

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988



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CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1988

The directors present the Annual Report for the year ended 31 December 1988 with the consolidated profit and loss account for that year and the consolidated balance sheet of the Group and the balance sheet of the Company at 31 December 1988.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Group's principal activities are, and continue to be, the manufacture and servicing of fluid handling equipment including valves, pipe fittings, pumps and steel castings. Sales were £55,359,771 (1987 - £45,966,186). The profit before taxation was £2,872,061 (1987 - £1,730,689). A review of activities and business developments appears in the Managing Director's Report.

The directors do not recommend the payment of a dividend.

DIRECTORS

As at 31 December 1988 the directors were:

R.S. Evans (Chairman) (U.S.A.)
M.J. Austin
D.I. Blyth
P. Dunn
L.J. Samuel
Richard Young

Mr. Robert Young and Mrs. S.A. Williams resigned their directorships on 16 September 1988. Mr. B.E. Simmons resigned his directorship on 30 September 1988. Mr. Richard Young was appointed as an additional director on 1 December 1988. On 16 January 1989 Mr. J.M. Fraser was appointed Managing Director of the Company.

In accordance with the Articles of Association all the present directors will retire at the next annual general meeting and it is intended that all of them will be proposed for re-election.

None of the directors has any disclosable beneficial interest in the shares of the company or its subsidiaries.

EMPLOYEES

Employees receive information on matters of concern to them as employees from their immediate superiors and in regular consultative meetings. These meetings are established to enable the views of employees to be taken into account in making decisions which are likely to affect their interests and to promote a common awareness of the financial and economic factors affecting the performance of the company. There is no employee share scheme.

Employees elected by their colleagues are appointed by the Company to be Trustees of the Company's Pension Schemes and each year the trustees publish a detailed statement of the Schemes' accounts and investments.

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

EMPLOYMENT OF DISABLED PERSONS

The Company gives full and fair consideration to applications for employment made by disabled people and continues wherever possible the employment of staff who become disabled as well as providing opportunities for the training and career development of disabled employees.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

Crane Limited is an equal opportunity employer. It is the policy of the company to recruit, promote and transfer to all job positions without regard to race, colour, religion, sex, age or national origin.

CHARITABLE AND POLITICAL CONTRIBUTIONS

No money was given for political purposes, but the group donated £2,457 for charitable purposes.

AUDITORS

A resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the Company will be put to the Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

BY ORDER OF THE BOARD


P. DUNN
Secretary

Audrey House,
Ely Place,
London EC1N 6SN.

31 March 1989

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

MANAGING DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 1988

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

MANAGING DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

MANAGING DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

Managing Director,

Audrey House,
Ely Place,
London.
EC1N 6SN

AUDITORS' REPORT TO THE MEMBERS OF
CRANE LIMITED

We have audited the financial statements on pages 7 to 20 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 December 1988 and of the profit and source and application of funds of the Group for the year then ended and comply with the Companies Act 1985.

Deloitte Haskins & Sells

Chartered Accountants

London

31 March 1989

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1988

	<u>Notes</u>	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
TURNOVER	1	55,359,771	45,966,186
Cost of sales		(44,179,578)	(36,854,770)
GROSS PROFIT		11,180,193	9,111,416
Other operating expenses	3	(7,805,087)	(6,519,123)
OPERATING PROFIT		3,375,106	2,592,293
Interest receivable		31,523	6,411
Interest payable	4	(534,568)	(868,015)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	2,872,061	1,730,689
Taxation	7	307,154	(513,110)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,179,215	1,217,579
MINORITY INTERESTS in dividend payable on preference shares of subsidiary (Blackett Hutton Holdings Ltd)		(28,456)	(28,744)
NET PROFIT FOR THE YEAR	16	£3,150,759 =====	£1,188,835 =====

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 1988

	<u>Notes</u>	<u>1988</u> £	<u>1987</u> £
FIXED ASSETS			
Tangible assets	8	<u>6,332,176</u>	<u>6,370,266</u>
CURRENT ASSETS			
Stocks	11	11,827,010	10,388,136
Debtors	12	10,016,971	8,647,162
Deferred Taxation	14	5,808	-
Cash at bank		<u>102,180</u>	<u>162,477</u>
		21,951,969	19,197,775
CURRENT LIABILITIES - CREDITORS:			
AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>8,681,062</u>	<u>7,688,567</u>
NET CURRENT ASSETS		<u>13,270,907</u>	<u>11,509,208</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,603,083	17,879,474
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	1,000,000	1,605,340
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	14	-	821,810
NET ASSETS		<u>£18,603,083</u> =====	<u>£15,452,324</u> =====
CAPITAL AND RESERVES			
Called up share capital	15	1,200,000	1,200,000
Capital reserves	16	2,541,862	2,541,862
Profit and loss account	16	<u>14,122,097</u>	<u>10,971,338</u>
SHAREHOLDERS' FUNDS		17,863,959	14,713,200
MINORITY INTERESTS		<u>739,124</u>	<u>739,124</u>
TOTAL CAPITAL AND RESERVES		<u>£18,603,083</u> =====	<u>£15,452,324</u> =====

CRANE LIMITEDBALANCE SHEET AT 31 DECEMBER 1988

	<u>Notes</u>	<u>1988</u> £	<u>1987</u> £
FIXED ASSETS			
Tangible assets	8	5,557,109	5,584,809
Investments	9	2,392,825	3,692,825
		<u>7,949,934</u>	<u>9,277,634</u>
CURRENT ASSETS			
Stocks	11	10,603,440	9,350,936
Debtors	12	8,046,660	6,609,337
Deferred Taxation	14	7,174	-
		<u>18,657,274</u>	<u>15,960,273</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>9,152,561</u>	<u>9,010,138</u>
NET CURRENT ASSETS		<u>9,504,713</u>	<u>6,950,135</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,454,647</u>	<u>16,227,769</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	1,000,000	1,605,340
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	14	-	695,568
NET ASSETS		<u>£16,454,647</u> =====	<u>£13,926,861</u> =====
CAPITAL AND RESERVES			
Called up share capital	15	1,200,000	1,200,000
Capital reserve	16	2,243,484	2,243,484
Profit and loss account	16	13,011,163	10,483,377
SHAREHOLDERS' FUNDS		<u>£16,454,647</u> =====	<u>£13,926,861</u> =====

The financial statements on pages 7 to 20 were approved by the board of directors on 31 March 1989 and are signed on its behalf by:

)
) Directors

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1988

	<u>1988</u> £	<u>1987</u> £
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	2,872,061	1,730,689
Items not involving the movement of funds:		
Depreciation of tangible assets	1,273,191	1,381,868
(Profit)/loss on disposals of tangible assets	(81,355)	18,692
	<hr/>	<hr/>
FUNDS GENERATED FROM OPERATIONS	4,063,897	3,131,249
Proceeds on disposals of tangible assets	176,910	38,257
Issue of share capital	-	200,000
Capital reserve	-	2,243,484
	<hr/>	<hr/>
TOTAL SOURCES OF FUNDS	4,240,807	5,612,990
	<hr/>	<hr/>
APPLICATION OF FUNDS		
Purchase of tangible assets	1,330,656	739,159
Purchase of preference shares of subsidiary	-	7,482
Taxation paid	250,794	56,963
Dividends paid to minority shareholders	28,456	28,744
Repayment of loans	605,340	1,464,409
	<hr/>	<hr/>
TOTAL APPLICATION OF FUNDS	2,215,246	2,296,757
	<hr/>	<hr/>
NET SOURCE OF FUNDS	£2,025,561	£3,316,233
	=====	=====
THE NET SOURCE OF FUNDS IS REPRESENTED BY THE FOLLOWING INCREASE IN WORKING CAPITAL:		
Stocks	1,438,874	500,468
Debtors	1,369,809	1,665,046
Creditors falling due within one year	667,268	465,754
	<hr/>	<hr/>
	3,475,951	2,631,268
	<hr/>	<hr/>
Movements in net liquid funds:		
Cash at bank and in hand	(60,297)	162,477
Bank overdrafts	(1,390,093)	522,488
	<hr/>	<hr/>
	(1,450,390)	684,965
	<hr/>	<hr/>
	£2,025,561	£3,316,233
	=====	=====

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1988

1. ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared on the historical cost basis of accounting.

Basis of consolidation

The consolidated financial statements include the financial statements of Crane Limited and its subsidiary companies. The subsidiaries, all of which are wholly owned, are set out in Note 9.

Turnover

Turnover comprises net invoiced value of goods sold in the ordinary course of business, excluding value added tax.

Stocks

Stocks are valued at the lower of cost, and net realisable value, calculated on a first in, first out basis and include an appropriate proportion of overheads.

Deferred taxation

Deferred taxation represents the taxation effects of timing differences between the periods in which certain transactions are recognised for financial reporting and for taxation purposes. Provision is made for all deferred taxation, under the liability method, to the extent that there is reasonable probability that the timing differences will reverse in the foreseeable future.

Depreciation

Depreciation of fixed assets purchased prior to 1 January 1985 is calculated using the reducing balance method. Fixed assets purchased after 1 January 1985 are depreciated using the straight line method. The estimated useful lives used in the calculation of both methods of depreciation are as follows:

Freehold buildings	25 to 50 years
Leasehold buildings	25 years or the life of the lease whichever is shorter
Machinery and equipment	10 years
Motor vehicles	4 years
Tools, jigs and patterns	8 years
Computer equipment	4 years

Research and development

Expenditure on research and development is written off as incurred.

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the year end. Foreign currency transactions completed during the year are converted at the rates ruling at the date of the transaction. Exchange differences are dealt with in the profit and loss account.

Operating leases

Lease payments are charged to profit and loss account in the financial year to which the payments relate.

Pension costs

Pension costs are charged to the profit and loss account in the same financial year as such obligations are funded.

2. COMPANY PROFIT AND LOSS ACCOUNT

The company has taken advantage of the exemption under Section 228 Companies Act 1985 from presenting its own profit and loss account. The consolidated profit on ordinary activities after taxation includes a profit of £2,527,786 (1987 - £1,207,119) dealt with in the accounts of the holding company.

3. OTHER OPERATING EXPENSES	<u>1988</u> £	<u>1987</u> £
Selling, marketing and distribution costs	5,809,939	4,970,805
Administrative expenses	1,992,502	1,533,515
	<u>7,802,441</u>	<u>6,504,320</u>
Other operating loss	2,646	14,803
	<u>£7,805,087</u>	<u>£6,519,123</u>
	=====	=====
4. INTEREST PAYABLE	<u>1988</u>	<u>1987</u>
On bank loans, overdrafts and other loans:		
- Repayable within 5 years, not by instalments	£534,568	£868,015
	=====	=====

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

5.	TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1988 £	1987 £
	Profit on ordinary activities before taxation is stated after charging:		
	Operating lease rentals	695,337	726,615
	Redundancy costs	111,428	90,931
	Depreciation of fixed assets	1,273,191	1,381,868
	Auditors' remuneration and expenses	59,146	47,000
		=====	=====
	The analysis of turnover by geographical market has not been given.		
6.	DIRECTORS AND EMPLOYEES	1988 £	1987 £
	Staff costs during the year:		
	Wages and salaries	15,987,272	15,238,225
	Social security costs	1,185,080	1,021,621
		=====	=====
	17,172,352		£16,259,846
		=====	=====
	The average number of persons employed by the group during the year was:	Number	Number
	Hourly paid	1,189	1,145
	Salaried	537	503
		=====	=====
	1,726		1,648
		=====	=====
	Directors' remuneration:	£	£
	Staff costs include the following in respect of directors of Crane Ltd:		
	Emoluments (basic salaries, performance related bonuses, other benefits, pension contributions and pay in lieu of notice)	323,131	348,029
	Compensation for loss of office	93,127	24,462
		=====	=====
	The directors' remuneration disclosed above (excluding pension contributions) includes amounts paid to:		
	The Chairman	£ -	£ -
		=====	=====
	The highest paid director	£67,440	£67,162
		=====	=====

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

6. DIRECTORS AND EMPLOYEES (continued)	<u>1988</u> Number	<u>1987</u> Number
The number of other directors who received emoluments (excluding pension contributions) in the following ranges was:		
NIL up to £5,000	1	1
£10,001 - £15,000	-	1
£25,001 - £30,000	-	1
£30,001 - £35,000	2	-
£35,001 - £40,000	2	-
£40,001 - £45,000	-	3
£45,001 - £50,000	1	1
£60,001 - £65,000	-	1
£65,001 - £70,000	1	-
Higher paid employees:		
Employees of Crane Limited, other than directors, receiving remuneration in excess of £30,000:		
£30,001 - £35,000	2	2
£35,001 - £40,000	3	-
	===	==
7. TAXATION CREDIT (PAYABLE)	<u>1988</u> £	<u>1987</u> £
U.K. corporation tax at 35%:		
Current	(1,208,850)	(900,000)
Deferred	1,329,261	300,000
	<u>120,411</u>	<u>(600,000)</u>
ACT previously written off now recoverable	57,365	-
Overprovision in respect of prior years		
Current	75,128	86,890
Deferred	54,250	-
	<u>£307,154</u>	<u>£(513,110)</u>
	=====	=====

The deferred tax credit includes a reduction of £1,120,000 in deferred tax provided arising from a reassessment, in the light of future capital expenditure plans, of the extent to which timing differences will reverse in the foreseeable future.

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

8. TANGIBLE ASSETS

GROUP	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Total £
COST				
At 1 January 1988	2,446,964	494,167	19,656,746	22,597,877
Additions	-	12,716	1,312,883	1,325,599
Transfer in	-	-	9,710	9,710
Disposals	(181,636)	-	(110,648)	(292,284)
At 31 December 1988	2,265,328	506,883	20,868,691	23,640,902
DEPRECIATION				
At 1 January 1988	1,394,951	285,131	14,547,529	16,227,611
Charge for year	87,883	21,114	1,164,194	1,273,191
Transfer in	-	-	4,653	4,653
Eliminated in respect of disposals	(98,511)	-	(98,218)	(196,729)
At 31 December 1988	1,384,323	306,245	15,618,158	17,308,726
NET BOOK VALUE				
At 31 December 1988	£881,005 =====	£200,638 =====	£5,250,533 =====	£6,332,176 =====
At 31 December 1987	£1,052,013 =====	£209,036 =====	£5,109,217 =====	£6,370,266 =====
COMPANY				
COST				
At 1 January 1988	1,852,853	493,040	17,152,901	19,498,794
Additions	-	12,716	1,180,318	1,193,034
Disposals	(181,636)	-	(66,149)	(247,785)
At 31 December 1988	1,671,217	505,756	18,267,070	20,444,043
DEPRECIATION				
At 1 January 1988	1,052,893	284,618	12,576,474	13,913,985
Charge for year	73,576	21,092	1,035,673	1,130,341
Eliminated in respect of disposals	(98,511)	-	(58,881)	(157,392)
At 31 December 1988	1,027,958	305,710	13,553,266	14,886,934
NET BOOK VALUE				
At 31 December 1988	£643,259 =====	£200,046 =====	£4,713,804 =====	£5,557,109 =====
At 31 December 1987	£799,960 =====	£208,422 =====	£4,576,427 =====	£5,584,809 =====

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

8. TANGIBLE ASSETS (continued)

Leasehold land and buildings at net book value includes:

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	£	£	£	£
Long term leaseholds	169,088	185,950	169,088	185,950
Short term leaseholds	31,550	23,086	30,958	22,472
	<u>£200,638</u>	<u>£209,036</u>	<u>£200,046</u>	<u>£208,422</u>
	=====	=====	=====	=====

9. INVESTMENTS

Shares in
group companies
£

COST

At 1 January 1988 3,692,825

Dividend paid by subsidiary to Crane Limited
out of pre-acquisition profit 1,300,000

At 31 December 1988 £2,392,825
=====

	<u>1988</u>	<u>1987</u>
Investments listed on a recognised stock exchange	£103,973 =====	£103,973 =====
Aggregate market value of listed investments	£130,438 =====	£117,394 =====

At 31 December 1988 the following companies were subsidiaries of Crane Limited:

	<u>Country of registration</u>	<u>Class of share</u>	<u>Proportion held by: Crane Limited</u>	<u>Other subsidiaries</u>
Blackett Hutton Holdings	Scotland	Ordinary 3.85% net Cum.Pref.	100% 25.34%	NIL NIL
Blackett Hutton and Company Limited	England	Ordinary	NIL	100%
UMC Industries Limited	England	Ordinary	100%	NIL

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

10. CAPITAL COMMITMENTS	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1988</u> £	<u>1987</u> £	<u>1988</u> £	<u>1987</u> £
Contracted for but not provided for in the accounts	£103,791 =====	£171,093 =====	£87,469 =====	£155,418 =====
Authorised by the directors but not contracted for	£54,944 =====	£153,531 =====	£53,105 =====	£153,531 =====
11. STOCKS	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1988</u> £	<u>1987</u> £	<u>1988</u> £	<u>1987</u> £
Stocks comprise:				
Finished goods	6,973,525	5,907,096	5,937,956	5,141,546
Work in progress	4,106,366	3,791,855	4,005,114	3,598,095
Raw materials	747,119	689,185	660,370	611,295
	£11,827,010 =====	£10,388,136 =====	£10,603,440 =====	£9,350,936 =====
12. DEBTORS	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1988</u> £	<u>1987</u> £	<u>1988</u> £	<u>1987</u> £
Amounts falling due within one year:				
Trade debtors	8,862,207	8,093,569	6,952,416	6,128,361
Other debtors	186,207	124,053	183,140	114,705
Amounts owed by group companies	408,949	66,730	408,949	48,115
Prepayments	559,608	362,810	502,155	318,156
	£10,016,971 =====	£8,647,162 =====	£8,046,660 =====	£6,609,337 =====

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

13. CREDITORS	1988 £	GROUP 1987 £	1988 £	COMPANY 1987 £
Amounts falling due within one year:				
Bank overdrafts	1,491,555	101,462	1,607,858	154,753
Trade creditors	2,735,144	2,886,678	2,436,088	2,566,534
Amounts owed to subsidiary companies	-	-	1,300,852	2,361,031
Amounts owed to group companies	133,474	378,854	83,431	123,838
Corporation tax	831,399	561,729	420,303	207,595
Other taxation and social security payable	591,881	576,330	498,416	480,852
Other creditors	58,299	51,656	57,935	51,219
Accruals	2,839,310	3,131,858	2,747,678	3,064,316
	<u>£8,681,062</u>	<u>£7,688,567</u>	<u>£9,152,561</u>	<u>£9,010,138</u>
	=====	=====	=====	=====
Amounts falling due after more than one year:				
Bank loans under facilities expiring in the year 1991.	£1,000,000	£1,605,340	£1,000,000	£1,605,340
	=====	=====	=====	=====

At 31 December 1988 the rates of interest for bank loans were between 12.13/16% and 13.13/16% (1987 - 9% and 10%).

14. DEFERRED TAXATION	Amount provided 1988 £	1987 £	Total potential liability 1988 £	1987 £
<u>Group</u>				
Tax effect of timing differences due to excess of tax allowances over depreciation	327,731	1,711,242	1,446,366	1,726,242
Less: Advance Corporation tax	(333,539)	(889,432)	(333,539)	(889,432)
	<u>£ (5,808)</u>	<u>£821,810</u>	<u>£1,112,827</u>	<u>£836,810</u>
	=====	=====	=====	=====
<u>Company</u>				
Tax effect of timing differences due to excess of tax allowances over depreciation	269,000	1,585,000	1,330,000	1,585,000
Less: Advance Corporation tax	(276,174)	(889,432)	(276,174)	(889,432)
	<u>£ (7,174)</u>	<u>£695,568</u>	<u>£1,053,826</u>	<u>£695,568</u>
	=====	=====	=====	=====

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1988 (Continued)

14. DEFERRED TAXATION (continued)

The movements on the provision for deferred taxation are as follows:

	<u>Group</u> £	<u>Company</u> £
Provision at 1 January 1988	821,810	695,568
Transfer to profit and loss account	827,618	702,742
Provision at 31 December 1988	£(5,808) =====	£(7,174) =====
15. CALLED UP SHARE CAPITAL	<u>1988</u>	<u>1987</u>
Authorised:		
1,200,000 ordinary shares of £1 each	£1,200,000 =====	£1,200,000 =====
Allotted, called up and fully paid:		
Ordinary shares of £1 each		
At 1 January	1,200,000	1,000,000
Issued on acquisition of UMC Industries Limited	-	200,000
At 31 December	£1,200,000 =====	£1,200,000 =====

16. RESERVES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>Capital reserves</u> £	<u>Profit and loss</u> £	<u>Capital reserve</u> £	<u>Profit and loss</u> £
At 1 January 1988	2,541,862	10,971,338	2,243,484	10,483,377
Profit for the year	-	3,150,759	-	2,527,786
At 31 December 1988	£2,541,862 =====	£14,122,097 =====	£2,243,484 =====	£13,011,163 =====

17. CONTINGENT LIABILITIES

	<u>1988</u>	<u>GROUP</u> <u>1987</u>	<u>1988</u>	<u>COMPANY</u> <u>1987</u>
Bills discounted with recourse	£5,912,709 =====	£5,420,489 =====	£5,912,709 =====	£5,420,489 =====

CRANE LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
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18. LEASE COMMITMENTS

The annual commitments under non cancellable operating leases are as follows:

	<u>GROUP</u>			
	1988		1987	
	<u>Land and buildings</u>	<u>Other</u>	<u>Land and buildings</u>	<u>Other</u>
	£	£	£	£
Expiring within one year	5,825	79,765	-	150,697
Expiring between two and five years	49,135	324,996	25,650	345,046
Expiring in over five years	184,007	1,870	160,370	-
	<u>£238,967</u>	<u>£406,631</u>	<u>£186,020</u>	<u>£495,743</u>
	=====	=====	=====	=====

	<u>COMPANY</u>			
	1988		1987	
	<u>Land and buildings</u>	<u>Other</u>	<u>Land and buildings</u>	<u>Other</u>
	£	£	£	£
Expiring within one year	5,825	76,172	-	150,697
Expiring between two and five years	49,135	310,872	25,650	339,988
Expiring in over five years	184,007	-	160,370	-
	<u>£238,967</u>	<u>£387,044</u>	<u>£186,020</u>	<u>£490,695</u>
	=====	=====	=====	=====

19. PENSION COMMITMENTS

The Group has pension schemes for its employees which are fully funded in accordance with actuarial advice. No contributions have been made during the year under a contribution holiday.

20. ULTIMATE HOLDING COMPANY

The ultimate holding company is Crane Co., which is incorporated in the United States of America.