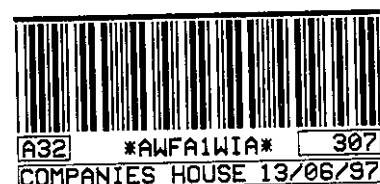


THE CUTLERY AND ALLIED TRADES RESEARCH ASSOCIATION

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1996



Company No. 00739777 (England and Wales)

THE CUTLERY AND ALLIED TRADES RESEARCH ASSOCIATION

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1996

CONTENTS	Page
Auditors' Report	1
Balance Sheet	2
Notes to the Abbreviated Financial Statements	3 - 5

**THE CUTLERY AND ALLIED TRADES RESEARCH ASSOCIATION**  
**AUDITORS' REPORT TO THE MEMBERS OF COUNCIL OF**  
**THE CUTLERY AND ALLIED TRADES RESEARCH ASSOCIATION**  
**(LIMITED BY GUARANTEE)**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of The Cutlery and Allied Trades Research Association for the year ended 31 December 1996. The scope of our work for the purpose of this report was limited to confirming that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion, the Association is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 December 1996, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with that Schedule.

On 16 April 1997 we reported, as auditors of The Cutlery and Allied Trades Research Association, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 and 9.

**Respective responsibilities of Members of Council and Auditors**

As described on page 1 the Association's Council is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of 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 judgments made by the Members of Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association'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 Association's affairs as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

*Johnson Walker*

**JOHNSON WALKER**

**16 April 1997**

501 Glossop Road,  
Sheffield,  
S10 2QE.

Chartered Accountants  
& Registered Auditors

THE CUTLERY AND ALLIED TRADES RESEARCH ASSOCIATION

ABBREVIATED BALANCE SHEET

31 DECEMBER 1996

	Notes	1996 £	1995 £
<b>Fixed Assets</b>			
Tangible assets	2	<u>95,229</u>	<u>102,865</u>
<b>Current Assets</b>			
Stocks		60,323	66,074
Debtors		98,050	110,184
Cash at bank and in hand		<u>4,992</u>	<u>1,587</u>
		163,365	177,845
<b>Creditors:</b> amounts falling due within one year	3	<u>(131,541)</u>	<u>(131,417)</u>
<b>Net Current Assets</b>		<u>31,824</u>	<u>46,428</u>
		<u>127,053</u>	<u>149,293</u>
<b>Capital and Reserves</b>			
Revaluation reserve		50,088	50,088
Profit and loss account		<u>76,965</u>	<u>99,205</u>
		<u>127,053</u>	<u>149,293</u>

In preparing these abbreviated financial statements:

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the Council's opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Council on 16 April 1997 and signed on its behalf by :-

  
M. GILLOTT.....  
CHAIRMAN OF COUNCIL

The Notes on pages 3 to 5 form part of these abbreviated financial statements.

**THE CUTLERY AND ALLIED TRADES RESEARCH ASSOCIATION**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**31 DECEMBER 1996**

**1. Accounting Policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the Association's operations as indicated in the Report of the Members of the Council, all of which are continuing.

**1.2 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over forty years
Research equipment including computers	-	25% Reducing balance
Fixtures, fittings and equipment	-	50% Straight line

No depreciation is provided in respect of freehold land.

**1.4 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.5 Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value.

**1.6 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

**1.7 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

**THE CUTLERY AND ALLIED TRADES RESEARCH ASSOCIATION**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**31 DECEMBER 1996**

**2. Tangible Assets**

	Freehold land and buildings	Research equipment including computer	Fixtures and fittings	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 1996	109,964	96,523	13,163	219,650
Additions	-	-	825	825
At 31 December 1996	<u>109,964</u>	<u>96,523</u>	<u>13,988</u>	<u>220,475</u>
<b>Depreciation</b>				
At 1 January 1996	30,000	73,773	13,012	116,785
Charge for year	<u>2,500</u>	<u>5,688</u>	<u>273</u>	<u>8,461</u>
At 31 December 1996	<u>32,500</u>	<u>79,461</u>	<u>13,285</u>	<u>125,246</u>
<b>Net book values</b>				
At 31 December 1996	<u>77,464</u>	<u>17,062</u>	<u>703</u>	<u>95,229</u>
At 31 December 1995	<u>79,964</u>	<u>22,750</u>	<u>151</u>	<u>102,865</u>

Freehold properties were revalued in 1984 on the basis of an open market valuation for existing use at £100,000.

The cost of land and buildings includes an amount of £9,964 in respect of freehold land on which depreciation is not provided.

If the freehold buildings had not been revalued they would have been included on the historical cost basis at the following amounts:

<b>Cost or valuation</b>	£
At 1 January 1996 & At 31 December 1996	<u>56,648</u>
<b>Depreciation</b>	
At 1 January 1996	22,312
Charge for the year	<u>1,416</u>
At 31 December 1996	<u>23,728</u>
<b>Net book value</b>	
At 31 December 1996	<u>32,920</u>
At 31 December 1995	<u>34,336</u>

THE CUTLERY AND ALLIED TRADES RESEARCH ASSOCIATION  
(LIMITED BY GUARANTEE)  
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
31 DECEMBER 1996

**JOHNSON WALKER**  
CHARTERED ACCOUNTANTS

**3. Secured Liabilities**

The aggregate amount of secured liabilities at 31 December 1996 was £78,187 (31 December 1995 : £59,904 ).

**4. Liability of the Members**

Every member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound up while he is a member or within one year after he ceases to be a member for a payment of the debts and liabilities of the Association contracted before he ceased to be a member, and of the costs, charges and expenses of winding up, and for the adjustments of the rights of the contributors amongst themselves, such amount as may be required not exceeding £5.