinery</u> <u>£</u>	<u>Fixtures, fittings and equipment</u> <u>£</u>	<u>Computers</u> <u>£</u>	<u>Motor vehicles</u> <u>£</u>	<u>Total</u> <u>£</u>
Brought forward	-	14114	2187	60695	76996
Reclassifications	-	( 985 )	985	-	-
Additions	1150	480	493	19185	21308
Disposals	-	-	-	-	-
Carried forward	<u>1150</u>	<u>13609</u>	<u>3665</u>	<u>79880</u>	<u>98304</u>
<u>Depreciation</u>					
Brought forward	-	7437	729	31716	39882
Reclassifications	-	( 300 )	300	-	-
Charge for the year	155	1169	530	7244	9098
Disposals	-	-	-	-	-
Carried forward	<u>155</u>	<u>8306</u>	<u>1559</u>	<u>38960</u>	<u>48980</u>
<u>Net Book Value</u>					
Carried forward	<u>995</u>	<u>5303</u>	<u>2106</u>	<u>40920</u>	<u>49324</u>
Brought forward	<u>-</u>	<u>6677</u>	<u>1458</u>	<u>28979</u>	<u>37114</u>
<u>Assets Held Under Finance Leases</u>					

Included within motor vehicles were vehicles acquired under finance leases as follows:-

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Net book value	33902	19622

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 1996

8.	<u>Stocks</u>	<u>1996</u>	<u>1995</u>
	Stocks were comprised of the following:-	<u>£</u>	<u>£</u>
	Raw materials and consumables	<u>4375</u>	<u>4375</u>
		<u>4375</u>	<u>4375</u>
9.	<u>Debtors</u>		
	Trade debtors	58139	78675
	Other debtors (see note 17)	13301	-
	Prepayments and accrued income	<u>9386</u>	<u>2201</u>
		<u>80826</u>	<u>80876</u>
	Amounts not recoverable within one year	<u>1250</u>	<u>-</u>
10.	<u>Creditors</u>		
	Amounts falling due within one year:		
	Other loans	20000	27734
	Obligations under hire purchase agreements (note 16)	13151	7932
	Trade creditors	60239	21786
	Corporation tax	1250	605
	Other taxation and social security	8520	19930
	Directors' current accounts	5351	4843
	Accruals and deferred income	<u>46657</u>	<u>45391</u>
		<u>155168</u>	<u>128221</u>
11.	<u>Creditors</u>		
	Amounts falling due after more than one year:		
	Obligations under finance leases and HP contracts	<u>14955</u>	<u>11682</u>
12.	<u>Called Up Share Capital</u>	<u>Authorised</u>	<u>Allotted, issued and fully paid</u>
	Ordinary shares of £1 each	<u>100000</u>	<u>20000</u> <u>20000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 1996

13. <u>Reserves</u>	<u>Profit and Loss</u>	
	<u>£</u>	
At beginning of year as previously stated	9131	
Prior year adjustment (note 16)	( 37402)	
At beginning of year as restated	( 28271)	
Transfer from profit and loss account of the year	( 3523)	
At end of year	<u>( 31794)</u>	
14. <u>Reconciliation of Shareholders' Funds</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Profit/(loss) for the year	1477	( 3071)
Less: Dividends	<u>5000</u>	<u>-</u>
	( 3523)	( 3071)
Opening shareholders' funds (originally £29131 before deducting prior period adjustment of £37402)	( 8271)	( 5200)
Closing shareholders' funds	<u>( 11794)</u>	<u>( 8271)</u>
15. <u>Prior Period Adjustment</u>		
An adjustment has been found to be necessary to the balance of retained profits brought forward to reflect the existence of material balances in respect of both deferred and accrued income arising in prior periods which had not previously been accounted for, the absence of the former being fundamental in its impact upon the view given by the financial statements.		
The failure to account for such balances in previous periods is a fundamental accounting error being inconsistent with the accruals concept.		
The prior period adjustment is comprised as follows:-		<u>£</u>
Amounts relating to the year ending 31st May, 1995		3523
Amounts relating to periods prior to 1st June, 1994		<u>33879</u>
Total (as per page 6)		<u>37402</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 1996

16. <u>Obligations Under Hire Purchase Contracts</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Total obligations under hire purchase contracts	31413	25701
Finance charges allocated to future periods	<u>3307</u>	<u>6087</u>
	28106	19614
Obligations due within one year	<u>13151</u>	<u>7932</u>
Obligations due within two to five years	<u>14955</u>	<u>11682</u>

Obligations Under Operating Leases

At the year end the company was committed to making the following payments during the next year in respect of operating leases:-

	<u>1996</u>	<u>1995</u>
	<u>Land and buildings</u>	<u>Land and buildings</u>
	<u>£</u>	<u>£</u>
Leases which expire within one year	<u>4500</u>	<u>4500</u>
17. <u>Directors' Interests in Company Contracts</u>		

The company undertook to meet certain expenses incurred during the year by another company Cedar Engineering Limited, in which the directors also have a controlling interest. The monies outstanding at the year end in the sum of £9168 are expected to be repaid in the near future. Cedar Engineering Limited also undertook some work on behalf of the company, all such transactions being regarded as having taken place at arm's length.

18. Comparative Figures

Certain comparative figures in these financial statements have been restated in order that they are presented on a consistent basis with the current year and in order to reflect the prior period adjustment as disclosed in note 1.