

Company Registration Number:438249

A.V.Pound and Company Limited

Abbreviated Financial Statements

31st December 1998



A.V.POUND AND COMPANY LIMITED

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Year ended 31st December 1998

Contents	Page
Auditors' report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated financial statements	3

A.V.POUND AND COMPANY LIMITED

Auditors' Report to the Company

Pursuant to Section 247b of the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31st December 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

Aldwych House
81 Aldwych
London
WC2B 4HP

5th May 1999

Cooper Lancaster Brewers

COOPER LANCASTER BREWERS
Chartered Accountants
& Registered Auditors

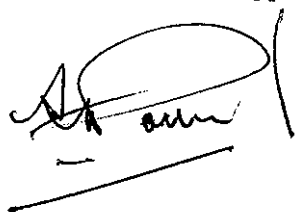
A.V.POUND AND COMPANY LIMITED**Abbreviated Balance Sheet****31st December 1998**

	Note	1998 £	1997 £
Fixed Assets	2		
Tangible assets		104,363	53,302
Investments		<u>12,654</u>	<u>10,790</u>
		117,017	64,092
Current Assets			
Stocks		82,986	100,853
Debtors		264,519	813,664
Cash at bank and in hand		<u>15</u>	<u>5</u>
		347,520	914,522
Creditors: Amounts falling due within one year	3	<u>(489,257)</u>	<u>(1,123,969)</u>
Net Current Liabilities		<u>(141,737)</u>	<u>(209,447)</u>
Total Assets Less Current Liabilities		<u>(24,720)</u>	<u>(145,355)</u>
Financed By			
Creditors: Amounts falling due after more than one year	3	287,416	246,600
Capital and Reserves			
Called-up share capital	4	76,072	76,072
Other reserves		24,928	24,928
Profit and loss account		<u>(413,136)</u>	<u>(492,955)</u>
Total Shareholders' Funds		(312,136)	(391,955)
		<u>(24,720)</u>	<u>(145,355)</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 5th May 1999 and are signed on their behalf by:

F.V. Pound



A.V.POUND AND COMPANY LIMITED**Notes to the Abbreviated Financial Statements****Year ended 31st December 1998**

1. Accounting policies**Basis of Accounting**

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

Cash Flow Statement

The financial statements do not include a cash flow because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Fixtures & fittings	- 10-20% Straight line
Motor vehicles	- 25% Straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

A.V.POUND AND COMPANY LIMITED**Notes to the Abbreviated Financial Statements****Year ended 31st December 1998**

1. Accounting policies *(continued)***Deferred Taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Going Concern

The financial statements are prepared on a going concern basis and are dependant on the continuing support of its bankers, the A.V. Pound & Co. Executive Pension Scheme and the directors.

A facility, sufficient to enable the company to continue to trade, has been agreed with the bank and was last reviewed in March 1999. The company has maintained its overdraft within the agreed facility, meeting all of its liabilities as they have fallen due, and the directors expect this to continue for the foreseeable future.

The loan from the A.V. Pound & Co. Executive Pension Scheme will be repaid by instalments over a ten year period.

In light of the above factors, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

Future Commitments

At the period end the company had entered into material forward purchase and sales contracts, deliveries of which had not been fully completed. It is the company's policy not to take profit on these contracts until deliveries have been completed, but to provide for any losses.

Fixed Asset Investments

The company's share of the result of the associated undertaking is included in the profit and loss account. The investment in the associated undertaking in the company's balance sheet is stated at cost plus the company's share of post-acquisition profits less losses.

A.V.POUND AND COMPANY LIMITED

Notes to the Abbreviated Financial Statements

Year ended 31st December 1998

2. Fixed assets

	Intangible Assets £	Tangible Fixed Assets £	Investments £	Total £
Cost				
At 1st January 1998	5,000	146,779	10,790	162,569
Additions	-	64,184	-	64,184
Disposals	-	(22,912)	-	(22,912)
Revaluation	-	-	1,864	1,864
At 31st December 1998	<u>5,000</u>	<u>188,051</u>	<u>12,654</u>	<u>205,705</u>
Depreciation				
At 1st January 1998	5,000	93,477	-	98,477
Charge for year	-	12,894	-	12,894
On disposals	-	(22,683)	-	(22,683)
At 31st December 1998	<u>5,000</u>	<u>83,688</u>	<u>-</u>	<u>88,688</u>
Net Book Value				
At 31st December 1998	<u>-</u>	<u>104,363</u>	<u>12,654</u>	<u>117,017</u>
At 31st December 1997	<u>-</u>	<u>53,302</u>	<u>10,790</u>	<u>64,092</u>

3. Creditors

Included within creditors are bank loans and overdrafts amounting to £241,531 (1997: £499,307) secured by a fixed and floating charge on the company's assets. Also included in creditors is an amount of £193,000 (1997: £193,000) which is repayable by instalments over a ten year period commencing on 31st December 1999.

4. Share capital

Authorised share capital:

	1998 £	1997 £
100,000 Ordinary shares of £1 each	100,000	100,000
1,000 Preference shares of £1 each	1,000	1,000
	<u>101,000</u>	<u>101,000</u>

Allotted, called up and fully paid:

	1998		1997	
	No.	£	No.	£
Ordinary shares	75,572	75,572	75,572	75,572
Preference shares	500	500	500	500
	<u>76,072</u>	<u>76,072</u>	<u>76,072</u>	<u>76,072</u>

A.V.POUND AND COMPANY LIMITED**Notes to the Abbreviated Financial Statements****Year ended 31st December 1998**

4. Share capital *(continued)*

The Preference Shares carry a right to fixed cumulative preferential dividend at the rate of 5% p.a.. This has not been provided for due to the losses incurred in previous years.

In addition they confer a right to priority in the return of capital upon a winding up. They have no further rights to participate in profits or assets.

5. Transactions with the directors

Throughout the year, the A.V. Pound & Co. Executive Pension Scheme provided a loan of £193,000 (1997 - £193,000). Interest of £15,440 (1997 - £15,880) was charged and paid. The directors have an interest in the scheme.

Throughout the year, the Estate of G.J. Pound Deceased provided a loan of £53,600 (1997 - £53,600). Interest of £4,526 (1997 - £4,166) was charged and paid. The director, Mr F.V. Pound, has a minority interest in the Estate of G.J. Pound Deceased.