

# **CRESCENT OF CAMBRIDGE LIMITED**

Annual report

for the period ended 30 June 2009

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# **CRESCENT OF CAMBRIDGE LIMITED**

## **Annual report for the period ended 30 June 2009**

Registered no. 540840

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# **CRESCENT OF CAMBRIDGE LIMITED**

## **Directors' report for the period ended 30 June 2009**

The directors present their report and the audited financial statements for the period ended 30 June 2009

### **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. Turnover has decreased from £4,440,258 to £2,757,004 which represents decrease of 38%, with a slight increase in gross margin from 31% to 32% in the same period. Turnover and gross margin information represent the Key Performance Indicators used to manage the business.

### **Principal risks and uncertainties**

**General sustainable growth in operating profit**

The directors aim to achieve steady sustainable growth in operating profit. Strong cash management is fundamental to delivering sustainable profit growth and the consistent delivery of cash-backed profit remains a key performance indicator.

**Ability to win market share**

The company's ability to win market share is dependent on its responsiveness to changes in customer requirements and demands. Management's ability to increase prices depends in part on how the company's competitors respond to changing market conditions.

**Ensure the safety of our people**

The health and safety of our people and everyone who works with us or is affected by our operations is paramount. We have the objective of eliminating reportable accidents which requires the constant vigilance and commitment of everyone in the company to ensure that safe working practices are consistently adopted and supported by rigorous reviews, audits and training.

### **Dividends and transfers to reserves**

A dividend of £nil has been paid for the period (2008: Nil). The total loss for the financial period of (352,203) (2008 retained profit of 129,463) will be transferred to reserves.

### **Directors**

The directors of the company who held office during the year were

J A F Walker

C A Stott

B Redford (appointed 13/01/2009 & resigned 26/02/2009)

# CRESCENT OF CAMBRIDGE LIMITED

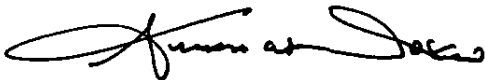
## Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

## Auditors

The auditors, Horwath Clark Whitehill LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

## By order of the board



J A F Walker  
Director  
29<sup>th</sup> March 2010

Edison Road  
St Ives  
Cambridgeshire  
PE27 3LG

Company Registration No 540840

# CRESCENT OF CAMBRIDGE LIMITED

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these 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,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have a 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**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRESCENT OF CAMBRIDGE LIMITED**

We have audited the financial statements of Crescent of Cambridge for the year ended 30 June 2009 set out pages 6 to 17

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 Statement of Directors' Responsibilities, 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 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.

### **Opinion on financial statements**

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its 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

# CRESCENT OF CAMBRIDGE LIMITED

## **Opinion of 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

## **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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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 to our audit

**David Chitty**

Senior Statutory Auditor

For and on behalf of

**Horwath Clark Whitehill LLP**

Statutory Auditor and Chartered Accountants, London

**29<sup>th</sup> March 2010**

# CRESCENT OF CAMBRIDGE LIMITED

## Profit and loss account For the period ended 30 June 2009

	Notes	2009 £	2008 £
<b>Turnover</b>	2	<b>2,757,002</b>	4,440,258
Cost of sales		(1,884,502)	(3,064,560)
<b>Gross profit</b>		<b>872,500</b>	1,375,698
Administrative expenses		(1,224,031)	(1,219,775)
<b>Operating (loss/profit)</b>		<b>(351,531)</b>	155,923
Interest payable and similar charges	5	(672)	(504)
<b>(loss)/profit on ordinary activities before taxation</b>	6	<b>(352,203)</b>	155,419
Tax on profit on ordinary activities	7	-	(25,956)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(352,203)</b>	129,463
<b>(Loss)/profit for the financial period</b>		<b>(352,203)</b>	129,463

The above figures all relate to continuing operations



# CRESCENT OF CAMBRIDGE LIMITED

## Balance sheet at 30 June 2009

	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	9	1,425,154	1,450,534
<b>Current assets</b>			
Stocks	12	435,878	549,985
Debtors	13	619,388	1,139,353
Cash at bank and in hand		463,161	434,980
		<u>1,518,427</u>	<u>2,124,318</u>
<b>Creditors: amounts falling due</b>			
Within one year	14	(1,167,263)	(1,441,091)
<b>Net current assets</b>		<u>351,164</u>	<u>683,227</u>
<b>Total assets less current liabilities</b>		<b>1,776,318</b>	<b>2,133,761</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(1,310)</u>	<u>(6,550)</u>
<b>Net assets</b>		<u><b>1,775,008</b></u>	<u><b>2,127,211</b></u>
<b>Capital and reserves</b>			
Called up share capital	18	123,103	123,103
Capital redemption reserve	19	41,330	41,330
Revaluation reserve	19	769,304	803,804
Profit and loss account	19	841,271	1,158,974
<b>Equity</b>		<b>1,589,775</b>	<b>1,941,978</b>
<b>Non-equity</b>		<b>185,233</b>	<b>185,233</b>
<b>Total shareholders' funds</b>		<u><b>1,775,008</b></u>	<u><b>2,127,211</b></u>

These financial statements were approved and authorised for issue by the board of directors on 29<sup>th</sup> March 2010 and were signed on its behalf by



J A F Walker  
Director

# CRESCENT OF CAMBRIDGE LIMITED

## Statement of total recognised gains and losses

	2009 £	2008 £
(Loss)/profit for the financial period	(352,203)	129,463
Unrealised surplus on revaluation on property	-	-
<b>Total recognised gains and losses for the period</b>	<b>(352,203)</b>	<b>129,463</b>

## Note of historical cost profit and losses

	2009 £	2008 £
Reported (loss)/profit on ordinary activities before taxation	(352,203)	155,419
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	34,500	34,757
<b>Historical cost (loss)/profit on ordinary activities before taxation</b>	<b>(317,703)</b>	<b>190,176</b>
<b>Historical cost (loss)/profit retained after taxation and dividends</b>	<b>(317,703)</b>	<b>190,176</b>

## Reconciliation of movements in shareholders' funds

	2009 £	2008 £
(Loss)/profit for the financial period	(352,203)	129,463
Dividends	-	-
Retained profit	(352,203)	129,463
Revaluation of fixed assets	-	-
Net addition to shareholders' funds	(352,203)	129,463
Opening shareholders' funds	2,127,211	1,996,545
<b>Closing shareholders' funds</b>	<b>1,775,008</b>	<b>2,126,008</b>

# CRESCENT OF CAMBRIDGE LIMITED

Notes to the financial statements for the period 30 June 2009

## 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the 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

Under FRS1 the company is exempt from the requirement 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.

### 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.

# **CRESCENT OF CAMBRIDGE LIMITED**

**Notes to the financial statements for the period 30 June 2009 (Continued)**

## **1. Accounting Policies (continued)**

### **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.

### **Intra-group guarantees**

The company has not adopted amendments to FRS 26 in relation to financial guarantee contracts.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

The company does not expect the amendments to have any impact on the financial statements for the period commencing 1 July 2009.

# CRESCENT OF CAMBRIDGE LIMITED

Notes to the financial statements for the period ended 30 June 2009 (Continued)

## 2. Turnover

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

## 3. Directors' emoluments

	2009 £	2008 £
Aggregate emoluments	<u>48,160</u>	<u>146,996</u>
Company pension contributions to personal pension plan	<u>3,919</u>	<u>16,909</u>

Retirement benefits are accruing to 0 under a group personal pension plan (2008 3)

### Emoluments of highest paid director

	2009 £	2008 £
Total emoluments (excluding pension contribution)	<u>45,967</u>	<u>67,255</u>

Company contributions paid to the pension scheme on behalf of this director during the period amounted to £3,333 (2008 £7,035)

## 4. Employee information

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

	2009 Number	2008 Number
<b>By activity</b>		
Production	29	44
Sales, distribution and administration	22	22
	<u>51</u>	<u>66</u>

	2009 £	2008 £
<b>Staff costs</b>		
Wages and salaries	1,192,804	1,652,126
Social security costs	127,788	177,819
Other pension costs (see note 17)	72,767	89,349
	<u>1,393,359</u>	<u>1,919,294</u>

# CRESCENT OF CAMBRIDGE LIMITED

Notes to the financial statements for the period ended 30 June 2009 (Continued)

## 5. Interest Payable and Similar Charges

	£	£
	2009	2008
Finance charges payable in respect of hire purchase contracts	(672)	(504)

## 6. Notes to profit and loss account

	2009 £	2008 £
Profit on ordinary activities before taxation is stated after charging		
Depreciation charge for the period – owned assets	103,085	78,252
– leased assets	23,144	17,904
Operating Leases – hire of plant and machinery	76,654	61,939
Profit on sale of fixed assets	7,251	3,590

	2009 £	2008 £
Auditors' remuneration audit of these financial statements	16,200	16,200

## 7. Tax on profit on ordinary activities

	2009 £	2008 £
Analysis of charge in period		
UK Corporation Tax		
Current tax on income for the period	-	25,956
	-	25,956

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2008 lower) than the standard rate of corporation tax in the UK of 28.0% (2008 28.7%). The differences are explained below

	2009 £	2008 £
Current tax reconciliation		
Profit/(loss) on ordinary activities before taxation	(352,203)	155,419
Current tax at 28.0% (2008. 28.7%)	(98,617)	44,605
Expenses not deductible	-	1,668
Capital allowances in excess of depreciation for the period	(13,636)	(20,317)
Other timing differences	-	-
Group relief claimed	112,253	-
Current tax	-	25,956

## 8. Dividend

	2009 £	2008 £
Interim dividends paid in respect of the current year	-	-

# CRESCENT OF CAMBRIDGE LIMITED

Notes to the financial statements for the period ended 30 June 2009 (Continued)

## 9. Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Specialised Press Tooling	Motor Vehicles	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 July 2008	1,233,384	538,866	100,000	145,729	394,990	2,412,969
Additions	3,428	2,100	-	-	95,321	100,849
Disposals	-	-	-	(96,992)	-	(96,992)
<b>At 30 June 2009</b>	<b>1,236,812</b>	<b>540,966</b>	<b>100,000</b>	<b>48,737</b>	<b>490,311</b>	<b>2,416,826</b>
Depreciation						
At 1 July 2008	25,338	388,813	80,833	133,940	333,511	962,435
Charge for year	26,805	45,160	10,000	5,239	39,025	126,229
Disposals	-	-	-	(96,992)	-	(96,992)
<b>At 30 June 2009</b>	<b>52,143</b>	<b>433,973</b>	<b>90,833</b>	<b>42,187</b>	<b>372,536</b>	<b>991,672</b>
Net book value						
<b>At 30 June 2009</b>	<b>1,184,669</b>	<b>106,993</b>	<b>9,167</b>	<b>6,550</b>	<b>117,775</b>	<b>1,425,154</b>
At 1 July 2008	1,208,046	150,053	19,167	11,789	61,479	1,450,534

Included in the total net book value of tangible fixed assets is £54,216 (2008 £72,121) in respect of assets held under hire purchase contracts. The depreciation charge in respect of these assets is £17,904 (2008 £17,904).

## 10. Fixed asset revaluation

In accordance with our accounting policy the land and buildings were valued on the 7<sup>th</sup> August 2009 by Westley & Huff Chartered Surveyors. The historic cost of freehold land and buildings before historic cost depreciation is £388,524 (2008 £388,524).

The specialised press tooling was revalued by the Directors on a continuing use basis as at 30 June 2007. The cost under the historical cost convention before historic cost depreciation is £45,000 (2008 £45,000).

# CRESCENT OF CAMBRIDGE LIMITED

Notes to the financial statements for the period ended 30 June 2009 (Continued)

## 11. Fixed Asset investment

At 30 June 2009, 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

	2009 £	2008 £
Raw materials & Consumables	355,046	407,793
Work in progress	53,915	110,193
Finished goods and goods for resale	26,917	31,999
	<u>435,878</u>	<u>549,985</u>

## 13. Debtors

	2009 £	2008 £
<b>Amounts falling due within one year</b>		
Trade debtors	601,762	1,120,069
Other debtors	1,300	1,599
Prepayments and accrued income	16,326	17,685
	<u>619,388</u>	<u>1,139,353</u>

Trade debtors includes an amount of £186,887 (2008: £186,887) which is due after more than one year.

## 14. Creditors: amounts falling due within one year

	2009 £	2008 £
Obligations under hire purchase agreements (note 15)	5,240	5,240
Payments received on account	59,966	124,206
Trade creditors	177,636	381,830
Amounts owed to group undertakings	670,000	729,592
Other taxes and social security costs	167,477	135,123
Accruals and deferred income	29,978	39,144
Corporation Tax	56,966	25,956
	<u>1,167,263</u>	<u>1,441,091</u>

## Creditors: amounts falling due after more than one year

	2009 £	2008 £
Obligations under hire purchase agreements (note 15)	<u>1,310</u>	<u>6,550</u>



# CRESCENT OF CAMBRIDGE LIMITED

Notes to the financial statements for the period ended 30 June 2009 (Continued)

## 15. Finance leases

The net finance lease obligations are payable as follows

	2009 £	2008 £
In one year or less	5,240	5,240
Between one and two years	1,310	5,240
Between two and five years	-	1,310
	<u>6,550</u>	<u>11,790</u>

## 16. Provisions for liabilities and charges

A deferred tax asset of £48,142 (2008 £35,000) has not been recognised in respect of accelerated capital allowances, as it is unlikely to reverse in the immediate future

## 17. 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 £72,767 (2008 £89,349)

# CRESCENT OF CAMBRIDGE LIMITED

Notes to the financial statements for the period ended 30 June 2009 (Continued)

## 18. Called up share capital

	2009 £	2008 £
<b>Authorised</b>		
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
	<b>279,100</b>	<b>279,100</b>
	2009 £	2008 £
<b>Allotted, called up and fully paid</b>		
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
	<b>123,103</b>	<b>123,103</b>

The parent company of Crescent of Cambridge Limited has waived its entitlement to a dividend from the 9% cumulative participating preferred ordinary shares.

## 19. Reserves

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
At beginning of period	41,330	803,804	1,158,974
Revaluation of land & buildings	-	-	-
Retained Profit/(loss) for the financial period	-	-	(352,203)
Dividends on shares classified in shareholders funds	-	-	-
Transfer	-	(34,500)	34,500
<b>At end of period</b>	<b>41,330</b>	<b>769,304</b>	<b>841,271</b>

## 20. Capital Commitments

The company has capital commitments amounting to £nil at 30 June 2009 (2008 £nil)

## 21. Contingent Liabilities

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

# CRESCENT OF CAMBRIDGE LIMITED

Notes to the financial statements for the period ended 30 June 2009 (Continued)

## 22. Financial commitments

At 30 June 2009 the company had annual commitments under non-cancellable operating leases for plant and machinery as follows

	2009	2008
	£	£
Expiring within two to five years	240	2,947

## 23. 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, Bedford House, 1 Regal Lane, Soham, Ely, Cambridgeshire CB7 5BA.