

**TOWER ACCESS LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 1996**

**Registered number: 2713608**

**HOUGHTON STONE**

**REGISTERED AUDITORS**

**Bristol**



**TOWER ACCESS LIMITED**  
**FINANCIAL STATEMENTS**  
**for the year ended 31 December 1996**

**CONTENTS**

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7 to 12

**The following pages do not form part of the statutory accounts**

Detailed trading and profit and loss account	Appendix	1
Schedule to the detailed trading and profit and loss account	Appendix	2

**TOWER ACCESS LIMITED****COMPANY INFORMATION****31 December 1996**

NUMBER	2713608
DIRECTORS	A G Fowles R D Armitage FCCA A E Fowles (resigned 10 July 1996)
SECRETARY	R D Armitage FCCA
REGISTERED OFFICE	Unit 17a Barton Hill Trading Estate Barton Hill Bristol BS5 9RD
BANKERS	Bank of Scotland 21 Prince Street Bristol BS99 7JG
SOLICITORS	Laytons St Bartholomews Lewins Mead Bristol BS99 7JG
AUDITORS	Houghton Stone The Conifers Hambrook Bristol BS16 1QG

## TOWER ACCESS LIMITED

## DIRECTORS' REPORT

31 December 1996

The directors present their report and the audited financial statements for the year ended 31 December 1996.

**Principal activity**

The principal activity of the company continues to be that of suppliers of Scaffolding Cradles and related equipment.

During the year the company acquired the issued share capital of Tower Access Hire and Sales Limited and became its parent undertaking.

**Directors**

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 December 1996 Ordinary shares	1 January 1996 Ordinary shares
A G Fowles	80	52
R D Armitage FCCA	60	10
A E Fowles (resigned 10 July 1996)	-	38

**Share capital**

During the year the company increased its authorised share capital to 100,000 £1 'A' ordinary shares and 100,000 £1 'B' ordinary shares.

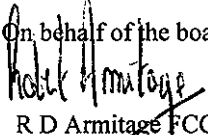
The company issued 62,057 'B' ordinary shares of £1 each to Tower Group Limited in settlement of the inter company indebtedness as at 30 June 1996.

**Auditors**

Houghton Stone have agreed to offer themselves for re-appointment as auditors of the company.

**Small company exemptions**

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the board  
  
 R D Armitage FCCA  
 Secretary

**TOWER ACCESS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



A G Fowles  
Director

**TOWER ACCESS LIMITED****AUDITORS' REPORT**

**Auditors' report to the members of**

**Tower Access Limited**

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

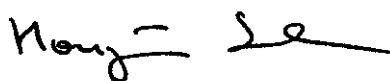
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Fundamental uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the suitability of the going concern basis to produce these financial statements. This basis relies on the continued support of the company's bankers and creditors. Details of the circumstances relating to this fundamental uncertainty are described in note 16. Our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company'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 provisions of the Companies Act 1985 applicable to small companies.



9/9/97

**Houghton Stone**  
**Registered Auditors**

The Conifers  
Filton Road  
Hambrook  
Bristol BS16 1QG

**TOWER ACCESS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 1996

	Note	1996 £	1995 £
<b>Turnover</b>	2	365,159	329,316
Cost of sales		(228,807)	(190,672)
<b>Gross profit</b>		<u>136,352</u>	<u>138,644</u>
<b>Net operating expenses</b>			
Administrative expenses		(203,301)	(113,644)
Other operating income		16,434	10,536
<b>Operating (loss)/profit</b>	3	<u>(50,515)</u>	<u>35,536</u>
Interest payable	5	(20,089)	(14,076)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(70,604)</u>	<u>21,460</u>
Taxation	6	-	-
<b>(Loss)/profit on ordinary activities after taxation</b>		<u>(70,604)</u>	<u>21,460</u>
<b>retained for the year</b>	14	<u><u>(70,604)</u></u>	<u><u>21,460</u></u>

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the (loss)/profit for the year.

## TOWER ACCESS LIMITED

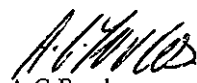
## BALANCE SHEET

at 31 December 1996

	Note	£	1996 £	£	1995 £
<b>Fixed assets</b>					
Tangible assets	7		242,693		116,103
Investments	8		99		-
			<u>242,792</u>		<u>116,103</u>
<b>Current assets</b>					
Debtors	9	102,900		50,513	
Cash at bank and in hand		101,971		150,019	
		<u>204,871</u>		<u>200,532</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(128,352)</u>		<u>(303,727)</u>	
<b>Net current assets/(liabilities)</b>			76,519		(103,195)
<b>Total assets less current liabilities</b>			<u>319,311</u>		<u>12,908</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(325,407)</u>		<u>(10,557)</u>
			<u>(6,096)</u>		<u>2,351</u>
<b>Capital and reserves</b>					
Called up share capital	13		62,257		100
Profit and loss account	14		(68,353)		2,251
<b>Total shareholders' funds</b>	12		<u>(6,096)</u>		<u>2,351</u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 5 to 12 were approved by the board of directors on . 9 September 1997



A G Fowles  
Director



**TOWER ACCESS LIMITED****NOTES ON FINANCIAL STATEMENTS****31 December 1996****1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

**Depreciation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	4 - 5 years
Motor vehicles	2 - 4 years
Hire stock	5 years

**Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

**Pensions****Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**Consolidation**

Group accounts have not been prepared as permitted by Section 248 of the Companies Act 1985, on the grounds that the company satisfies the Companies Act definition of a small group.

**2 Turnover**

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

## TOWER ACCESS LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 1996

## 3 Operating (loss)/profit

	1996 £	1995 £
Operating (loss)/profit is stated after crediting		
Profit on sale of assets	3,022	6,884
Insurance claim	5,013	3,652
Interest received	7,103	-
Rental income	1,226	-
Bad debts recovered	643	1,637
	<u>          </u>	<u>          </u>
and after charging		
Audit and accountancy	4,000	4,000
Directors' remuneration	36,258	17,480
Director's fees	16,067	-
Operating leases		
Hire of plant and machinery	42,049	19,500
	<u>          </u>	<u>          </u>
Depreciation of tangible fixed assets (note 7)		
owned assets	18,676	12,463
leased assets	6,489	742
	<u>          </u>	<u>          </u>

## 4 Directors

	1996 £	1995 £
Directors' emoluments	29,946	17,480
Directors' fees	16,067	-
	<u>          </u>	<u>          </u>
	46,013	17,480
	<u>          </u>	<u>          </u>

## Pension costs

## Defined contribution scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,207 (1995 £6,458). Contributions totalling £0 (1995 £0) were payable to the fund at 31 December 1996 and are included in creditors.

## 5 Interest payable

	1996 £	1995 £
Finance lease and hire purchase contracts	1,573	60
Bank interest	6,544	12,100
Other interest payable	11,972	1,916
	<u>          </u>	<u>          </u>
	20,089	14,076
	<u>          </u>	<u>          </u>

**TOWER ACCESS LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**31 December 1996**

**6 Taxation**

The company has no liability to taxation due to the availability of tax losses.

**7 Tangible fixed assets**

<b>Cost</b>	<b>Plant and Machinery etc £</b>
1 January 1996	129,308
Additions	152,533
Disposals	(3,112)
	<hr/>
31 December 1996	278,729
	<hr/>
<b>Depreciation</b>	
1 January 1996	13,205
Charge for year	25,165
Disposals	(2,334)
	<hr/>
31 December 1996	36,036
	<hr/>
<b>Net book amount</b>	
31 December 1996	242,693
	<hr/> <hr/>
1 January 1996	116,103
	<hr/> <hr/>

The net book amount of fixed assets includes £45,071 (1995 £17,058) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

**TOWER ACCESS LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**31 December 1996**

**8 Fixed asset investments**

	<b>Investments other than loans £</b>
<b>Cost</b>	
Additions in year	99
31 December 1996	<u>99</u>
<b>Net book amount</b>	
31 December 1996	<u>99</u>
1 January 1996	<u>-</u>

During the year the company acquired the issued share capital of Tower Access Hire and Sales Limited, a company registered in England, and became its parent undertaking at that date.

**9 Debtors**

	<b>1996 £</b>	<b>1995 £</b>
<b>Amounts falling due within one year</b>		
Trade debtors	83,291	50,413
Amounts due from group undertakings and related parties	5,897	-
Other debtors	13,712	100
	<u>102,900</u>	<u>50,513</u>

**10 Creditors: amounts falling due  
within one year**

	<b>1996 £</b>	<b>1995 £</b>
Trade creditors	70,312	18,632
Corporation tax	2,043	-
Amounts due to group undertakings and related parties	-	258,799
Other taxation and social security	17,588	18,198
Obligations under hire purchase and finance lease contracts	14,101	5,323
Other creditors	24,308	2,775
	<u>128,352</u>	<u>303,727</u>

## TOWER ACCESS LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 1996

11 Creditors: amounts falling due  
after more than one year

	1996 £	1995 £
Bank loan	250,000	-
Other loans	50,000	-
Obligations under hire purchase and finance lease contracts		
Other creditors	25,407	10,557
	<u>325,407</u>	<u>-</u>
<b>Creditors other than finance lease and hire purchase contracts</b>		
Amounts falling due after more than five years	<u>100,000</u>	<u>-</u>
<b>Obligations under finance leases and hire purchase contracts</b>		
Amounts included above are repayable over varying periods by monthly instalments as follows:		
In the next year	14,101	-
In the second to fifth years	25,407	10,557
	<u>39,508</u>	<u>10,557</u>

## 12 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
<b>(Loss)/profit for the financial year</b>	(70,604)	21,460
New share capital subscribed	<u>62,157</u>	<u>-</u>
<b>Net (subtraction from)/addition to shareholders' funds</b>	(8,447)	21,460
Opening shareholders' funds	<u>2,351</u>	<u>(19,109)</u>
<b>Closing shareholders' funds</b>	<u>(6,096)</u>	<u>2,351</u>

## TOWER ACCESS LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 1996

## 13 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
<b>Authorised</b>				
Ordinary shares of £1 each	100,000	100,000	1,000	1,000
B Ordinary shares £1 each	100,000	100,000	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		200,000		1,000
		<u>          </u>		<u>          </u>
<b>Allotted called up and fully paid</b>				
Ordinary shares of £1 each	200	200	100	100
B Ordinary shares £1 each	62,057	62,057	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		62,257		100
		<u>          </u>		<u>          </u>

## 14 Profit and loss account

	1996 £
1 January 1996	2,251
Retained loss for the year	(70,604)
	<u>          </u>
31 December 1996	(68,353)
	<u>          </u>

## 15 Guarantees and other financial commitments

Any future bank overdraft is secured by a floating charge over all the assets of the company and the Corporate Cross Guarantee detailed below.

At 10 July 1996 a Corporate Cross Guarantee was created covering all borrowings of the company and its parent undertaking, Tower Access Hire and Sales Limited.

## 16 Fundamental uncertainty

These financial statements have been prepared on the going concern basis.

The suitability of this basis depends on the continued support of the company's bankers and creditors.

## 17 Transactions with related parties

During the year the following expenditure was recharged from Tower Group Limited :

	£
Licence fees	12,000
Administration expenses	9,000
Accountancy charges	15,000
Rent	12,000