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Castle Precision Engineering Limited

Report and Accounts

Year ended

31st July 1989

HACKER YOUNG
CHARTERED ACCOUNTANTS
GLASGOW

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GLASGOW

Castle Precision Engineering Limited

Report of the Directors

The Directors present their report and the Audited Accounts for Year ended 31st July 1989.

Results

	1989	1988
Net Profit before Taxation	704,093	388,259
Taxation	241,138	136,500
	-----	-----
	462,955	251,759
Dividends	209,250	54,000
	-----	-----
	253,705	197,759
	-----	-----

A Dividend of £69.75 (1988 - £18) per share was paid by the company during the year.

Activities

The Company is principally concerned with the design and manufacture of jigs, fixtures and press tools.

Goods Exported During the year

The goods exported during the year were £1,252,894 (1988 £2,340,769).

Directors and Directors Interests

The Directors of the Company throughout the year and their interest in the company is as follows:-

	Ordinary Shares	
	1989	1988
Mrs L Tiefenbrun	1530	2664
Mr I Tiefenbrun	678	300
Mr M Tiefenbrun	396	18

In terms of the Company's Articles no Director falls to retire at this time.

Close Company

The company is a close company within the provisions of the Income & Corporation Taxes Act.

Auditors

A resolution proposing the re-election of Messrs. Hacker Young as the Company's Auditors will be put to the forthcoming Annual General Meeting.

By Order of the Board

Date ...15/2/90.....

John H. ...
Director

Report of the Auditors to the Members of

Castle Precision Engineering Limited

We have audited the financial statements on
pages 3 to 10 in accordance with Auditing
Standards.

In our opinion the financial statements give
a true and fair view of the state of the
company's affairs at 31st July 1989 and of its
result and source and application of funds for
the year then ended and comply with the
Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Hacker Young', with a horizontal line extending to the left and a vertical line extending downwards to the right.

Hacker Young
Chartered Accountants
GLASGOW

DATE ... 15. / 2. / 90.

Castle Precision Engineering Limited

Profit and Loss Account
Year ended 31st July 1989

	Notes	1989 £	1988 £
Turnover	2	3,214,918	3,637,173
Cost of Sales		1,643,489	2,408,916
Gross Profit		----- 1,571,429	----- 1,228,257
Administrative Expenses		989,942	905,938
Operating Profit	3	----- 581,487	----- 322,319
Interest Receivable	5	129,995	65,940
Interest Payable		(7,389)	-
Profit from Ordinary Operations Before Taxation		----- 704,093	----- 388,259
Taxation	6	241,138	136,500
Profit for the Financial Year		----- 462,955	----- 251,759
Dividends		209,250	54,000
Retained Profit for the Year		----- 253,705	----- 197,759
Retained Profit Brought Forward		2,483,633	2,285,875
Retained Profit Carried Forward		----- 2,737,338	----- 2,483,634

Castle Precision Engineering Limited

Balance Sheet
31st July 1989

	Notes	1989 £	1988 £
Fixed Assets			

Tangible Assets	13	1,989,145	1,954,469
		-----	-----
		1,989,145	1,954,469
Current Assets			

Stock and Work in Progress	7	22,800	57,400
Debtors	8	460,956	265,972
Cash and Bank Balances		1,257,841	1,231,299
		-----	-----
		1,741,597	1,554,671
		-----	-----
Creditors			

Creditors - Due Within One Year	9	560,416	714,194
		-----	-----
		560,416	714,194
		-----	-----
Net Current Assets		1,181,181	840,477
		-----	-----
Total Assets less Current Liabilities		3,170,326	2,794,946
Creditors - Due After More Than One Year	12	32,703	-
		-----	-----
		32,703	-
		-----	-----
		3,137,623	2,794,946
		-----	-----
Capital and Reserves			

Called up Share Capital	11	3,000	3,000
Revenue Reserves		2,737,338	2,483,634
Regional Development Grant Reserve		397,285	308,312
		-----	-----
		3,134,623	2,791,946
		-----	-----
Shareholders' Funds		3,137,623	2,794,946
		-----	-----

Director 

Director 

Statement of Source and Application of Funds

Year ended 31st July 1989

Profit for the Year, as Accounts	704,093	388,259
Adjustment for Items not Involving the Movement of Funds		
Depreciation	199,139	182,688
R.D.G released to Profit and Loss	(39,866)	(29,894)
	863,366	541,053
Funds from Other Sources		
Fixed Asset Disposals	-	3,300
Bank Loan Due after One Year	32,703	-
Regional Development Grant Received	128,838	-
	161,541	3,300
	1,024,907	544,353
Application		
Fixed Asset Additions	233,815	144,956
Tax Paid	209,059	15,617
Dividends	263,250	63,000
	706,124	223,573
	318,783	320,780
Net Movement in Working Capital		
Increase/(decrease) in Stock	(34,600)	34,900
Increase/(decrease) in Debtors	194,984	(214,205)
(Increase)/decrease in Creditors	219,562	70,237
Movement in Net Liquid Funds		
Increase/(decrease) in Bank	(61,163)	429,848
	318,783	320,780

1. Accounting Policies

The Company has adopted the following accounting policies in the preparation of the Accounts :-

- a) The Accounts are prepared under the Historical cost convention
- b) Stocks and Work in Progress are valued at the lower of cost and net realisable value.

c) Depreciation is provided on Tangible Fixed Assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:-

Heritable Property	2%	Reducing Balance
Plant & Machinery	10%	Reducing Balance
Motor Vehicles	20%	Reducing Balance
Computer Equipment	30%	Reducing Balance

d) Regional development and other Capital grants are credited to the Capital Reserve in the balance sheet and are release to the profit and loss account over the useful life of the asset to which it relates.

- e) Leasing and Hire Purchase Commitments.

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the obligations is charged to the profit and loss account over the period of the contract and represents the constant proportion of the balance of the capital repayments outstanding.

Assets acquired under finance leases during the course of the year have been capitalised and depreciated on a straight line basis over the period of the lease.

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

2. Turnover

Turnover represents the invoiced amount of goods sold excluding Value Added Tax.

3. Operating Profit

(a) This is stated after charging or crediting :

	1989	1988
	£	£
Directors' Remuneration	60,000	100,000
Auditors' Remuneration	7,000	6,000
Depreciation	199,138	184,902
Hire of Plant	946	7,601
Finance Leasing costs	7389	-
	£	£

(b) Directors' Remuneration

Fees	-	-
Other Emoluments (including pension contributions)	60,000	100,000
	-----	-----
	60,000	100,000
	-----	-----

The emoluments of the chairperson, who was also the highest paid director, excluding pension contributions were £ 60,000 (1988-£100,000).

Other directors' emoluments , excluding pension contributions, fell within the following ranges:-

	No.	No.
£Nil - £5000	NIL	NIL

4. Staff Costs

	£	£
Wages and salaries	814,029	727,678
Social security costs	87,680	68,868
Other pension costs	30,631	37,248
	-----	-----
	932,340	833,794
	-----	-----

The weekly number of employees during the year was made up as follows:

	1989	1988
	No.	No.
Office and Management	26	17
Manufacturing	51	47
	-----	-----
	77	64
	-----	-----

5. Interest Receivable

	1989	1988
	£	£
Bank and Loan Interest	129,995	65,940

6. Tax on Profit on Ordinary Activities

	1989	1988
	£	£
Based on the profit for the year:		
Corporation Tax at 35% (35%)	241,138	136,500
	-----	-----
	241,138	136,500
	-----	-----

7. Stocks

	1989	1988
	£	£
Raw Materials and Consumables	11,185	31,250
Work in Progress	11,615	26,150
	-----	-----
	22,800	57,400
	-----	-----

8. Debtors

	1989	1988
	£	£
Trade Debtors	317,344	133,332
Other Debtors	7,086	66,613
Prepayments and accrued income	25,475	6,345
Advance corporation tax recoverable	111,051	59,682
	-----	-----
	460,956	265,972
	-----	-----

9. Creditors: Amounts falling due within one year

	1989	1988
	£	£
Trade Creditors	152,142	268,640
Bank Overdraft	87,705	-
Current Corporation Tax	255,639	223,560
Other Taxes & Social Security costs	-	24,724
Finance Lease Due within 1 year	32,556	-
Accruals	18,784	42,656
Directors Loan Account	854	1,349
Other Creditors	12,736	153,265
	-----	-----
	560,416	714,194
	-----	-----

Deferred taxation provided in the accounts and the potential amounts, including the amounts for which provision has been made are as follows:

	Provision		Potential	
	£	£	£	£
Capital allowances in advance of depreciation	NIL	NIL	466000	466000
Other Timing Differences	NIL	NIL	NIL	NIL
	£	NIL	£	466000
	NIL	£	NIL	£466000

11. Share Capital

	Authorised		Alloted Called up and fully paid	
	No.	No.	£	£
Ordinary Shares of £1 each	3000	3000	3000	3000

12. Creditors due after more than 1 Year

FINANCE LEASES

	1989	1988
Within one year	32,556	-
Second to Fifth years inclusive	32,703	-

13. Tangible Fixed Assets

	Heritable Property	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Total
Opening Cost	400793	3050109	100883	44803	3596588
Additions	59924	123194	30575	20122	233815
Disposals	-	-	-	-	-
Closing Cost	460717	3173303	131458	64925	3830403
Depreciation b/f	50447	1541233	26162	24277	1642119
Charge	8206	163207	19596	8130	199139
Disposals	-	-	-	-	-
Depreciation c/f	58653	1704440	45758	32407	1841258
Net Book Value 1989	402064	1468863	85700	32518	1989145
Net Book Value 1988	350346	1508876	74721	20526	1954469

Included in Plant and Machinery above are the following amounts relating to leased assets:

	Finance Leases
COST:	
At 1988	-
Additions	110,000
At 1989	110,000
DEPRECIATION:	
At 1988	-
Charge for Year	11,000
At 1989	11,000
NET BOOK VALUE:	
At 1988	-
At 1989	99,000