

K C Precision Engineering Limited

**Abbreviated Accounts
for the year ended 31 December 2002**

Registration Number: 2831757

**Rayner and Co
Chartered Certified Accountants
6 Arundel Place
SCARBOROUGH
North Yorkshire
YO11 1TX**



K C Precision Engineering Limited

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**Independent auditors' report to K C Precision Engineering Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 4 together with the financial statements of K C Precision Engineering Limited for the year ended 31 December 2002 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 December 2002, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



**Rayner and Co
Chartered Certified Accountants and
Registered Auditors
6 Arundel Place
SCARBOROUGH
North Yorkshire
YO11 1TX**

15.5.03 Date


K C Precision Engineering Limited

**Abbreviated balance sheet
as at 31 December 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		461,529		498,862
Current assets					
Stocks		7,756		9,668	
Debtors		66,014		118,644	
Cash at bank and in hand		277		197	
		<u>74,047</u>		<u>128,509</u>	
Creditors: amounts falling due within one year	3	<u>(45,303)</u>		<u>(116,646)</u>	
Net current assets			<u>28,744</u>		<u>11,863</u>
Total assets less current liabilities			490,273		510,725
Creditors: amounts falling due after more than one year			<u>(50,000)</u>		<u>(51,389)</u>
Net assets			<u><u>440,273</u></u>		<u><u>459,336</u></u>
 Capital and reserves					
Called up share capital	4		100		100
Profit and loss account			440,173		459,236
Shareholders' funds			<u><u>440,273</u></u>		<u><u>459,336</u></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 15 - 5 - 03 and signed on its behalf by


Mr J K Chatt
Director

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

K C Precision Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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:

Land and buildings	- 2% straight line basis
Plant and machinery	- 20% straight line basis
Fixtures, fittings and equipment	- 20% reducing balance basis
Motor vehicles	- 25% reducing balance basis

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 and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

K C Precision Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

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2. Fixed assets		Tangible fixed assets £
Cost		
At 1 January 2002		659,479
Additions		469
Disposals		(15,149)
At 31 December 2002		<u>644,799</u>
Depreciation		
At 1 January 2002		160,617
On disposals		(7,189)
Charge for year		29,842
At 31 December 2002		<u>183,270</u>
Net book values		
At 31 December 2002		<u>461,529</u>
At 31 December 2001		<u>498,862</u>
3. Creditors	2002	2001
	£	£
Amounts falling due within one year		
Include the following:		
Secured creditors	<u>8,571</u>	<u>54,529</u>
4. Share capital	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
5. Ultimate parent undertaking		

The company is under the control of Lambert Engineering Group Limited which owns 60% of the company's share capital. In the opinion of the directors, Mr M A Williams is the company's ultimate controller.