

K C PRECISION ENGINEERING LIMITED

ABBREVIATED STATUTORY ACCOUNTS
FOR THE TRADING PERIOD
10 AUGUST 1993 TO 29 DECEMBER 1994

COMPANY NUMBER - 2831757

INCORPORATED 30 JUNE 1993



AUDITORS' REPORT TO K C PRECISION ENGINEERING LIMITED

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

We have examined the Abbreviated Accounts on pages 3 to 5 together with the Financial Statements of K C Precision Engineering Limited prepared under Section 226 of the Companies Act 1985 for the period ended 29 December 1994.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing Abbreviated Accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the Company's entitlement to the exemptions claimed in the Directors' Statement on page 3 and whether the Abbreviated Accounts have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited Financial Statements, that the Company is entitled to the exemptions and that the Abbreviated Accounts have been properly prepared from those Financial Statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full Financial Statements.

Opinion

In our opinion, the Company 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 period ended 29 December 1994, and the Abbreviated Accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other Information

On 7 June 1995 we reported, as Auditors of K C Precision Engineering Limited, to the Members on the Financial Statements prepared under Section 226 of the Companies Act 1985, for the period ended 29 December 1994, and our Audit Report was as follows:-

We have audited the Financial Statements on pages 4 to 9 which have been prepared under the Historical Cost Convention and the Accounting Policies set out on pages 6 and 7.

Respective Responsibilities of Directors and Auditors

As described on page 1, 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.

AUDITORS' REPORT TO K C PRECISION ENGINEERING LIMITED (CONTINUED)
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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 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 Company's affairs as at 29 December 1994, and of its Profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small Companies.

Dated this 7th day of June 1995

6 Arundel Place
SCARBOROUGH


RAYNER & CO
REGISTERED AUDITORS AND
CERTIFIED ACCOUNTANTS

K C PRECISION ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET AS AT 29 DECEMBER 1994

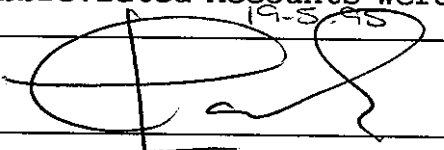
NOTES

2	<u>FIXED ASSETS</u>	
	Tangible Assets	20165
	<u>CURRENT ASSETS</u>	
	Stocks	3837
	Debtors	64633
	Cash at Bank and in Hand	46689
		<hr/>
	£ 115159	
		<hr/>
	<u>CREDITORS: Amounts</u>	
	<u>Falling Due Within</u>	
	<u>One Year</u>	£ 79359
		<hr/>
	<u>Net Current Assets</u>	35800
		<hr/>
	<u>Total Assets Less</u>	
	<u>Current Liabilities</u>	55965
		<hr/>
	<u>CREDITORS: Amounts</u>	
	<u>Falling Due After One Year</u>	20000
		<hr/>
	<u>Net Assets</u>	£ 35965
		<hr/>
	<u>CAPITAL AND RESERVES</u>	
	Called-Up Share Capital	100
	Profit and Loss Account	35865
		<hr/>
	<u>Shareholders' Funds</u>	£ 35965

In preparing these Abbreviated Accounts the Directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and have done so on the basis that, in their opinion, the Company satisfies the criteria for exemption as a small Company under Section 246 and Section 247 of the Companies Act 1985.

In preparing these Accounts the Directors have taken advantage of the special exemptions applicable to small Companies conferred by Part I of Schedule 8 to the Companies Act 1985 and have done so on the basis that, in their opinion, the Company satisfies the criteria for exemption as a small Company under Section 246 and Section 247 of the Companies Act 1985.

The Abbreviated Accounts were approved by the Board of Directors on 19-3-95 and signed on its behalf by:-



(Signed)

C J LAMBERT - DIRECTOR

K C PRECISION ENGINEERING LIMITED

**NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS FOR THE PERIOD
ENDED 29 DECEMBER 1994**

1 Accounting Policies

1.1 Basis of Preparation of Financial Statements

The Financial Statements are prepared under the Historical Cost Convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing.

The Company has taken advantage of the exemption in Financial Reporting Standard Number 1 from the requirement to produce a Cash Flow Statement on the grounds that it is a small Company.

1.2 Turnover

Turnover represents the invoiced value of goods and services supplied by the Company, net of trade discounts and Value Added Tax.

1.3 Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at Cost less Depreciation.

Depreciation is provided to write off the cost, less estimated residual values, of all Fixed Assets, over their expected useful lives. It is calculated at the following rates:-

Plant and Machinery	20% On Cost
Fixtures and Fittings	20% Reducing Balance basis
Motor Vehicles	25% Reducing Balance basis
Leasehold Buildings	
- Short Lease	Over period of lease

1.4 Stocks and Work in Progress

Stocks and Work in Progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchase on a first in/first out basis.

1.5 Deferred Taxation

Deferred Taxation provision is made for material timing differences between the treatment of certain items for Taxation and Accounting purposes except that no provision is made where it can be reasonably assumed that such Deferred Taxation will not be payable in the foreseeable future.

K C PRECISION ENGINEERING LIMITED

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 29 DECEMBER 1994

1.6 Operating Leases

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

1.7 Pensions

The Company operates a defined contribution Pension 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.

2 Tangible Fixed Assets

	<u>Total</u>
<u>Additions During the Period</u>	27098
<u>At 29 December 1994</u>	£ 27098
<u>Depreciation Provided This Period</u>	6933
<u>At 29 December 1994</u>	£ 6933
<u>Net Book Value At 29 December 1994</u>	£ 20165

3 Share Capital

	<u>Authorised</u> <u>1 9 9 4</u>	<u>Called-Up and Fully Paid</u> <u>1 9 9 4</u>
Ordinary Shares of £1 Each	1000	100

The following Shares were issued by the Company during the period:-

<u>Class</u>	<u>Number</u>	<u>Premium</u>
Ordinary	100	NIL

The purpose of the issue was to provide working capital on formation of the Company.

4 Ultimate Holding Company

The Company's ultimate holding company is Lambert Engineering Limited, a company incorporated in England.