

Registered no: 540840

CRESCENT OF CAMBRIDGE LIMITED

Annual report
for the period ended 1 July 2005



CRESCENT OF CAMBRIDGE LIMITED

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CRESCENT OF CAMBRIDGE LIMITED

Directors' report for the period ended 1 July 2005

The directors present their report and the audited financial statements for the period ended 1 July 2005.

Principal activities

The principal activity of the company is the design, manufacture and supply of spiral staircases.

Future Developments

The company continues to consolidate its market share within the spiral staircase sector, but is actively attempting to increase its market share within the straight flight sector.

Review of business

The profit and loss account for the period is set out on page 6.

Dividends and transfers to reserves

A dividend of £250,000 has been paid for the period (2004: £300,000). The retained profit for the financial period of £15,524 (2004: retained loss of £178,161) will be transferred to reserves.

Directors and their interests

The directors of the company at 1 July 2005, all of whom have been directors for the whole of the period ended on that date, are listed below:

R S Butler
S Middleton
J H Patterson

None of the directors had any interest in the shares of the company at the beginning or end of the financial period.

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The interests of the directors in the share capital of SWP Group PLC at 1 July 2005 were:

Director	Class of Share	1 July 2005	2 July 2004
R S Butler	Ordinary shares of 0.5p each (2004: 0.5p each)	30,884	30,884
S Middleton	Ordinary shares of 0.5p each (2004: 0.5p each)	43,284	43,284

Details of the interests of the directors in share options in SWP Group PLC at 1 July 2005 were:

	Ordinary Shares of 0.5p each 1 July 2005	Ordinary Shares of 0.5p each 2 July 2004
R S Butler	6,200	6,450
S Middleton	5,120	5,370
J Patterson	4,353	4,603

The outstanding options are exercisable as follows:

Director	1 July 2005	Exercise Price	Date from Which Exercisable	Expiry Date
R S Butler	6,200	137.5p	2000	2007
S Middleton	5,120	137.5p	2000	2007
J Patterson	4,353	137.5p	2000	2007

CRESCENT OF CAMBRIDGE LIMITED

Directors' responsibilities for the financial statements

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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

CRESCENT OF CAMBRIDGE LIMITED

Auditors

A resolution to reappoint KPMG Audit Plc will be proposed at the forthcoming Annual General Meeting.

By order of the board



R Butler
Managing Director
26 April 2006

Edison Road
St Ives
Cambridgeshire
PE27 3LG

CRESCENT OF CAMBRIDGE LIMITED

Report of the independent auditors, KPMG Audit Plc, to the members of Crescent of Cambridge Limited.

We have audited the financial statements on pages 6 to 17.

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 auditor's 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 auditor

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 1 July 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor
Birmingham

26 April 2006

CRESCENT OF CAMBRIDGE LIMITED

Profit and loss account For the period ended 1 July 2005

	Notes	2005 £	2004 £
Turnover	2	3,825,451	3,631,953
Cost of sales		(2,345,818)	(2,283,939)
Gross profit		<u>1,479,633</u>	<u>1,348,014</u>
Administrative expenses		(1,213,127)	(1,254,501)
Operating profit		<u>266,506</u>	<u>93,513</u>
Interest receivable and similar income	5	7,967	42,137
Interest payable and similar charges	5	(8,949)	(13,811)
Profit on ordinary activities before taxation	6	<u>265,524</u>	<u>121,839</u>
Tax on profit on ordinary activities	7	-	-
Profit on ordinary activities after taxation being Profit for the financial period		<u>265,524</u>	<u>121,839</u>
Dividends	8	(250,000)	(300,000)
Retained profit/(loss) for the financial period	20	<u>15,524</u>	<u>(178,161)</u>

The above figures all relate to continuing operations.

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Balance sheet at 1 July 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	9	1,352,133	1,371,543
Current assets			
Stocks	12	500,051	466,667
Debtors	13	943,818	593,896
Cash at bank and in hand		69,850	1,850
		<u>1,513,719</u>	<u>1,062,413</u>
Creditors: amounts falling due Within one year	14	<u>(1,526,709)</u>	<u>(1,136,481)</u>
Net current (liabilities)		<u>(12,990)</u>	<u>(74,068)</u>
Total assets less current liabilities		1,339,143	1,297,475
Creditors: amounts falling due After more than one year	15	(5,687)	(56,926)
Net assets		<u>1,333,456</u>	<u>1,240,549</u>
Capital and reserves			
Called up share capital	19	123,103	123,103
Capital redemption reserve	20	41,330	41,330
Revaluation reserve	20	637,780	580,794
Profit and loss account	20	531,243	495,322
Equity		1,148,223	1,055,316
Non-equity		185,233	185,233
Total shareholders' funds		<u>1,333,456</u>	<u>1,240,549</u>

These financial statements were approved by the board of directors on 26 April 2006 and were signed on its behalf by:



R Butler
Managing Director

CRESCENT OF CAMBRIDGE LIMITED

Statement of total recognised gains and losses

	2005 £	2004 £
Profit for the financial period	265,524	121,839
Revaluation of fixed assets	77,383	-
Total recognised gains and losses for the period	342,907	121,839

Note of historical cost profit and losses

	2005 £	2004 £
Reported profit on ordinary activities before taxation	265,524	121,839
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	20,397	20,397
Historical cost profit on ordinary activities before taxation	285,921	142,236
Historical cost profit/(loss) retained for the financial period	35,921	(157,764)

Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial period	265,524	121,839
Dividends	(250,000)	(300,000)
	15,524	(178,161)
Revaluation of fixed assets	77,383	-
Net increase/(decrease) to shareholders' funds	92,907	(178,161)
Opening shareholders' funds	1,240,549	1,418,710
Closing shareholders' funds	1,333,456	1,240,549

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Notes to the financial statements for the period 1 July 2005

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets.

Cash flow statement

The company is not required to prepare a cash flow statement as the company's cash flows are included in the consolidated cash flow statement prepared by the ultimate parent company.

Tangible fixed assets

Tangible fixed assets are written off over their expected useful economic lives by the following methods:

Freehold buildings	50 years straight-line
Plant and machinery	5 - 10 years straight-line
Specialised press tooling	10 years straight-line
Motor vehicles	3 - 5 years straight-line
Fixtures and fittings	2 - 5 years straight-line
Freehold land is not depreciated	

Land and buildings and specialised press tooling are carried at valuation. These assets are subject to an annual Director's valuation where the Directors consider whether or not there has been a material change in their valuation. Every three years the assets will be subject to an external valuation. Any impairment in tangible assets is recognised immediately.

Finance and operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements that transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

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Notes to the financial statements for the period 1 July 2005(Continued)

1. Accounting Policies (continued)

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Taxation

The charge for taxation is based on the profit for the period and takes into account deferred taxation. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Pensions

The company contributes to a group personal pension plan. Contributions to the group personal pension plan are charged against profits as incurred.

Related party transactions

The company has taken advantage of the exemption provided by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions between group companies.

2. Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

A geographical analysis of turnover is as follows:

	2005 £	2004 £
Geographical market:		
UK	3,804,607	3,575,560
Europe, Africa and Middle East	20,844	56,393
	<u>3,825,451</u>	<u>3,631,953</u>

3. Directors' emoluments

	2005 £	2004 £
Aggregate emoluments	<u>224,823</u>	<u>220,899</u>
Company pension contributions to personal pension plan	<u>18,375</u>	<u>18,013</u>

Retirement benefits are accruing to 3 directors under a group personal pension plan (2004: 3).

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Notes to the financial statements for the period ended 1 July 2005 (Continued)

3. Directors' emoluments (continued)

Emoluments of highest paid director

	2005 £	2004 £
Total emoluments (excluding pension contribution)	<u>81,519</u>	<u>79,841</u>

Company contributions paid to the pension scheme on behalf of this director during the period amounted to £7,035 (2004: £6,896).

4. Employee information

The average number of persons (including executive directors) employed by the company during the period was:

	2005 Number	2004 Number
By activity		
Production	33	39
Sales, distribution and administration	<u>23</u>	<u>23</u>
	<u>56</u>	<u>62</u>

	2005 £	2004 £
Staff costs		
Wages and salaries	1,355,172	1,340,562
Social security costs	146,863	144,362
Other pension costs (see note 18)	<u>84,206</u>	<u>78,918</u>
	<u>1,586,241</u>	<u>1,563,842</u>

5. Interest

	2005 £	2004 £
Interest receivable		
From group undertakings	<u>7,967</u>	<u>42,137</u>

Interest payable and similar charges

Finance charges payable in respect of hire purchase contracts	(8,949)	(11,235)
Interest charges on VAT payments	-	(2,576)
	<u>(8,949)</u>	<u>(13,811)</u>

6. Profit on ordinary activities before taxation

	2005 £	2004 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation charge for the period – owned assets	57,903	85,394
– leased assets	<u>75,797</u>	<u>69,422</u>
Auditors' remuneration – audit services	15,000	10,996
– non audit services	-	4,000
Operating Leases – hire of plant and machinery	28,776	21,197
Profit on sale of fixed assets	<u>-</u>	<u>(3,975)</u>

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Notes to the financial statements for the period ended 1 July 2005 (Continued)

7. Tax on profit on ordinary activities

There is no charge to corporation tax due to the availability of tax losses in the period from other companies in the group.

The current tax charge for the period is lower (2004: lower) than the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	265,524	121,839
Current tax at 30% (2004: 30%)	79,657	36,552
Expenses not deductible	807	8,273
Capital allowances in excess of depreciation for the period	4,032	(10,798)
Other timing differences	(38,317)	(1,646)
Group relief claimed	(46,179)	(32,381)
Current tax credit	-	-

8. Dividend

	2005 £	2004 £
Dividend paid on: 92,660 "A" Ordinary Shares @ £2.70 (2004: £3.23)	250,000	300,000

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Notes to the financial statements for the period ended 1 July 2005 (Continued)

9. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Specialised Press Tooling £	Motor Vehicles £	Fixtures and fittings £	Total £
Cost or revaluation						
At 2 July 2004	900,000	448,372	100,000	302,783	455,329	2,206,484
Additions	-	28,590	-	-	8,317	36,907
Revaluation	50,506	-	-	-	-	50,506
Disposals	-	-	-	(18,500)	-	(18,500)
At 1 July 2005	950,506	476,962	100,000	284,283	463,646	2,275,397
Depreciation						
At 2 July 2004	13,439	213,352	40,833	237,011	330,306	834,941
Charge for year	13,438	43,175	10,000	38,703	28,384	133,700
Revaluation	(26,877)	-	-	-	-	(26,877)
Disposals	-	-	-	(18,500)	-	(18,500)
At 1 July 2005	-	256,527	50,833	257,214	358,690	923,264
Net book value						
At 1 July 2005	950,506	220,435	49,167	27,069	104,956	1,352,133
At 2 July 2004	886,561	235,020	59,167	65,772	125,023	1,371,543

Included in the total net book value of tangible fixed assets is £150,753 (2004: £208,704) in respect of assets held under hire purchase contracts. The depreciation charge in respect of these assets is £48,144 (2004: £69,422).

10. Fixed asset revaluation

In accordance with our accounting policy the land and buildings were valued on the 30th May 2005 by D.H.Barford & Co, Chartered Surveyors. The Directors have considered this valuation and have decided to revalue the freehold land and buildings by £77,383. The historic cost of freehold land and buildings before historic cost depreciation is £380,140 (2004: £380,140).

The specialised press tooling was revalued by the Directors on a continuing use basis as at 1 July 2005. The cost under the historical cost convention before historic cost depreciation is £45,000 (2004: £45,000).

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Notes to the financial statements for the period ended 1 July 2005 (Continued)

11. Fixed Asset investment

At 1 July 2005, the company owned the entire issued share capital of Crescent Staircases Limited, a dormant company, incorporated in the Republic of Ireland. This investment of £1 was written off during 1996.

12. Stocks

	2005 £	2004 £
Raw materials	321,625	258,236
Work in progress	134,123	105,253
Finished goods and goods for resale	44,303	103,178
	<u>500,051</u>	<u>466,667</u>

13. Debtors

	2005 £	2004 £
Amounts falling due within one year		
Trade debtors	916,962	569,886
Other debtors	1,393	2,186
Prepayments and accrued income	25,463	21,824
	<u>943,818</u>	<u>593,896</u>

Trade debtors includes an amount of £77,646 (2004: £64,453) which is due after more than one year.

14. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loans & overdrafts	-	17,606
Obligations under hire purchase agreements (note 16)	51,333	72,502
Payments received on account	180,860	118,068
Trade creditors	379,628	328,887
Amounts owed to group undertakings	586,142	221,298
Other taxes and social security costs	305,820	356,118
Accruals and deferred income	22,926	22,002
	<u>1,526,709</u>	<u>1,136,481</u>

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Notes to the financial statements for the period ended 1 July 2005 (Continued)

15. Creditors: amounts falling due after more than one year

	2005 £	2004 £
Obligations under hire purchase contracts (note 16)	<u>5,687</u>	<u>56,926</u>

16. Finance leases

The net finance lease obligations are payable as follows:

	2005 £	2004 £
In one year or less	51,333	72,502
Between one and two years	5,687	51,239
Between two and five years	-	5,687
	<u>57,020</u>	<u>129,428</u>

17. Provisions for liabilities and charges

A deferred tax asset of £122,473 (2004: £41,621) has not been recognised in respect of accelerated capital allowances, as it is unlikely to reverse in the immediate future.

18. Pension obligations

Crescent of Cambridge Limited operates a group personal pension plan on behalf of its employees, to which the employer contributes 10% and the employee contributes 5% of their salary. The pension charge for the period was £84,206 (2004: £78,918).

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Notes to the financial statements for the period ended 1 July 2005 (Continued)

19. Called up share capital

	2005 £	2004 £
Authorised		
131,490 'A' ordinary shares of 50p each	65,745	65,745
131,490 'B' ordinary shares of 50p each	65,745	65,745
114,667 10% cumulative redeemable preference shares of £1 each	114,667	114,667
32,943 9% cumulative participating preferred ordinary shares of £1 each	32,943	32,943
	279,100	279,100
	2005 £	2004 £
Allotted, called up and fully paid		
92,660 'A' ordinary shares of 50p each	46,330	46,330
87,660 'B' ordinary shares of 50p each	43,830	43,830
32,943 9% cumulative participating preferred ordinary shares of £1 each	32,943	32,943
	123,103	123,103

20. Reserves

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
At beginning of period	41,330	580,794	495,322
Increase in Revaluation Reserve	-	77,383	-
Retained Profit for the financial period	-	-	15,524
Transfer	-	(20,397)	20,397
At end of period	41,330	637,780	531,243

21. Capital Commitments

The company has capital commitments amounting to £nil at 1 July 2005 (2004: £nil).

22. Contingent Liabilities

The company has guaranteed the bank borrowings of certain of its fellow subsidiary undertakings.

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Notes to the financial statements for the period ended 1 July 2005 (Continued)

23. Financial commitments

At 1 July 2005 the company had annual commitments under non-cancellable operating leases for plant and machinery as follows:

	2005	2004
	£	£
Expiring within one year	1,101	1,138
Expiring within two to five years	1,437	3,171
	<u>2,538</u>	<u>4,309</u>

24. Ultimate Controlling Parent Company

The Company is a subsidiary undertaking of SWP Group PLC. The financial statements of the company are included within the consolidated financial statements of SWP Group PLC. Copies of the consolidated financial statements may be obtained from The Secretary, SWP Group PLC, 4th Floor, Bedford House, 3 Bedford Street, London WC2E 9HD.