

Company Registration No. 05206041 (England and Wales)

CROSSCO (820) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2013

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COMPANIES HOUSE

CROSSCO (820) LIMITED**DIRECTORS AND ADVISERS**

Directors	A E Watson C Lister	Chairman Managing Director
Company number	05206041	
Registered office	Desborough Park Road High Wycombe Buckinghamshire HP12 3BX	
Registered auditors	Myers Clark Iveco House Station Road Watford Hertfordshire WD17 1DL	
Bankers	National Westminster Bank 135 Bishopsgate London EC2M 3UR	
Solicitors	TLT Solicitors One Redcliff Street Bristol BS1 6TP	

CROSSCO (820) LIMITED**CONTENTS**

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Balance sheets	6
Consolidated cash flow statement	7
Notes to the consolidated cash flow statement	8
Notes to the financial statements	9 - 23

CROSSCO (820) LIMITED**DIRECTORS' REPORT*****FOR THE YEAR ENDED 28 FEBRUARY 2013***

The directors present their report and financial statements for the year ended 28 February 2013

Principal activities and review of the business

The principal activity of the company continued to be that of a holding company

The group's principal activity continued to be the manufacture, sale and distribution of air handling equipment, mechanical and electrical engineering products and services

Despite businesses remaining cautious to invest in capital projects, the Group is pleased to announce that it has increased its turnover from £4 82m to £5 24m. The investment in personnel, business systems and research and development contributing to this increase. The Group continues to invest significantly in research and development to develop new high efficiency products to meet the future needs of the market.

The current economic climate and its impact on capital investment projects remains as the principal risk to the Group.

The results for the year and the financial position at the year-end were considered satisfactory by the directors.

Results and dividends

The consolidated profit and loss account for the year is set out on 5.

The directors do not recommend payment of an ordinary dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Group research and development activities

The group has committed to developing new products in the same or similar field to which it is currently operating.

Future developments

The directors expect the current trading conditions to continue as businesses remain cautious on capital expenditure projects. Modest growth is expected in the latter part of the year and increased activity is expected for subsequent years as customers restart their capital investment projects and move towards more energy efficient systems.

Directors

The following directors have held office since 1 March 2012:

A E Watson

C Lister

S P Brown

(Resigned 30 June 2013)

Auditors

In accordance with the company's articles, a resolution proposing that Myers Clark be reappointed as auditors of the company will be put at a General Meeting.

CROSSCO (820) LIMITED**DIRECTORS' REPORT (CONTINUED)*****FOR THE YEAR ENDED 28 FEBRUARY 2013***

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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. 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and accounting 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 group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



C Lister

Director

22 November 2013

CROSSCO (820) LIMITED**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF CROSSCO (820) LIMITED**

We have audited the group and parent company financial statements (the "financial statements") of Crossco (820) Limited for the year ended 28 February 2013 set out on pages 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 28 February 2013 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CROSSCO (820) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CROSSCO (820) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Jonathan Crook (Senior Statutory Auditor)
for and on behalf of Myers Clark

22 November 2013

Chartered Accountants
Statutory Auditor

Iveco House
Station Road
Watford
Hertfordshire
WD17 1DL

CROSSCO (820) LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 28 FEBRUARY 2013**

	Notes	2013 £	2012 £
Turnover	2	5,237,452	4,819,725
Cost of sales		(3,533,898)	(2,704,346)
Gross profit		1,703,554	2,115,379
Administrative expenses		(1,700,181)	(1,732,065)
Other operating income		11,217	4,516
Operating profit	3	14,590	387,830
Other interest receivable and similar income		34,797	42,793
Interest payable and similar charges	4	(69,797)	(248,611)
(Loss)/profit on ordinary activities before taxation		(20,410)	182,012
Tax on (loss)/profit on ordinary activities	5	5,524	(64,018)
(Loss)/profit on ordinary activities after taxation		(14,886)	117,994

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

CROSSCO (820) LIMITED**BALANCE SHEETS****AS AT 28 FEBRUARY 2013**

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
Fixed assets					
Intangible assets	8	1,601,272	1,737,298	462,391	501,351
Tangible assets	9 and 10	1,793,126	1,647,583	-	-
Investments	11	-	500,000	8,925,403	9,425,403
		<u>3,394,398</u>	<u>3,884,881</u>	<u>9,387,794</u>	<u>9,926,754</u>
Current assets					
Stocks	12	198,339	133,645	-	-
Debtors	13	1,133,691	1,167,087	40,977	29,315
Cash at bank and in hand		1,779,786	1,234,642	1,768,212	1,191,267
		<u>3,111,816</u>	<u>2,535,374</u>	<u>1,809,189</u>	<u>1,220,582</u>
Creditors: amounts falling due within one year	14	<u>(2,010,359)</u>	<u>(1,917,214)</u>	<u>(3,282,487)</u>	<u>(2,993,108)</u>
Net current assets		<u>1,101,457</u>	<u>618,160</u>	<u>(1,473,298)</u>	<u>(1,772,526)</u>
Total assets less current liabilities		<u>4,495,855</u>	<u>4,503,041</u>	<u>7,914,496</u>	<u>8,154,228</u>
Creditors: amounts falling due after more than one year	15	-	-	(4,925,403)	(4,925,403)
Deferred tax liability		<u>(128,457)</u>	<u>(120,757)</u>	<u>-</u>	<u>-</u>
		<u><u>4,367,398</u></u>	<u><u>4,382,284</u></u>	<u><u>2,989,093</u></u>	<u><u>3,228,825</u></u>
Capital and reserves					
Called up share capital	18	9,400	9,400	9,400	9,400
Share premium account	19	1,303,163	1,303,163	1,303,163	1,303,163
Other reserves	19	1,044	1,044	1,044	1,044
Profit and loss account	19	3,053,791	3,068,677	1,675,486	1,915,218
Shareholders' funds	20	<u><u>4,367,398</u></u>	<u><u>4,382,284</u></u>	<u><u>2,989,093</u></u>	<u><u>3,228,825</u></u>

Approved by the Board and authorised for issue on 22 November 2013



C Lister
Director

Company Registration No. 05206041

CROSSCO (820) LIMITED**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 28 FEBRUARY 2013**

	£	2013 £	£	2012 £
Net cash inflow/(outflow) from operating activities		353,923		(9,565)
Returns on investments and servicing of finance				
Interest received	34,772		42,793	
Interest paid	(69,797)		(248,611)	
Net cash outflow for returns on investments and servicing of finance		(35,025)		(205,818)
Taxation		(1,039)		(127,203)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(230,781)		(92,368)	
Receipts from sales of tangible assets	4,667		2,500	
Receipts from sales of investments	500,000		-	
Net cash inflow/(outflow) for capital expenditure		273,886		(89,868)
Equity dividends paid		(46,601)		-
Net cash inflow/(outflow) before management of liquid resources and financing		545,144		(432,454)
Financing				
Repayment of other short term loans	-		(2,400,000)	
Net cash outflow from financing		-		(2,400,000)
Increase/(decrease) in cash in the year		545,144		(2,832,454)

CROSSCO (820) LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2013

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2013		2012	
		£		£	
	Operating profit	14,590		387,830	
	Depreciation of tangible assets	80,238		96,000	
	Amortisation of intangible assets	136,026		136,026	
	(Loss)/profit on disposal of tangible assets	333		(2,500)	
	Increase in stocks	(64,694)		(4,582)	
	Increase in debtors	(68,433)		(212,336)	
	Increase/(decrease) in creditors within one year	255,863		(410,003)	
	Net cash inflow/(outflow) from operating activities	353,923		(9,565)	
2	Analysis of net funds	1 March 2012	Cash flow	Other non-cash changes	28 February 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,234,642	545,144	-	1,779,786
	Debts falling due within one year	(826,296)	-	-	(826,296)
	Net funds	408,346	545,144	-	953,490
3	Reconciliation of net cash flow to movement in net funds	2013		2012	
		£		£	
	Increase/(decrease) in cash in the year	545,144		(2,832,454)	
	Cash (inflow)/outflow from (increase)/decrease in debt	-		2,400,000	
	Movement in net funds in the year	545,144		(432,454)	
	Opening net funds	408,346		840,800	
	Closing net funds	953,490		408,346	

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*****FOR THE YEAR ENDED 28 FEBRUARY 2013***

1 Accounting policies**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

1.2 Compliance with and departure from accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

On 11 January 2005, investments held in one of the company's subsidiary undertakings were transferred to the company at their book value which was less than their fair value. The cost of the company's investment in that subsidiary undertaking reflected the underlying fair value of its net assets and goodwill at the time of acquisition. As a result of this transfer, the value of the company's investment in that subsidiary undertaking fell below the amount at which it was stated in the company's accounting records.

The Companies Act 2006 requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account. However, the directors considered that, as there was no overall loss to the company, it would fail to give a true and fair view to charge that diminution to the company's profit and loss account for the year and it should instead be re-allocated to goodwill, so as to recognise in the company's individual balance sheet the effective cost to the company of those investments and goodwill. The financial effect on the results for the year of this departure by not treating the diminution as a loss in the holding company's financial statements is set out in note 27 to the financial statements.

1.3 Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the company and its subsidiaries for the year. Intra-group transactions are eliminated in full on consolidation. The accounts of all group companies are made up to 28 February annually. A separate profit and loss account dealing with the results of the company only is not presented, as the exemption conferred by the Companies Act 2006 applies.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised in the financial statements as goods are delivered or services are performed.

1.5 Goodwill

Goodwill, which represents the excess of cost of acquisitions of businesses over the value attributed to their net assets, is amortised through the profit and loss account by equal annual instalments over its estimated useful economic life of 20 years. The value of goodwill is reviewed annually for any impairment and provision made against any permanent diminution in value.

1.6 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

CROSSCO (820) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2013

1 Accounting policies**(continued)****1.7 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	straight line over 50 years
Plant and machinery	15% on reducing balance
Fixtures, fittings & equipment	15% on reducing balance
Motor vehicles	25% straight line

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.8 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.10 Stock and work in progress

Raw materials are stated at the lower of cost and net realisable value. Component stock manufactured in-house is valued at cost of material plus attributable labour. Work in progress, relating to the production of goods for sale, is valued at selling price less product group margin adjusted for proportion complete. Finished goods are valued at selling price less product group margin.

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as account is taken of any indexation allowance arising on the gain.

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013****1 Accounting policies****(continued)****1.14 Employee Benefit Trusts (EBTs)**

The company has introduced an Employee Benefit Trust for the benefit of employees. Monies held in this trust are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2013	2012
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	136,026	136,026
Depreciation of tangible assets	80,238	96,000
Loss on disposal of tangible assets	333	-
Operating lease rentals		
- Plant and machinery	29,962	4,608
Fees payable to the group's auditor for the audit of the group's annual accounts (company £7,500, 2012 £8,000)	15,500	20,000
and after crediting		
Profit on disposal of tangible assets	-	(2,500)
Profit on foreign exchange transactions	(2,105)	-
	<u> </u>	<u> </u>

4 Interest payable

	2013	2012
	£	£
On other loans wholly repayable within five years	-	(13,692)
On overdue tax	743	241
Other interest	69,054	262,062
	<u> </u>	<u> </u>
	<u>69,797</u>	<u>248,611</u>

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013**

5	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U K corporation tax	4,660	94,318
	Adjustment for prior years	(17,884)	(119,000)
	Total current tax	(13,224)	(24,682)
	Deferred tax		
	Deferred tax charge/credit current year	7,700	88,700
		(5,524)	64,018
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(20,410)	182,012
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	(4,898)	47,323
	Effects of		
	Non deductible expenses	110,967	137,149
	Depreciation and goodwill add back	42,553	49,547
	Capital allowances	(14,489)	(18,370)
	Enhanced research and development	(129,473)	(108,500)
	Marginal relief	-	(12,831)
	Adjustment to previous periods	(17,884)	(119,000)
		(8,326)	(72,005)
	Current tax charge for the year	(13,224)	(24,682)
6	(Loss)/profit for the financial year		
	As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The (loss)/profit for the financial year is made up as follows:		
		2013	2012
		£	£
	Holding company's (loss)/profit for the financial year	(239,732)	14,220

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013**

7	Dividends	2013	2012
		£	£
	Ordinary final proposed	-	17,700
8	Intangible fixed assets		
	Group		
			Goodwill
			£
	Cost		
	At 1 March 2012 & at 28 February 2013		2,720,518
	Amortisation		
	At 1 March 2012		983,220
	Charge for the year		136,026
	At 28 February 2013		1,119,246
	Net book value		
	At 28 February 2013		1,601,272
	At 29 February 2012		1,737,298
	Intangible fixed assets (continued)		
	Company		
			Goodwill
			£
	Cost		
	At 1 March 2012 & at 28 February 2013		779,194
	Amortisation		
	At 1 March 2012		277,843
	Charge for the year		38,960
	At 28 February 2013		316,803
	Net book value		
	At 28 February 2013		462,391
	At 29 February 2012		501,351

Goodwill is amortised over its expected useful economic life of 20 years. Impairment reviews are undertaken where the directors believe there is a diminution in value.

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013****9 Tangible fixed assets****Group**

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 March 2012	1,280,872	343,407	549,271	24,388	2,197,938
Additions	44,184	64,975	47,980	24,725	181,864
Disposals	-	(20,000)	-	(8,486)	(28,486)
At 28 February 2013	1,325,056	388,382	597,251	40,627	2,351,316
Depreciation					
At 1 March 2012	63,804	272,906	414,769	23,876	775,355
On disposals	-	(15,000)	-	(8,486)	(23,486)
Charge for the year	20,868	16,437	36,511	6,422	80,238
At 28 February 2013	84,672	274,343	451,280	21,812	832,107
Net book value					
At 28 February 2013	1,240,384	114,039	145,971	18,815	1,519,209
At 29 February 2012	1,217,068	70,501	134,502	512	1,422,583

Freehold land and buildings of the company were valued in 2011 by Duncan Bailey Kennedy, Commercial Property Consultants. With subsequent additions to the freehold property, the directors consider that the current market value of the property is at least equal to the net book value.

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*****FOR THE YEAR ENDED 28 FEBRUARY 2013*****10 Tangible fixed assets****Investment properties**

	Group	Company
	£	£
Cost		
At 1 March 2012	225,000	-
Additions	48,917	-
	<hr/>	<hr/>
At 28 February 2013	273,917	-
	<hr/>	<hr/>
Depreciation		
At 1 March 2012 & at 28 February 2013	-	-
	<hr/>	<hr/>
Net book value		
At 28 February 2013	273,917	-
	<hr/>	<hr/>
At 29 February 2012	225,000	-
	<hr/>	<hr/>

The investment properties of the company were valued in 2013 by Duncan Bailey Kennedy, Commercial Property Consultants. On the basis of this valuation, the directors consider that the market value of the properties is at least equal to the value in the accounts.

The historical cost of these properties is £298,917.

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013****11 Fixed asset investments
Group**

	Unlisted investments	Total
	£	£
Cost		
At 1 March 2012	500,000	500,000
Disposals	(500,000)	(500,000)
	<u>-</u>	<u>-</u>
At 28 February 2013	-	-
	<u>-</u>	<u>-</u>
At 29 February 2012	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

Company

	Unlisted investments	Shares in group undertakings	Total
	£	£	£
Cost			
At 1 March 2012	500,000	8,925,403	9,425,403
Disposals	(500,000)	-	(500,000)
	<u>-</u>	<u>8,925,403</u>	<u>8,925,403</u>
At 28 February 2013	-	8,925,403	8,925,403
	<u>-</u>	<u>8,925,403</u>	<u>8,925,403</u>
Net book value			
At 28 February 2013	-	8,925,403	8,925,403
	<u>-</u>	<u>8,925,403</u>	<u>8,925,403</u>
At 29 February 2012	500,000	8,925,403	9,425,403
	<u>500,000</u>	<u>8,925,403</u>	<u>9,425,403</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Granism Properties Limited	England and Wales	Ordinary	100
Envirotec Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Granism Properties Limited	Dormant Company

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013****11 Fixed asset investments****(continued)**

Envirotec Limited

Manufacture, sale and
installation of air handling
equipment

The unlisted investment is loan stock held in Westway Services Holdings (2010) Limited (formerly MC440 Limited). This was issued as part of the consideration for the disposal of Westway Cooling Limited and is due for redemption on 17 June 2012.

12 Stocks and work in progress

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Raw materials and consumables	146,833	127,578	-	-
Work in progress	51,506	6,067	-	-
	<u>198,339</u>	<u>133,645</u>	<u>-</u>	<u>-</u>

13 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,076,515	1,034,738	-	-
Corporation tax	17,146	119,000	-	-
Prepayments and accrued income	40,030	13,349	13,434	1,772
Deferred tax asset (see note 16)	-	-	27,543	27,543
	<u>1,133,691</u>	<u>1,167,087</u>	<u>40,977</u>	<u>29,315</u>

CROSSCO (820) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2013

14 Creditors - amounts falling due within one year

	Group 2013	2012	Company 2013	2012
	£	£	£	£
Trade creditors	596,049	449,352	9,004	-
Amounts owed to group undertakings	-	-	2,403,545	1,998,786
Corporation tax	4,660	120,777	4,660	55,729
Taxes and social security costs	140,985	114,343	7,200	9,645
Other creditors	833,940	836,078	826,296	826,296
Accruals and deferred income	434,725	350,063	31,782	56,051
Proposed dividend	-	46,601	-	46,601
	<u>2,010,359</u>	<u>1,917,214</u>	<u>3,282,487</u>	<u>2,993,108</u>
Debt due in one year or less	<u>826,296</u>	<u>826,296</u>	<u>826,296</u>	<u>826,296</u>

Loan stock of £2,688,580 was issued on 11 January 2005. Under the terms of the original loan, repayment was due on 11 January 2010. Following agreement with the loan stock holders, repayment was due on 11 January 2012. Repayment of £2,000,000 was made in February 2012. At 28 February 2013, the loans consisted of £155,077, £124,923, £150,000, £70,000 and £188,580 from Northern Investors Company Plc, Northern Venture Trust Plc, Northern 2 VCT Plc, Northern 3 VCT Plc and Mrs V. Lister (spouse of C. Lister) respectively.

The loan repayment is at a premium of 20% such that the Company shall pay £1.20 in respect of each £1 of Stock redeemed. The premium is being accrued evenly over the five year period. A redemption premium of £400,000 was paid in February 2012 on partial repayment of the loans. At 28 February 2013 the accrued redemption premium amounts to £137,716 (2012: £137,716).

The loans are unsecured, however the company's subsidiaries, namely Envirotec Limited and Gransim Properties Limited, have given a joint and several guarantee for the loan should the company be in default of the Loan Agreement.

15 Creditors - amounts falling due after more than one year

	Group 2013	2012	Company 2013	2012
	£	£	£	£
Amounts owed to group undertakings	<u>-</u>	<u>-</u>	<u>4,925,403</u>	<u>4,925,403</u>

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013****16 Provisions for liabilities****Group****Deferred
taxation
£**

Balance at 1 March 2012

120,757

Profit and loss account

7,700

Balance at 28 February 2013

128,457

Company

Balance at 1 March 2012 & at 28 February 2013

(27,543)

Balance at 28 February 2013

(27,543)

The deferred tax liability is made up as follows

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	156,000	148,300	-	-
Other timing differences	(27,543)	(27,543)	(27,543)	(27,543)
	<u>128,457</u>	<u>120,757</u>	<u>(27,543)</u>	<u>(27,543)</u>

17 Pension and other post-retirement benefit commitments**Defined contribution**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2013	2012
	£	£
Contributions payable by the group for the year	<u>112</u>	<u>14,716</u>

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013**

18 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
590,000 Ordinary Shares of 1p each	5,900	5,900
350,000 A Ordinary Shares of 1p each	3,500	3,500
	<u>9,400</u>	<u>9,400</u>

The ordinary shares and 'A' ordinary shares have the right to a cumulative dividend of 15% of the consolidated net post tax profits from the audited accounts of the Group

Ordinary shares and 'A' ordinary shares have one vote each

19 Statement of movements on reserves
Group

	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 March 2012	1,303,163	1,044	3,068,677
Loss for the year	-	-	(14,886)
Balance at 28 February 2013	<u>1,303,163</u>	<u>1,044</u>	<u>3,053,791</u>

Other reserves**Capital redemption reserve**

Balance at 1 March 2012 & at 28 February 2013 1,044

Company

	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 March 2012	1,303,163	1,044	1,915,218
Loss for the year	-	-	(239,732)
Balance at 28 February 2013	<u>1,303,163</u>	<u>1,044</u>	<u>1,675,486</u>

Other reserves**Capital redemption reserve**

Balance at 1 March 2012 & at 28 February 2013 1,044

CROSSCO (820) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2013**

20 Reconciliation of movements in shareholders' funds	2013	2012
Group	£	£
(Loss)/Profit for the financial year	(14,886)	117,994
Dividends	-	(17,700)
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(14,886)	100,294
Opening shareholders' funds	4,382,284	4,281,990
	<hr/>	<hr/>
Closing shareholders' funds	4,367,398	4,382,284
	<hr/>	<hr/>
	2013	2012
Company	£	£
(Loss)/Profit for the financial year	(239,732)	14,220
Dividends	-	(17,700)
	<hr/>	<hr/>
Net depletion in shareholders' funds	(239,732)	(3,480)
Opening shareholders' funds	3,228,825	3,232,305
	<hr/>	<hr/>
Closing shareholders' funds	2,989,093	3,228,825
	<hr/>	<hr/>

21 Contingent liabilities**Group**

Crossco (820) Limited and Envirotec Limited are members of a VAT Group under which both members are jointly and severally liable

The group companies have given cross guarantees to National Westminster Bank Plc. The Bank also holds a debenture, dated 11 January 2005, fixed over the assets of the Group

Company

The company, together with Envirotec Limited, is a member of a VAT Group under which both members are jointly and severally liable

The company is party to cross guarantees given by group companies to National Westminster Bank Plc. The Bank also holds a debenture, dated 11 January 2005, fixed over the assets of the company and the other companies within the Group

CROSSCO (820) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2013
22 Financial commitments

At 28 February 2013 the group had annual commitments under non-cancellable operating leases as follows

	Other	
	2013	2012
	£	£
Expiry date		
Between two and five years	47,914	14,111

23 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	625,116	680,662
Company pension contributions to defined contribution schemes	(1,418)	12,484
	<u>623,698</u>	<u>693,146</u>

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	508,756	554,504
Company pension contributions to defined contribution schemes	-	10,444
	<u>-</u>	<u>10,444</u>

CROSSCO (820) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2013

24 Employees**Number of employees**

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Manufacturing and servicing	22	18
Office and management	21	23
	<u>43</u>	<u>41</u>

Employment costs

	2013 £	2012 £
Wages and salaries	1,940,438	1,870,085
Social security costs	164,997	152,244
Other pension costs	112	14,716
	<u>2,105,547</u>	<u>2,037,045</u>

25 Control

In the opinion of the directors, there is no ultimate controlling party

26 Related party relationships and transactions**Group**

The Group has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared

Company

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared

27 True and fair override

As explained in the true and fair override accounting policy note 12 on page 9, in 2005 the directors re-allocated part of the company's cost of investment in one of its subsidiary undertakings to purchased goodwill

The financial effect on the results of this true and fair override departure, by not treating the diminution as a loss in the year, is to increase the profit for the financial year by £501,351 (2012 £540,311) less £38,960 (2012 £38,960) goodwill amortisation charge