



SELCRAFT ENGINEERING LIMITED

Abbreviated accounts

30 November 1998

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





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 1998.

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 1998, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.

Chartered Accountants and
Registered Auditors

19 March 1999



BALANCE SHEET
30 November 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	2	165,649	98,384
CURRENT ASSETS			
Stocks		68,786	60,174
Debtors		81,357	68,942
Cash at bank and in hand		7,160	302
		157,303	129,418
CREDITORS: amounts falling due within one year	3	110,245	83,031
NET CURRENT ASSETS		47,058	46,387
TOTAL ASSETS LESS CURRENT LIABILITIES		212,707	144,771
CREDITORS: amounts falling due after more than one year	4	(39,495)	(2,855)
PROVISIONS FOR LIABILITIES AND CHARGES		(5,844)	(2,056)
		167,368	139,860
CAPITAL AND RESERVES			
Called up share capital	5	2,750	3,000
Capital redemption reserve		250	-
Profit and loss account		164,368	136,860
EQUITY SHAREHOLDERS' FUNDS		167,368	139,860

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 1998

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 1998

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 1997	234,388
Additions in year	115,502
Disposals in year	(42,750)
At 30 November 1998	<u>307,140</u>
Accumulated depreciation	
At 1 December 1997	136,004
Charge in year	29,937
Disposals in year	(24,450)
At 30 November 1998	<u>141,491</u>
Net book value	
At 30 November 1998	<u><u>165,649</u></u>


**NOTES TO THE BALANCE SHEET
30 November 1998**
3 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Creditors, amounts falling due within one year includes:		
Bank overdraft	-	17,512
Obligations due under finance leases and HP contracts	9,444	9,099
	<u>9,444</u>	<u>9,099</u>

4 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998 £	1997 £
Creditors, amounts falling due after more than one year include:		
Obligations due under finance leases and HP contracts	39,495	2,855
	<u>39,495</u>	<u>2,855</u>

5 CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
5,000 ordinary shares of £1.00 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
Called up, allotted and fully paid		
2,270 ordinary shares of £1.00 each	2,270	2,520
480 non-voting ordinary shares of £1.00 each	480	480
	<u>2,750</u>	<u>3,000</u>
Ordinary shares		
Balance at 1 December 1997	2,520	
Redemption	(250)	
	<u>2,270</u>	
Balance at 30 November 1998	<u>2,270</u>	