

Registration number 3418827

Advanced Diesel Engineering Limited
Directors' report and financial statements
Abbreviated accounts
for the year ended 31 July 2007

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Advanced Diesel Engineering Limited

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**Independent auditors' report to Advanced Diesel Engineering Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 6 together with the financial statements of Advanced Diesel Engineering Limited for the year ended 31 July 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the 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 abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

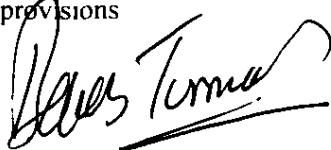
Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

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, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Bewers Turner & Co
Chartered Accountants and
Registered Auditor



25 September 2007

Portland House
13 Station Road
Kettering
Northants
NN15 7HH

Advanced Diesel Engineering Limited

Abbreviated balance sheet as at 31 July 2007

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		2,047,860		1,828,892
Current assets					
Stocks		370,946		492,706	
Debtors		1,929,769		1,131,350	
Cash at bank and in hand		1,764		9,706	
		<u>2,302,479</u>		<u>1,633,762</u>	
Creditors: amounts falling due within one year	3	<u>(1,941,715)</u>		<u>(2,528,908)</u>	
Net current assets/(liabilities)			<u>360,764</u>		<u>(895,146)</u>
Total assets less current liabilities			2,408,624		933,746
Creditors: amounts falling due after more than one year	4		(1,377,962)		(193,809)
Provisions for liabilities			<u>(58,008)</u>		<u>(19,300)</u>
Net assets			<u>972,654</u>		<u>720,637</u>
Capital and reserves					
Called up share capital	5		10,000		10,000
Revaluation reserve			355,992		355,992
Profit and loss account			606,662		354,645
Shareholders' funds			<u>972,654</u>		<u>720,637</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The abbreviated accounts were approved by the Board on 25 September 2007 and signed on its behalf by



D. Robson
Director

The notes on pages 3 to 6 form an integral part of these financial statements.

Advanced Diesel Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 July 2007

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities

1.3. Tangible fixed assets and depreciation

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

Land and buildings	-	Straight line over fifty years
Other tangible assets	-	15%/25% reducing balance and over 4 years

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

Advanced Diesel Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 July 2007

continued

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Advanced Diesel Engineering Limited

**Notes to the abbreviated financial statements
for the year ended 31 July 2007**

continued

2. Fixed assets	Tangible fixed assets £
Cost/revaluation	
At 1 August 2006	2,002,723
Additions	342,359
Disposals	(56,884)
At 31 July 2007	<u>2,288,198</u>
Depreciation	
At 1 August 2006	173,831
On disposals	(27,800)
Charge for year	94,307
At 31 July 2007	<u>240,338</u>
Net book values	
At 31 July 2007	<u>2,047,860</u>
At 31 July 2006	<u>1,828,892</u>

3. Creditors: amounts falling due within one year	2007 £	2006 £
Creditors include the following		
Secured creditors	<u>409,888</u>	<u>1,607,428</u>

4. Creditors: amounts falling due after more than one year	2007 £	2006 £
Creditors include the following		
Instalments repayable after more than five years	<u>1,266,813</u>	<u>94,565</u>
Secured creditors	<u>1,356,851</u>	<u>191,142</u>

Advanced Diesel Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 July 2007

continued

5	Share capital	2007	2006
		£	£
	Authorised		
	10,000 Ordinary shares of 1 each	10,000	10,000
	100 Ordinary B shares of 1 each	100	100
		<u>10,100</u>	<u>10,100</u>
	Allotted, called up and fully paid		
	10,000 Ordinary shares of 1 each	10,000	10,000
	- Ordinary B shares of 1 each	-	-
		<u>10,000</u>	<u>10,000</u>
	Equity Shares		
	10,000 Ordinary shares of 1 each	10,000	10,000
	- Ordinary B shares of 1 each	-	-
		<u>10,000</u>	<u>10,000</u>

6. Transactions with directors

In 2006 D Robson made a loan to the company of £100,000. At 31 July 2007 the amount outstanding was £30,000.