

**Advanced Composite Components Limited**

**Directors' report and financial  
statements**

Registered number 1275395

31 August 2002



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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 August 2002.

### **Principal activities**

The company did not trade during the year.

### **Dividend**

The directors do not recommend the payment of a dividend (2001: nil).

### **Directors**

The directors who held office during the year were as follows:

AB Moore  
HT Tresidder (Resigned 24 July 2002)  
J Mabbitt (Appointed 24 July 2002)

The directors are also directors of the ultimate parent company. They held no interest in the shares of the company at any time during the year and their interests in the shares of the ultimate parent company are shown in the financial statements of that company.

### **Auditors**

KPMG were re-appointed auditors at the Annual General Meeting. However, since that date their business has been transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 17 May 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**AB Moore**  
Secretary

Composites House  
Sinclair Close  
Heanor Gate Industrial Estate  
Heanor  
Derbyshire

5 December 2002

## **Statement of directors' responsibilities**

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 and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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## **Independent auditors' report to the members of Advanced Composite Components Limited**

We have audited the financial statements on pages 4 to 6.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### **Basis of audit 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 31 August 2002 and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

5 December 2002

*Chartered Accountants  
Registered Auditor*

**Balance sheet**  
*as at 31 August 2002*

	<i>Note</i>	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	2	51	51
<b>Creditors: amounts falling due within one year</b>	3	(741)	(741)
<b>Net liabilities</b>		<u>(690)</u>	<u>(690)</u>
<b>Capital and reserves</b>			
Called up share capital	4	100	100
Profit and loss account	5	(790)	(790)
<b>Equity shareholders' funds</b>		<u>(690)</u>	<u>(690)</u>

These financial statements were approved by the board of directors on 5 December 2002 and were signed on its behalf by:



**AB Moore**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Basis of accounting*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

#### *Going concern*

The directors of the parent company have indicated that they will continue to support the company for the foreseeable future.

#### *Consolidated financial statements*

The company is exempt from the requirement to prepare group accounts in accordance with S228 Companies Act 1985. These financial statements present information about the company as an individual undertaking and not about the group.

The results of this company and those of its subsidiaries are included within the financial statements of the ultimate parent undertaking.

#### *Investments*

Fixed asset investments are shown at cost less provisions for permanent diminution in value.

### 2 Fixed asset investments

Shares in group undertakings	Shareholding	2002	2001
<i>Ordinary shares of £1 each</i>	%	£000	£000
Advanced Composite Technology Limited	100	51	51
Advanced Composite Materials Limited	100	-	-
Advanced Composite Engineering Limited	100	-	-
		<hr/>	<hr/>
		51	51
		<hr/>	<hr/>

All subsidiaries are incorporated in Great Britain and are dormant.

Full provision has been made for any loss in the value of investments in subsidiary undertakings where the diminution in value is considered to be permanent.

### 3 Creditors: amounts falling due within one year

	2002	2001
	£000	£000
Amounts owed to group undertakings	741	741
	<hr/>	<hr/>

**Notes (continued)**

**4 Called up share capital**

	2002 £000	2001 £000
<i>Authorised, allotted, called up and fully paid</i> 100,000 ordinary shares of £1 each	100	100

**5 Profit and loss account**

The company has not traded in the year, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss. There are no other recognised gains or losses in the period.

**6 Contingent liabilities**

There is a cross guarantee between all group companies in relation to the bank borrowing of each company. At 31 August 2002, the outstanding liability under this guarantee was £2,129,000 (2001: £2,470,000).

**7 Ultimate parent undertaking**

The ultimate parent undertaking is Advanced Composites Group Holdings Limited, a company incorporated in Great Britain.

Copies of the financial statements of the ultimate parent can be obtained from the address on page 1.