

K C PRECISION ENGINEERING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

REGISTERED NUMBER: 2831757

RAYNER AND CO
CHARTERED CERTIFIED ACCOUNTANTS
6 ARUNDEL PLACE
SCARBOROUGH
NORTH YORKSHIRE
YO11 1TX



K C PRECISION ENGINEERING LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999**

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K C PRECISION ENGINEERING LIMITED**AUDITORS' REPORT TO****K C PRECISION ENGINEERING LIMITED****UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 December 1999 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

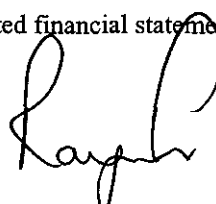
The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements 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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

**Rayner and Co****Registered Auditors and****Chartered Certified Accountants****6 Arundel Place****SCARBOROUGH****North Yorkshire****YO11 1TX****19 April 2000**

K C PRECISION ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 1999

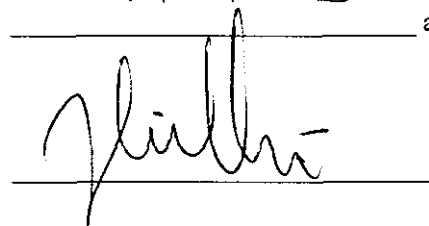
	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	2	423,559	422,065
CURRENT ASSETS			
Stocks		20,539	7,956
Debtors		123,415	144,043
Cash at bank and in hand		66,999	77,879
		<u>210,953</u>	<u>229,878</u>
CREDITORS: amounts falling due within one year		<u>(103,691)</u>	<u>(180,869)</u>
Net current assets		<u>107,262</u>	<u>49,009</u>
Total assets less current liabilities		<u>530,821</u>	<u>471,074</u>
CREDITORS: amounts falling due after more than one year		<u>(10,722)</u>	<u>(13,833)</u>
		<u>520,099</u>	<u>457,241</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		519,999	457,141
Total shareholders' funds		<u>520,099</u>	<u>457,241</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors on

14.4.00

and signed on its behalf by:



MR M WILLIAMS
DIRECTOR

K C PRECISION ENGINEERING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:-

Freehold land	nil
Freehold buildings	2% straight line basis
Plant and machinery	20% straight line basis
Motor vehicles	25% reducing balance basis
Fixtures and fittings	20% reducing balance basis

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks 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.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions - Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable.

**NOTES ON ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999**

2 FIXED ASSETS

	Tangible fixed assets £
COST	
1 January 1999	482,628
Additions	36,024
Disposals	(1,788)
31 December 1999	<u>516,864</u>
DEPRECIATION	
1 January 1999	60,563
Charge for the year	34,530
Disposals	(1,788)
31 December 1999	<u>93,305</u>
NET BOOK AMOUNT	
31 December 1999	<u><u>423,559</u></u>
1 January 1999	<u><u>422,065</u></u>

Included in land and buildings is land at cost of £75,600 (1998 £75,600) which is not depreciated.

3 CALLED UP SHARE CAPITAL

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

4 CONTROLLING PARTY

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.