

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu
International



Company Registration No. 1110310

SELCRAFT ENGINEERING LIMITED

Abbreviated accounts

30 November 1997

**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**





Chartered Accountants

Deloitte & Touche
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AUDITORS' REPORT TO THE DIRECTORS OF SELCRAFT ENGINEERING LIMITED 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 financial statements of Selcraft Engineering Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 November 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with sections 246(5) and (6) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with those sections and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

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 deliver abbreviated accounts 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 247 and 247A of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, in respect of the year ended 30 November 1997, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.

Chartered Accountants and
Registered Auditors

20 March 1998



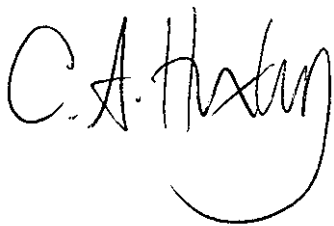
BALANCE SHEET
30 November 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	2	98,384	90,247
CURRENT ASSETS			
Stocks		60,174	56,053
Debtors		68,942	127,964
Cash at bank and in hand		302	47
CREDITORS: amounts falling due within one year		129,418	184,064
		83,031	128,900
NET CURRENT ASSETS		46,387	55,164
TOTAL ASSETS LESS CURRENT LIABILITIES		144,771	145,411
CREDITORS: amounts falling due after more than one year		(2,855)	(6,464)
PROVISIONS FOR LIABILITIES AND CHARGES		(2,056)	(2,796)
		139,860	136,151
CAPITAL AND RESERVES			
Called up share capital	4	3,000	3,000
Profit and loss account		136,860	133,151
EQUITY SHAREHOLDERS' FUNDS		139,860	136,151

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985 with respect to the delivery of individual accounts.

Signed on behalf of the Board of Directors

C A Huxley



Director

NOTES TO THE BALANCE SHEET
30 November 1997

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 1997**

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 1996	201,622
Additions in year	32,766
At 30 November 1997	<u>234,388</u>
Accumulated depreciation	
At 1 December 1996	111,375
Charge in year	24,629
At 30 November 1997	<u>136,004</u>
Net book value	
At 30 November 1997	<u><u>98,384</u></u>

NOTES TO THE BALANCE SHEET
30 November 1997

3 BORROWINGS

	1997 £	1996 £
Analysis of loan repayments:		
Bank loans and overdrafts		
Within one year or on demand	17,512	24,000
Analysis of hire purchase contracts		
net of future finance charges		
Within one year or on demand	9,099	10,866
Between one and two years	2,635	6,464
Between two and five years	220	-
	11,954	17,330

The company's bank overdraft and loan facilities are secured by a fixed and floating charge over the assets of the company.

4 CALLED UP SHARE CAPITAL

	1997 £	1996 £
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