

REGISTRAR

KRG PRECISION LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2000



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COMPANIES HOUSE 21/12/00

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KRG PRECISION LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 2 to 4, together with the financial statements of the company for the year ended 31 May 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.



H L Bloom & Co
Chartered Accountants
and Registered Auditors
7 Park Quadrant
Glasgow G3 6BS

29 November 2000

KRG PRECISION LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2000

		2000	1999
	Note	£	£
FIXED ASSETS	2		
Tangible assets		1,770,441	1,522,637
Investments		15,772	14,414
		<u>1,786,213</u>	<u>1,537,051</u>
CURRENT ASSETS			
Stock and work in progress		49,415	22,927
Debtors		576,822	358,889
Bank and cash		48,583	74,441
		<u>674,820</u>	<u>456,257</u>
CREDITORS: Amounts falling due within one year	3	<u>(660,721)</u>	<u>(449,114)</u>
NET CURRENT ASSETS		<u>14,099</u>	<u>7,143</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,800,312</u>	<u>1,544,194</u>
CREDITORS: Amounts falling due after more than one year	3	<u>(728,436)</u>	<u>(671,824)</u>
		<u>1,071,876</u>	<u>872,370</u>
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(114,430)</u>	<u>(110,583)</u>
GOVERNMENT GRANTS	4	<u>(220,196)</u>	<u>(163,340)</u>
NET ASSETS		<u>737,250</u>	<u>598,447</u>
CAPITAL AND RESERVES			
Share capital	5	50,000	50,000
Profit and loss account		687,250	548,447
SHAREHOLDERS' FUNDS		<u>737,250</u>	<u>598,447</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of
the board of directors


James Hughes
Director

The financial statements were approved by the board of directors on 28 November 2000

The notes on pages 3 to 4 form part of these abbreviated financial statements.

KRG PRECISION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated as follows

Freehold property	- 2% straight line
Plant and machinery	-15% reducing balance
Motor vehicles	-25% reducing balance

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Government grants

Grants on capital expenditure are released to revenue over the expected useful life of the asset.

Investments

Investments are stated at cost less provision for diminution of value, if such reduction is deemed to be of a permanent nature.

KRG PRECISION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2000

2. FIXED ASSETS

	Tangible Fixed Assets £	Investments £	Total £
COST			
At 1 June 1999	1,962,210	14,414	1,976,624
Additions	505,411	1,358	506,769
Disposals	(49,332)	-	(49,332)
At 31 May 2000	<u>2,418,289</u>	<u>15,772</u>	<u>2,434,061</u>
DEPRECIATION			
At 1 June 1999	439,573	-	439,573
Charge for year	239,068	-	239,068
On disposals	(30,793)	-	(30,793)
At 31 May 2000	<u>647,848</u>	<u>-</u>	<u>647,848</u>
NET BOOK VALUE			
At 31 May 2000	<u>1,770,441</u>	<u>15,772</u>	<u>1,786,213</u>
At 31 May 1999	<u>1,522,637</u>	<u>14,414</u>	<u>1,537,051</u>

3. SECURED DEBT

	2000 £	1999 £
Bank overdraft	68,660	-
Bank loans	143,082	157,682
H P creditors	<u>814,277</u>	<u>666,248</u>

4. GOVERNMENT GRANTS

	2000 £	1999 £
Received and receivable	342,805	212,805
Amortisation	<u>122,609</u>	<u>49,465</u>
	<u>220,196</u>	<u>163,340</u>

5. SHARE CAPITAL

Authorised share capital:

	2000 £	1999 £
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital	<u>50,000</u>	<u>50,000</u>