REGISTRAR'S COPY

CROWTHER INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

COMPANY REGISTRATION NUMBER

1229021

THOMAS COOMBS

Chartered Accountants

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CROWTHER INVESTMENTS LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 1997

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CROWTHER INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31st July 1997.

PRINCIPAL ACTIVITIES
The company is a non-trading parent company. The principal activities of the subsidiary companies during the year continued to be the hire, repair and sale of lifting tackle and the provision of precision engineering services to operators of lifting tackle.

The directors are satisfied with the state of affairs of the group and of its future prospects.

RESULTS AND DIVIDENDS
The consolidated loss for the year after taxation amounted to £7,595 which has been deducted from reserves.

The directors do not propose the payment of a dividend.

MARKET VALUE OF LAND AND BUILDINGS
The directors are of the opinion that the market value of the freehold land and buildings is in excess of book value but as no professional valuation has been carried out the amount cannot be quantified.

DIRECTORS
The directors who held office during the year were:

W. C. I. Crowther (Chairman)

Mrs. D. W. Crowther

R. M. Crowther

DIRECTORS' INTERESTS IN SHARES
The directors who held office at 31st July 1997 had the following interests in the shares of the company:

	Ordinary shares of £1 each	
	31st July 1997	1st August 1996
W. C. I. Crowther	260	510
Mrs. D. W. Crowther	-	-
R. M. Crowther	740	490

DIRECTORS' RESPONSIBILITIES

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

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Thomas Coombs & Son have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

D. W. Crowther

Secretary D. Crowther

10 February 1998

AUDITORS' REPORT

TO THE SHAREHOLDERS OF CROWTHER INVESTMENTS LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS
As described on page 3, the company's directors are responsible for the preparation of the 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 an 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 and the group'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 affairs of the company and the group at 31st July 1997 and of the loss and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Thomas Coombs & Son

Chartered Accountants and
Registered Auditors
Century House
29 Clarendon Road
LEEDS
LS2 9PG

10 February 1998

CROWTHER INVESTMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST JULY 1997

	Notes	1997 £	1996 £
TURNOVER	2	250,022	273,107
Net operating expenses	3	(268,178)	(278,156)
OPERATING LOSS		(18,156)	(5,049)
Profit on disposal of tangible fixed assets		3,323	6,580
Investment income	5	6,048	8,114
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(8,785)	9,645
Taxation	6	1,190	(2,114)
RETAINED PROFIT (LOSS) FOR THE YEAR		£ (7,595)	£ 7,531
Dealt with in the accounts of:			
Parent company	14	(1,135)	(1,098)
Subsidiary companies		(6,460)	8,629
		(7,595)	7,531
Minority interests - equity	16	842	(1,004)
Retained profit (loss) attributable to the group	14	£ (6,753)	£ 6,527

In accordance with the exemption allowed within the Companies Act 1985, the company's profit and loss account is not separately presented.

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 9 to 16 form part of these financial statements.

CROWTHER INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET AT 31ST JULY 1997

	Notes	1997 £	1996 £
TANGIBLE FIXED ASSETS	7	62,104	60,418
CURRENT ASSETS			
Stocks	9	35,390	37,090
Debtors	10	55,297	68,419
Cash at bank and in hand		131,430	120,845
		222,117	226,354
CURRENT LIABILITIES - CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	48,953	43,909
NET CURRENT ASSETS		173,164	182,445
TOTAL ASSETS LESS CURRENT LIABILITIES		235,268	242,863
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	-	-
NET ASSETS		£235,268	£242,863
CAPITAL AND RESERVES			
Called-up share capital	13	1,000	1,000
Profit and loss account	14	219,222	225,975
EQUITY SHAREHOLDERS' FUNDS	15	220,222	226,975
MINORITY INTERESTS - EQUITY	16	15,046	15,888
		£235,268	£242,863

The financial statements on pages 5 to 16 were approved by the board of directors on 10 February 1998 and were signed on its behalf by:

W. C. I. Crowther)
) Directors
R. M. Crowther)

The notes on pages 9 to 16 form part of these financial statements.

CROWTHER INVESTMENTS LIMITED

BALANCE SHEET AT 31ST JULY 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible fixed assets	7	18,606	19,304
Investments	8	1,200	1,200
		19,806	20,504
CURRENT ASSETS			
Debtors	10	18,826	19,240
CURRENT LIABILITIES - CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	375	352
NET CURRENT ASSETS		18,451	18,888
NET ASSETS		£38,257	£39,392
CAPITAL AND RESERVES			
Called-up share capital	13	1,000	1,000
Profit and loss account	14	37,257	38,392
EQUITY SHAREHOLDERS' FUNDS	15	£38,257	£39,392

The financial statements on pages 5 to 16 were approved by the board of directors on 10 February 1998 and were signed on its behalf by:

W. C. I. Crowther)
) Directors
R. M. Crowther)

The notes on pages 9 to 16 form part of these financial statements.

CROWTHER INVESTMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST JULY 1997

	Notes	1997 £	1996 £
Net cash inflow from operating activities	17	27,492	18,205
Returns on investments and servicing of finance	19	6,048	8,114
Taxation	19	(2,348)	(7,278)
Capital expenditure and financial investment	19	(20,607)	(40,781)
Increase (decrease) in cash flows	20	£ 10,585	£(21,740)

The notes on pages 9 to 16 form part of these financial statements.

CROWTHER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING
The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

BASIS OF CONSOLIDATION
The consolidated accounts comprise the consolidation of co-terminous accounts of the company and its subsidiary undertakings and utilise consistent accounting policies.

TURNOVER
Turnover represents the amounts invoiced, excluding value added tax, in respect of goods despatched and services rendered to customers during the year.

TANGIBLE FIXED ASSETS
Land and buildings are stated in the balance sheet at cost less depreciation of buildings.

Other tangible fixed assets are stated in the balance sheet at cost less depreciation.

DEPRECIATION
Depreciation is calculated to write off the values of fixed assets in equal annual instalments over their estimated useful lives, except that no depreciation is charged on freehold land. The annual rates used are:

Freehold buildings	2 1/2%
Plant and machinery	10%
Fixtures and fittings	10%
Computer equipment	25%
Motor vehicles	25%
Hire equipment	33 1/3%

STOCKS
Stocks are stated in the balance sheet at the lower of cost on a first in first out basis and estimated net realisable value. Cost represents the value of stocks purchased for resale. Net realisable value takes into account the estimated costs of disposal.

CONTRIBUTIONS TO THE PENSION FUND
Contributions to the pension fund, which is a defined contribution scheme, are charged to the profit and loss account when they are incurred.

DEFERRED TAXATION
Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

1: ACCOUNTING POLICIES (Continued)

BANK ACCOUNTS
The amounts disclosed in the balance sheet represent the balances shown on the bank statements. Uncleared cheques and lodgements are included in creditors and debtors respectively.

2. TURNOVER AND PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	Turnover		Profit (loss) on ordinary activities before taxation	
	1997 £	1996 £	1997 £	1996 £
Parent company	-	-	(1,135)	(1,098)
Hire, repair and sale of lifting tackle	226,033	245,540	(6,030)	9,690
Precision engineering services	23,989	27,567	(1,620)	1,053
	£250,022	£273,107	£ (8,785)	£ 9,645

Turnover arises wholly within the United Kingdom.

3. NET OPERATING EXPENSES

	1997 £	1996 £
Change in stocks of goods for resale	1,700	(1,240)
Raw materials and consumables	100,582	111,123
Staff costs (see note 4)	87,099	86,499
Depreciation of tangible fixed assets	22,244	20,498
Other operating charges	56,553	61,276
	£268,178	£278,156

Other operating charges include:

Auditors' remuneration	£ 5,140	£ 4,953

4. DIRECTORS AND EMPLOYEES

The average number of persons employed by the group during the year was:

	1997	1996
Directors	3	3
Clerical staff	1	1
Servicing and delivery staff	4	3
	8	7

4. DIRECTORS AND EMPLOYEES (Continued)

	1997 £	1996 £
Staff costs (for the above persons):		
Wages and salaries	78,375	77,562
Social security costs	7,724	7,817
Other pension costs	1,000	1,120
	£87,099	£ 86,499

	1997 £	1996 £
The remuneration paid to directors was:		
Fees and other emoluments	34,568	33,667
Pension contributions	1,000	747
	£35,568	£ 34,414
Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	£ 5,406	£ 5,387
The highest paid director	£25,382	£ 15,329

The other director received emoluments in the range £0 - £5,000.

5. INVESTMENT INCOME

	1997	1996
Bank interest received	£ 6,048	£ 8,114

6. TAXATION

	1997 £	1996 £
U.K. corporation tax at 23% (1996 24.67%):		
Current	(1,190)	2,348
Deferred	-	(234)
	£(1,190)	£ 2,114

7: TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant, machinery, fixtures, fittings, computer equipment and motor vehicles	Hire equipment	Total
Cost:	£	£	£	£
At 1st August 1996	29,952	76,275	92,912	199,139
Additions	-	20,414	3,993	24,407
Disposals	-	(9,190)	(2,239)	(11,429)
At 31st July 1997	29,952	87,499	94,666	212,117
Depreciation:				
At 1st August 1996	10,648	54,529	73,544	138,721
Charge for the year	698	10,354	11,192	22,244
Eliminated in respect of disposals	-	(9,190)	(1,762)	(10,952)
At 31st July 1997	11,346	55,693	82,974	150,013
Net book value:				
At 31st July 1997	£18,606	£31,806	£11,692	£ 62,104
At 31st July 1996	£19,304	£21,746	£19,368	£ 60,418

The company's tangible fixed assets are represented by the freehold land and buildings.

8. INVESTMENTS

	Company 1997 £	Company 1996 £
In unlisted subsidiary undertakings:		
Yorkshire Lifting Tackle Limited		
Hire, repair and sale of lifting tackle	900	900
L. Greenwood & Son (Precision Engineering) Limited		
Precision engineering services to operators of lifting tackle	300	300
	£ 1,200	£ 1,200

The investment in Yorkshire Lifting Tackle Limited represents 90% of the issued share capital of that company. The investment in L. Greenwood & Son (Precision Engineering) Limited represents 75% of the issued share capital of that company. Both companies are registered in England and have been included in these consolidated accounts.

9. STOCKS

	Group 1997	Group 1996
Goods for resale	£35,390	£37,090

10. DEBTORS

	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Amounts falling due within one year:				
Trade debtors	45,919	61,576	-	-
Amounts owed by subsidiary undertakings	-	-	18,826	19,240
Amount owed by connected undertaking	-	3,825	-	-
Corporation tax repayable	1,190	-	-	-
Prepayments	8,188	3,018	-	-
	£55,297	£68,419	£18,826	£19,240

11. CREDITORS

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Amounts falling due within one year:				
Trade creditors	24,980	16,818	-	-
Amount owed to connected undertaking	14	-	-	-
Corporation tax	-	2,348	-	-
Other taxation and social security payable	11,567	10,592	-	-
Other creditors	2,750	3,250	-	-
Accruals	9,642	10,901	375	352
	£48,953	£43,909	£ 375	£ 352

12. DEFERRED TAXATION

	Group 1997		Group 1996	
	Unprovided	Provided in accounts	Unprovided	Provided in accounts
Accelerated capital allowances	£ 337	£ -	£ 167	£ -

13. CALLED-UP SHARE CAPITAL

	1997	1996
Authorised:		
1,000 shares of £1 each	£ 1,000	£ 1,000
Allotted, called-up and fully paid:		
1,000 ordinary shares of £1 each	£ 1,000	£ 1,000

14. PROFIT AND LOSS ACCOUNT

	Group £	Company £
At 1st August 1996	225,975	38,392
Retained loss for the year	(6,753)	(1,135)
At 31st July 1997	£219,222	£ 37,257

15. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Group		Company	
	1997 £	1996 £	1997 £	1996 £
Profit (loss) for the financial year	(6,753)	6,527	(1,135)	(1,098)
Opening equity shareholders' funds	226,975	220,448	39,392	40,490
Closing equity shareholders' funds	£220,222	£226,975	£ 38,257	£ 39,392

16. MINORITY INTERESTS - EQUITY

	Yorkshire Lifting Tackle Limited £	L. Greenwood & Son (Precision Engineering) Limited £	Total £
Balance at 1st August 1996	16,082	(194)	15,888
Loss for the year	(515)	(327)	(842)
Balance at 31st July 1997	£ 15,567	£ (521)	£ 15,046

17. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1997 £	1996 £
Operating loss	(18,156)	(5,049)
Depreciation	22,244	20,498
Decrease (increase) in stocks	1,700	(1,240)
Decrease in debtors	14,312	20,822
Increase (decrease) in creditors	7,392	(16,826)
	£ 27,492	£ 18,205

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (note 20)

	£	£
Increase in cash in the year	£ 10,585	
Change in net debt		10,585
Net debt at 1st August 1996		120,845
Net cash at 31st July 1997		£131,430

19. GROSS CASH FLOWS

	1997 £	1996 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received	£ 6,048	£ 8,114
TAXATION		
Corporation tax paid	£ (2,348)	£ (7,278)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT:		
Payments to acquire tangible fixed assets	(24,407)	(48,226)
Receipts from the sale of tangible fixed assets	3,800	7,445
	£(20,607)	£(40,781)

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1st August 1996	Cash flows	At 31st July 1997
Cash at bank and in hand	120,845	10,585	131,430
TOTAL	£120,845	£ 10,585	£131,430