

SELCRAFT ENGINEERING LIMITED

Abbreviated accounts

30 November 1995

**Deloitte & Touche
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Chartered Accountants

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AUDITORS' REPORT TO SELCRAFT ENGINEERING LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Selcraft Engineering Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 November 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the 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 year ended 30 November 1995, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 22 February 1996 we reported, as auditors of Selcraft Engineering Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 November 1995, and our audit report was as follows:

"We have audited the financial statements on pages 4 to 15 which have been prepared under the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 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 SELCRAFT ENGINEERING LIMITED PURSUANT TO
PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (continued)**

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 30 November 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

The statement of directors' responsibilities referred to in our audit report on the full financial statements, reproduced above, was as follows:

"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 as at the end of the financial year and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities."

Deloitte & Touche

Chartered Accountants and
Registered Auditors

22 February 1996

BALANCE SHEET
30 November 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	2	116,830	99,112
CURRENT ASSETS			
Stocks		53,363	60,964
Debtors		100,597	57,612
Cash at bank and in hand		45,700	49
		199,660	118,625
CREDITORS: amounts falling due within one year	3	164,265	95,228
NET CURRENT ASSETS		35,395	23,397
TOTAL ASSETS LESS CURRENT LIABILITIES		152,225	122,509
CREDITORS: amounts falling due after more than one year		(17,330)	(19,395)
PROVISIONS FOR LIABILITIES AND CHARGES		(5,380)	(5,988)
		129,515	97,126
CAPITAL AND RESERVES			
Called up share capital	5	3,000	3,000
Profit and loss account		126,515	94,126
EQUITY SHAREHOLDERS' FUNDS		129,515	97,126

Advantage is taken of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors, the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247.

Signed on behalf of the Board of Directors

C A Huxley

Director

C.A. Huxley

NOTES TO THE BALANCE SHEET
30 November 1995

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost of tangible fixed assets to their estimated residual values over the period of their estimated useful economic lives at the following rates:

Computer	20% on cost
Plant and machinery	10% on cost
Motor vehicles	25% reducing balance
Fixtures and fittings	10% on cost
Expenditure on leasehold premises	4% on cost

Stock and work in progress

Stock and work in progress consists of raw materials and bought-out parts, manufactured components and assemblies. Raw materials and bought-out parts are valued at their purchase price. Manufactured components and assemblies are valued at the direct cost of raw materials and bought-out parts plus labour and overheads directly attributable to their manufacture. As in previous years, where the net realisable value of items of stock is less than cost, the net realisable value has been adopted.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

NOTES TO THE BALANCE SHEET
30 November 1995

1 ACCOUNTING POLICIES (continued)

Leased assets

Fixed assets leased under finance leases or purchased under hire purchase agreements are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease of contract on a straight line basis.

The costs of operating leases are charged to the profit and loss account as they accrue.

Pension costs

The company operates defined contribution pension schemes covering the directors and certain employee's. The pension cost is the amount of contributions paid in respect of the year.

2 TANGIBLE FIXED ASSETS

	£
Cost	
At 1 December 1994	171,929
Additions in year	72,342
Disposals in year	(42,982)
At 30 November 1995	201,289
Accumulated depreciation	
At 1 December 1994	72,817
Charge in year	24,419
Disposals in year	(12,777)
At 30 November 1995	84,459
Net book value	
At 30 November 1995	116,830
At 30 November 1994	99,112

NOTES TO THE BALANCE SHEET
30 November 1995

3 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Creditors, amounts falling due within one year includes:		
Directors' current accounts	20,131	-

The directors' current accounts are unsecured, interest free and repayable on demand. During the year, C Huxley's loan account became overdrawn in the sum of £1,869. This amount being fully repaid by 30 November 1995.

4 BORROWINGS

	1995 £	1994 £
Analysis of loan repayments:		
Bank loans and overdrafts		
Within one year or on demand	2,421	16,167
Between one and two years	-	1,936
	2,421	18,103
Other loans including finance leases and hire purchase contracts net of future finance charges		
Within one year or on demand	10,866	11,056
Between one and two years	10,866	9,899
Between two and five years	6,464	7,560
	28,196	28,515

The company's bank overdraft and loan facilities are secured by a fixed and floating charge over the assets of the company. The bank loan is repayable by equal monthly instalments and interest is charged at 13% per annum.

5 CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised		
5,000 ordinary shares of £1.00 each	5,000	5,000
Called up, allotted and fully paid		
2,520 ordinary shares of £1.00 each	2,520	2,520
480 non-voting ordinary shares of £1.00 each	480	480
	3,000	3,000