

**Advanced Composite Technology
Limited**

Director's report and financial statements

31 August 1994

Registered number 1636831



Advanced Composite Technology Limited

Director's report and financial statements

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Advanced Composite Technology Limited

Director's report

The director presents his report and the audited financial statements for the year ended 31 August 1994. The company has not traded during the year. There has been no income or expenditure during the year.

Directors

The director who held office during the year and his interest in the shares of the company at the beginning and end of the year was:

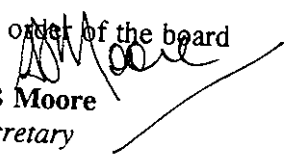
	Ordinary shares of £1 each	
	1994	1993
RM Sloman	1	-

RM Sloman is also a director of the ultimate parent company and his interest in the shares of that company are shown in that company's accounts.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG 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
Adams Close
Heanor Gate Industrial Estate
Heanor
Derbyshire

23 June 1995

Advanced Composite Technology Limited

Statement of director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the auditors to the members of Advanced Composite Technology Limited

We have audited the financial statements on pages 4 to 5.

Respective responsibilities of the director and the auditors

As described on page 2 the company's director is 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.

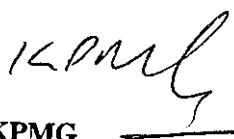
Basis of opinion

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 director 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 1994 and have been properly prepared in accordance with the Companies Act 1985.


KPMG
Chartered Accountants
Registered Auditors

26 June 1995

Advanced Composite Technology Limited

Balance sheet
at 31 August 1994

	Note	1994 £	1993 £
Current assets			
Amounts owed to group undertakings			
Attributable to dealings with its parent			
undertakings or fellow subsidiary undertakings		50,947	50,947
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	3	100	100
Profit and loss account		50,847	50,847
		<u> </u>	<u> </u>
Shareholders' funds		50,947	50,947
		<u> </u>	<u> </u>

These financial statements were approved by the director on 23 June 1995.



RM Sloman
Director

Advanced Composite Technology Limited

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 accounting rules.

2 Profit and loss account

During the financial year and preceding financial year the company did not trade, received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

3 Called up share capital

	1994	1993
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

4 Cash flow statement

The company is exempt from the requirements to present a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a parent undertaking, incorporated in Great Britain, which presents consolidated financial statements which include the company and which include a consolidated cash flow statement.

5 Ultimate parent undertaking

The ultimate parent undertaking is Advanced Composites Group Limited, which is incorporated in Great Britain and registered in England and Wales.

The immediate parent undertaking is Advanced Composite Components Limited, which is incorporated in Great Britain and registered in England and Wales.