

ALCON COMPONENTS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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ALCON COMPONENTS LIMITED

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ALCON COMPONENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

The directors present their report and the financial statements for the year ended 30 September 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The company is principally engaged in the manufacture of braking systems and clutches for race, rally and specialised road cars.

BUSINESS REVIEW

The company is principally engaged in the design and manufacture of automotive braking systems and clutches for motor sport and performance road car applications.

Turnover of brake and clutch systems fell from £8.9m to £7.6m. The sales fall was primarily attributable to the economic downturn in the UK and Worldwide markets – the Performance sector saw the largest drop in sales of £0.9m, Motorsport impacted to a lesser extent seeing a reduction of £0.4m. The company reported an operating profit before tax of £228,993 compared to a comparable number from the previous year of £406,872. The sharp fall in sales had a major impact on profitability levels but the impact on profitability was minimised by a series of short and medium term cost reduction and efficiency strategies. A modest level of capital investment and training was still permitted to ensuring the continued development of Alcon's credibility, product range, and, overall competitiveness in worldwide markets with new and existing customers. Cashflow for the year was a positive of £858,355 after accounting for capital inflows and net debt repayments of £446,642.

The underlying order book has fallen in line with sales performance but continues to remain strong despite a challenging economic back drop.

The company monitors a variety of Key Performance Indicators and continues to recognise the need to enhance their use in the coming year via the Continuous Improvement of its Performance Management System.

ALCON COMPONENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

RESULTS

The profit for the year, after taxation, amounted to £120,798 (2008 - £267,768).

Financial risk management, objectives and policies

The company uses financial instruments, other than derivatives, comprising group borrowings, bank borrowings, finance leases and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are liquidity risk and interest rate risk. The policies have remained unchanged from previous periods.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through group financing arrangements and bank facilities.

Interest rate risk

The company finances its operations through a mixture of retained profits, bank borrowings and finance lease agreements. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Exchange rate risk

The company's sales profile comprises a substantial export concentration, some of which is based on a sterling price list and / sterling based contracts. The remainder comprises sales in US dollars and Euros. All non-sterling sales represent an exchange risk dependent on local and world market conditions. This risk is managed via a mixture of forward contracts, market orders and regular communication with external foreign exchange specialist partners.

DIRECTORS

The directors who served during the year were

Mr A I Fergusson
Mr P J Stubbs
Mr P J Smith
Mr R Kishor
Mr M Haywood
Mr J Edwards
Dr A C Smith

PROVISION OF INFORMATION TO AUDITOR

- Each of the persons who are directors at the time when this Directors' report is approved has confirmed that
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
 - that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

ALCON COMPONENTS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2009

AUDITOR

The auditor, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on *19/4/2010* and signed on its behalf



Mr M Haywood
Director

ALCON COMPONENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALCON COMPONENTS LIMITED

We have audited the financial statements of Alcon Components Limited for the year ended 30 September 2009, set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

ALCON COMPONENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALCON COMPONENTS LIMITED

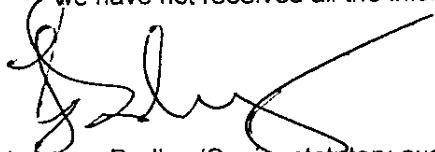
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Johnathan Dudley (Senior statutory auditor)

for and on behalf of

HORWATH CLARK WHITEHILL LLP

Statutory Auditor

Hatherton House
Hatherton Street
Walsall
West Midlands
WS1 1YB

Date 19/4/10

ALCON COMPONENTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Note	2009 £	2008 £
TURNOVER	1	7,578,812	8,898,303
Cost of sales		<u>(3,738,969)</u>	<u>(4,596,751)</u>
GROSS PROFIT		3,839,843	4,301,552
Administrative expenses		<u>(3,610,850)</u>	<u>(3,894,680)</u>
OPERATING PROFIT	3	228,993	406,872
Interest payable	5	<u>(99,595)</u>	<u>(114,296)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		129,398	292,576
Tax on profit on ordinary activities	6	<u>(8,600)</u>	<u>(24,808)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u><u>120,798</u></u>	<u><u>267,768</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and loss account

The notes on pages 9 to 19 form part of these financial statements

ALCON COMPONENTS LIMITED
REGISTERED NUMBER: 2613471

BALANCE SHEET
AS AT 30 SEPTEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible fixed assets	7	471,577	556,873
CURRENT ASSETS			
Stocks	8	852,964	720,485
Debtors	9	2,538,920	3,456,491
Cash at bank and in hand		439,085	223,663
		<u>3,830,969</u>	<u>4,400,639</u>
CREDITORS: amounts falling due within one year	10	<u>(2,222,381)</u>	<u>(3,147,601)</u>
NET CURRENT ASSETS		<u>1,608,588</u>	<u>1,253,038</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,080,165</u>	<u>1,809,911</u>
CREDITORS: amounts falling due after more than one year	11	<u>(523,267)</u>	<u>(373,811)</u>
NET ASSETS		<u><u>1,556,898</u></u>	<u><u>1,436,100</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account	15	1,556,798	1,436,000
SHAREHOLDERS' FUNDS	16	<u><u>1,556,898</u></u>	<u><u>1,436,100</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19/11/10



Mr A I Fergusson
Director

The notes on pages 9 to 19 form part of these financial statements

ALCON COMPONENTS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Note	2009 £	2008 £
Net cash flow from operating activities	17	518,185	(58,055)
Returns on investments and servicing of finance	18	(97,206)	(114,296)
Taxation		(215)	(31,822)
Capital expenditure and financial investment	18	(9,051)	(217,765)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		411,713	(421,938)
Financing	18	446,642	(108,353)
INCREASE/(DECREASE) IN CASH IN THE YEAR		858,355	(530,291)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	2009 £	2008 £
Increase/(Decrease) in cash in the year	858,355	(530,291)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(446,642)	108,353
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	411,713	(421,938)
New finance lease	(113,406)	-
MOVEMENT IN NET DEBT IN THE YEAR	298,307	(421,938)
Net debt at 1 October 2008	(1,314,798)	(892,860)
NET DEBT AT 30 SEPTEMBER 2009	(1,016,491)	(1,314,798)

The notes on pages 9 to 19 form part of these financial statements

ALCON COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

L/Term Leasehold Property	-	25% straight line
Plant & machinery	-	20-50% straight line
Motor vehicles	-	25% straight line

1.4 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

ALCON COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

1. ACCOUNTING POLICIES (continued)

1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.9 RESEARCH AND DEVELOPMENT

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account

1 10 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

ALCON COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

2. TURNOVER

The whole of the turnover is attributable to the one principle activity of the company

A geographical analysis of turnover is as follows

	2009 £	2008 £
United Kingdom	1,789,453	2,959,923
Rest of European Union	3,091,778	3,564,580
Rest of world	2,697,581	2,373,800
	<u>7,578,812</u>	<u>8,898,303</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	128,642	159,843
- held under finance leases	77,275	37,929
Auditors' remuneration	26,396	23,229
Difference on foreign exchange	(42,527)	(35,233)
Operating lease rentals - plant & machinery	4,496	-
Operating lease rentals - other operating leases	150,000	-
	<u>150,000</u>	<u>-</u>

During the year, no director received any emoluments (2008 - £NIL)

4 STAFF COSTS

Staff costs were as follows

	2009 £	2008 £
Wages and salaries	1,967,366	2,334,617
Social security costs	182,337	211,513
Other pension costs	47,475	55,903
	<u>2,197,178</u>	<u>2,602,033</u>

The average monthly number of employees, including the directors, during the year was as follows

	2009 No.	2008 No
Average Number of Employees	<u>68</u>	<u>72</u>

ALCON COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

5 INTEREST PAYABLE

	2009 £	2008 £
On bank loans and overdrafts	74,279	101,265
On finance leases and hire purchase contracts	22,927	13,031
Other interest payable	2,389	-
	<u>99,595</u>	<u>114,296</u>

6 TAXATION

	2009 £	2008 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	9,700	38,000
Adjustments in respect of prior periods	(6,100)	(19,192)
TOTAL CURRENT TAX	<u>3,600</u>	<u>18,808</u>
DEFERRED TAX		
Origination and reversal of timing differences	(5,515)	12,444
Effect of increased tax rate on opening liability	-	4,254
Adjustments in respect of prior periods	10,515	(10,698)
TOTAL DEFERRED TAX (see note 12)	<u>5,000</u>	<u>6,000</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>8,600</u>	<u>24,808</u>

ALCON COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

6. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2008 - lower than) the standard rate of corporation tax in the UK (21%). The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	129,398	292,576
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2008 - 30%)	27,174	84,847
EFFECTS OF:		
Expenses not deductible for tax purposes	969	4,328
Other fixed assets adjustments, differences and movements	639	-
Depreciation in excess of capital allowances	4,071	170
Research and development uplift	(23,153)	(44,032)
Adjustments to tax charge in respect of prior periods	(6,100)	(19,192)
Marginal relief	-	(7,313)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	3,600	18,808

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

ALCON COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
COST				
At 1 October 2008	69,960	2,545,881	148,946	2,764,787
Additions	-	118,968	10,024	128,992
Disposals	-	-	(12,960)	(12,960)
At 30 September 2009	69,960	2,664,849	146,010	2,880,819
DEPRECIATION				
At 1 October 2008	69,960	2,089,605	48,349	2,207,914
Charge for the year	-	166,627	39,290	205,917
On disposals	-	-	(4,589)	(4,589)
At 30 September 2009	69,960	2,256,232	83,050	2,409,242
NET BOOK VALUE				
At 30 September 2009	-	408,617	62,960	471,577
At 30 September 2008	-	456,276	100,597	556,873

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2009 £	2008 £
Plant and machinery	152,896	116,666
Motor vehicles	68,386	86,451
	<u>221,282</u>	<u>203,117</u>

8. STOCKS

	2009 £	2008 £
Raw materials	<u>852,964</u>	<u>720,485</u>

ALCON COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

9. DEBTORS

	2009 £	2008 £
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	1,285,006	1,285,006
DUE WITHIN ONE YEAR		
Trade debtors	1,136,106	2,095,773
Other debtors	46,653	29,086
Prepayments and accrued income	51,155	21,626
Deferred tax asset (see note 12)	20,000	25,000
	<u>2,538,920</u>	<u>3,456,491</u>

**10 CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Bank loans and overdrafts	845,677	1,102,848
Net obligations under finance leases and hire purchase contracts	86,632	61,802
Trade creditors	811,223	1,146,280
Amounts owed to group undertakings	363,771	344,940
Corporation tax	14,260	8,486
Social security and other taxes	52,773	65,167
Other creditors	5,774	8,274
Accruals and deferred income	42,271	409,804
	<u>2,222,381</u>	<u>3,147,601</u>

The bank loan and overdraft are secured by fixed and floating charges over all the assets of the company. Included within bank loans and overdrafts is a balance of £454,013 (2008 £946,946) which relates to invoice discounting.

There is an Inter company guarantee in place relating to bank loans and overdrafts owed by the company and its parent entity Automotive Performance Technologies Limited.

**11. CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2009 £	2008 £
Bank loans	364,833	237,500
Net obligations under finance leases and hire purchase contracts	158,434	136,311
	<u>523,267</u>	<u>373,811</u>

ALCON COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

**11 CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2009 £	2008 £
Between one and five years	<u>158,434</u>	<u>136,311</u>

12. DEFERRED TAX ASSET

	2009 £	2008 £
At beginning of year	25,000	31,000
Charged for year	(5,000)	(6,000)
At end of year	<u>20,000</u>	<u>25,000</u>

The deferred tax asset is made up as follows

	2009 £	2008 £
Accelerated capital allowances	<u>20,000</u>	<u>25,000</u>

13. PROVISIONS

	Total £
At 1 October 2008 and 30 September 2009	<u>-</u>

14. SHARE CAPITAL

	2009 £	2008 £
ALLOTTED, CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15 RESERVES

	Profit and loss account £
At 1 October 2008	1,436,000
Profit for the year	120,798
At 30 September 2009	<u>1,556,798</u>

ALCON COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening shareholders' funds	1,436,100	1,168,332
Profit for the year	120,798	267,768
Closing shareholders' funds	<u>1,556,898</u>	<u>1,436,100</u>

17 NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	228,993	406,872
Depreciation of tangible fixed assets	205,917	197,772
Loss/(profit) on disposal of tangible fixed assets	1,836	(31)
Increase in stocks	(132,479)	(258,111)
Decrease/(increase) in debtors	912,569	(1,954,919)
Decrease in amounts owed by group undertakings	-	1,285,006
(Decrease)/increase in creditors	(717,482)	237,429
Increase in amounts owed to group undertakings	18,831	48,279
Decrease in provisions	-	(20,352)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>518,185</u>	<u>(58,055)</u>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2009 £	2008 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(74,279)	(101,265)
Hire purchase interest	(22,927)	(13,031)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>(97,206)</u>	<u>(114,296)</u>
	2009 £	2008 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(15,586)	(224,666)
Sale of tangible fixed assets	6,535	6,901
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(9,051)</u>	<u>(217,765)</u>

ALCON COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2009 £	2008 £
FINANCING		
New secured loans	1,038,000	-
Repayment of loans	(524,905)	(250,217)
(Repayment of)/new finance leases	(66,453)	141,864
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	446,642	(108,353)

19 ANALYSIS OF CHANGES IN NET DEBT

	1 October 2008 £	Cash flow £	Other non-cash changes £	30 September 2009 £
Cash at bank and in hand	223,663	215,422	-	439,085
Bank overdraft	(1,096,946)	642,933	-	(454,013)
	<u>(873,283)</u>	<u>858,355</u>	<u>-</u>	<u>(14,928)</u>
DEBT.				
Debts due within one year	(67,704)	(446,642)	36,050	(478,296)
Debts falling due after more than one year	(373,811)	-	(149,456)	(523,267)
NET DEBT	<u>(1,314,798)</u>	<u>411,713</u>	<u>(113,406)</u>	<u>(1,016,491)</u>

20 PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £47,475 (2008 - £55,903). Contributions totalling £NIL (2008 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

21. OPERATING LEASE COMMITMENTS

At 30 September 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2009 £	2008 £	Other 2009 £	2008 £
EXPIRY DATE:				
Between 2 and 5 years	<u>150,000</u>	<u>150,000</u>	<u>5,637</u>	<u>-</u>

ALCON COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

22. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Automotive Performance Technologies Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Automotive Performance Technologies Limited

Mr A I Fergusson, Mr P J Smith and Mr R Kishor each have family interests in Apollo Investments, a partnership that owns the building from which Alcon Components Limited operated during the year. Rentals were paid to Apollo Investments during the year amounting to £150,000 (2008 £150,000) which were consistent with the terms of the existing lease agreement.