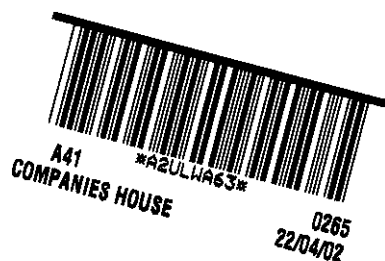


**K C Precision Engineering Limited**

**Abbreviated Accounts  
for the year ended 31 December 2001**

**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 5 together with the financial statements of K C Precision Engineering Limited for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

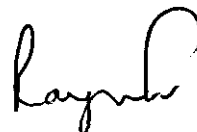
The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) 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 December 2001, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



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

**16 April 2002**

# K C Precision Engineering Limited

## Abbreviated balance sheet as at 31 December 2001

		2001	2000
		£	£
Notes			
<b>Fixed assets</b>			
Tangible assets	2	498,862	544,120
<b>Current assets</b>			
Stocks		9,668	19,866
Debtors		118,644	147,979
Cash at bank and in hand		197	1,325
		<u>128,509</u>	<u>169,170</u>
<b>Creditors: amounts falling due within one year</b>	3	<u>(116,646)</u>	<u>(169,631)</u>
<b>Net current assets/(liabilities)</b>		<u>11,863</u>	<u>(461)</u>
<b>Total assets less current liabilities</b>		<u>510,725</u>	<u>543,659</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>(51,389)</u>	<u>(31,111)</u>
<b>Net assets</b>		<u>459,336</u>	<u>512,548</u>
<b>Capital and reserves</b>			
Called up share capital	4	100	100
Profit and loss account		<u>459,236</u>	<u>512,448</u>
<b>Shareholders' funds</b>		<u>459,336</u>	<u>512,548</u>

In preparing these abbreviated accounts we have relied on the exemptions for individual financial statements conferred by section Section A of Part 1 of the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small sized company.

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 11.4.02 and signed on its behalf by

  
J K Chatt  
Director

The notes on pages 3 to 5 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 2001

#### 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 March 2000).

##### 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 and fittings	-	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 is computed on a first in first out basis.

The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

##### 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.

# K C Precision Engineering Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2001

..... continued

2. Fixed assets	Tangible fixed assets £	
<b>Cost</b>		
At 1 January 2001	673,447	
Additions	850	
Disposals	(14,818)	
At 31 December 2001	659,479	
<b>Depreciation</b>		
At 1 January 2001	129,327	
On disposals	(7,204)	
Charge for year	38,494	
At 31 December 2001	160,617	
<b>Net book values</b>		
At 31 December 2001	498,862	
At 31 December 2000	544,120	
3. Creditors	2001 £	2000 £
<b>Amounts falling due within one year</b>		
Creditors include the following:		
Secured creditors	54,529	76,657
4. Share capital	2001 £	2000 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100

# K C Precision Engineering Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2001

..... continued

### 5. Related party transactions

The company is related to Lambert Engineering Holdings Limited which holds the controlling interest in K C Precision Engineering Limited. K C Precision Engineering Limited traded with other members of the Lambert Engineering Holdings Limited group on a commercial basis as follows:-

During the year the company invoiced £114,860 (2000 £86,482) to Lambert Engineering Limited for commercial engineering services.

During the year the company was invoiced £772 (2000 £270) by Lambert Engineering Limited for the purchase of goods.

The following balances were outstanding at the year end in respect of transactions with Lambert Engineering Limited :-

	2001	2000
	£	£
Debtors	-	-
Creditors	-	-
Loans	(50,000)	(25,000)

### 6. Ultimate parent undertaking

The company is under the control of Lambert Engineering Holdings Limited which owns 60% of the company's share capital. In the opinion of the directors, Mr P H Wainman is the company's ultimate controller by virtue of his 90% holding in the shares of Lambert Engineering Holdings Limited.