

# REGISTRAR OF COMPANIES

**A V Pound  
and Company  
Limited**

**Abbreviated Accounts**

31 December 2002



**Buzzacott**

Company Registration Number  
438249 (England and Wales)

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**Independent auditors' report to the shareholders of A V Pound and Company Limited  
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on page 2 to 6, together with the full statutory accounts of the company for the year ended 31 December 2002 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and 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 to report our opinion to you.

**Basis of opinion**

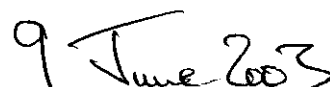
We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include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

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



Buzzacott  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

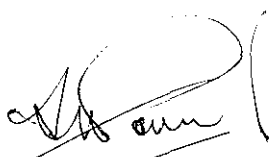


# Abbreviated balance sheet 31 December 2002

	Notes	2002 £	2002 £	2001 £	2001 £
<b>Fixed assets</b>	1				
Tangible assets			181,920		26,735
Investments			—		—
			<u>181,920</u>		<u>26,735</u>
<b>Current assets</b>					
Stocks		133,751		210,476	
Debtors		828,271		1,124,402	
Cash at bank and in hand		30		98	
		<u>962,052</u>		<u>1,334,976</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(1,077,578)</u>		<u>(1,476,580)</u>	
<b>Net current liabilities</b>			<u>(115,526)</u>		<u>(141,604)</u>
<b>Total assets less current liabilities</b>			66,394		(114,869)
<b>Creditors: amounts falling due after more than one year</b>			<u>(275,083)</u>		<u>(166,600)</u>
			<u>(208,689)</u>		<u>(281,469)</u>
<b>Capital and reserves</b>					
Called up share capital	3		76,072		76,072
Other reserves			24,928		24,928
Profit and loss account			<u>(309,689)</u>		<u>(382,469)</u>
<b>Deficiency (including non-equity interests)</b>			<u>(208,689)</u>		<u>(281,469)</u>

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

Signed on behalf of the board of directors by:

  
A V Pound

Director

Approved by the board on 2/6/03

## Principal accounting policies 31 December 2002

### Basis of accounting

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

### *Going concern*

The accounts are prepared on a going concern basis and are dependent on the continuing support of the company's bankers.

A facility, sufficient to enable the company to continue to trade, has been agreed with the bank and was last reviewed in May 2003. 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 company commenced repayment of the A V Pound & Co Executive Pension Scheme creditor by instalments of £20,000 over a ten year period on 31 December 1999.

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

### Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement 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.

### Amortisation

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

- |            |          |
|------------|----------|
| ◆ Goodwill | 10 years |
|------------|----------|

### Depreciation

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

- |                        |                      |
|------------------------|----------------------|
| ◆ Freehold buildings   | 2½ straight line     |
| ◆ Fixtures and fitting | 10-20% straight line |
| ◆ Motor vehicles       | 10-25% 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.

**Lease assets**

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the outstanding balance of capital repayments.

**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 on a straight line basis over the period of the lease.

**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.

**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.

**Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**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.

## Notes to the accounts 31 December 2002

### 1 Fixed assets

	Intangible assets £	Tangible fixed assets £	Total £
<b>Cost</b>			
At 1 January 2002	5,000	111,710	<b>116,710</b>
Additions	—	175,756	<b>175,756</b>
Disposals	—	(27,750)	<b>(27,750)</b>
At 31 December 2002	5,000	259,716	<b>264,716</b>
<b>Depreciation</b>			
At 1 January 2002	5,000	84,975	<b>89,975</b>
Charge for year	—	18,215	<b>18215</b>
Disposals	—	(25,394)	<b>(25,394)</b>
At 31 December 2002	5,000	77,796	<b>82,796</b>
<b>Net book values</b>			
At 31 December 2002	—	181,920	<b>181,920</b>
At 31 December 2001	—	26,735	<b>26,735</b>

### 2 Creditors

Included within creditors are bank loans, mortgages and overdrafts amounting to £440,478 (2001 - £239,043) which are secured by a fixed and floating charge on the company's assets. Also included in creditors is an amount of £113,000 (2001 - £133,000) which is repayable by instalments over a ten year period commencing 31 December 1999.

### 3 Share capital

	Authorised		Allotted, called up and fully paid	
	2002 £	2001 £	2002 £	2001 £
Ordinary shares	100,000	100,000	75,572	75,572
Preference shares	1,000	1,000	500	500
	<b>101,000</b>	<b>101,000</b>	<b>76,072</b>	<b>76,072</b>

The Preference shares carry a right to fixed cumulative preferential dividends 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.

**4 Transactions with the directors**

Throughout the year, the A V Pound & Co Executive Pension Scheme provided a loan of £133,000 of which £20,000 was repaid during the year (2001 – £153,000). Interest of £10,658 (2001 – £12,250) was charged and paid. The directors have an interest in the scheme.

F V Pound provides a loan to the company of £53,600. This loan has no fixed repayment date. Interest of £nil (2001 – £nil) was charged and paid.

F V Pound has provided a guarantee of £300,000 to the bank covering the liabilities of the company.