

Registration Number 2235902

Arrow Engineering Components Limited

Abbreviated Accounts

for the year ended 31 May 2001



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Arrow Engineering Components Limited

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**Auditors' Report to Arrow Engineering Components Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of Arrow Engineering Components Limited for the year ended 31 May 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors


The directors are responsible for preparing abbreviated accounts 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 accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are 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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 May 2001, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



Freedman, Frankl and Taylor
Chartered Accountants and
Registered Auditor
Reedham House
31 King Street West
Manchester
M3 2PJ

18-12-01

Arrow Engineering Components Limited

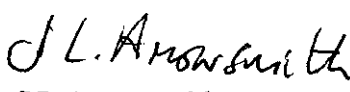
Abbreviated Balance Sheet as at 31 May 2001

		2001	2000
	Notes	£	£
Fixed Assets			
Tangible assets	2	33,989	41,205
Current Assets			
Stocks		505,769	496,410
Debtors		270,122	317,043
Cash at bank and in hand		250	250
		<u>776,141</u>	<u>813,703</u>
Creditors: amounts falling due within one year	3	<u>(550,283)</u>	<u>(608,727)</u>
Net Current Assets		<u>225,858</u>	<u>204,976</u>
Total Assets Less Current Liabilities		<u>259,847</u>	<u>246,181</u>
Capital and Reserves			
Called up share capital	4	165,000	165,000
Profit and loss account		<u>94,847</u>	<u>81,181</u>
Shareholders' Funds		<u>259,847</u>	<u>246,181</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The abbreviated accounts were approved by the Board on 7.12.01 and signed on its behalf by


R Arrowsmith
Director


J L Arrowsmith
Director

The notes on pages 3 to 5 form an integral part of these financial statements.

Arrow Engineering Components Limited

Notes to the Abbreviated Financial Statements for the year ended 31 May 2001

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	10% Straight Line
Fixtures, fittings and equipment	-	10% Straight Line
Motor vehicles	-	25% Straight Line
Computer equipment	-	33.33% Straight Line

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Arrow Engineering Components Limited

Notes to the Abbreviated Financial Statements for the year ended 31 May 2001

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2. Fixed assets		Tangible fixed assets £
Cost		
At 1 June 2000		169,812
Additions		10,284
At 31 May 2001		<u>180,096</u>
Depreciation		
Charge for year		17,500
At 31 May 2001		<u>146,107</u>
Net book values		
At 31 May 2001		<u>33,989</u>
At 31 May 2000		<u>41,205</u>
 3. Creditors: amounts falling due within one year	 2001 £	 2000 £
Creditors include the following:		
Secured creditors	<u>(225,468)</u>	<u>(302,835)</u>
 4. Share capital	 2001 £	 2000 £
Authorised equity		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
 Allotted, called up and fully paid equity		
165,000 Ordinary shares of £1 each	<u>165,000</u>	<u>165,000</u>
 5. Transactions with directors		

The company's bank borrowings are secured on property owned personally by R Arrowsmith and J L Arrowsmith. The company paid rents on these properties during the financial year amounting to £14700.(2000-£32919)

Arrow Engineering Components Limited

**Notes to the Abbreviated Financial Statements
for the year ended 31 May 2001**

..... continued

6. Ultimate controlling party

The company was controlled throughout the current and previous period by Mr R Arrowsmith by virtue of his majority holding of ordinary shares in the company.