

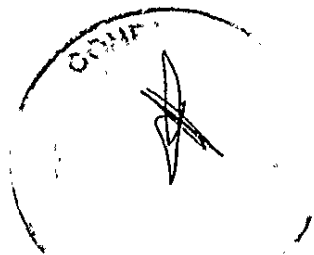
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D.M.I. PRECISION ENGINEERING LTD

ACCOUNTS FOR THE YEAR ENDED

30TH NOVEMBER 1987

IAN J BROWN & COMPANY
Chartered Accountants



D.M.I. PRECISION LTD.

DIRECTORS' REPORT

The Directors present their Report for the Year ended 30th November 1987.

ACTIVITIES

The principal activity of the Company, continuing without significant change during the period, consisted of precision engineering.

ACCOUNTS

- a) Dividends. The Directors recommend that no dividend be paid on the ordinary shares.
- b) Reserves. It is proposed to carry the net loss after tax, as shown in the Profit & Loss Account to the reserve.
- c) Fixed Assets. The changes in the fixed assets of the Company during the year are reflected in the notes to the accounts. During the year in the opinion of the Directors, the market value of the buildings held as fixed assets in the region of £24,000.
- d) There were no political or charitable contributions made during the year.

CLOSE COMPANY PROVISIONS

The Company is a Close Company within the meaning of the Income and Corporation Taxes Act 1970.

DIRECTORS

There were no changes in the shareholdings of the Directors during the year and the Directors' names and interests in the capital of the Company are as follows:-

<u>Name</u>	<u>Ordinary Shares</u>	
	<u>30.11.87</u>	<u>30.11.86</u>
Hugh Innes	25	25
Robert Milne	20	20
Brian Morten	29	29

There were no arrangements made for the Directors to acquire shares or debentures in the Company or any other body corporate; and there were no contracts with the Company in which any Director had a material interest.

SHARE CAPITAL

There was no issue of shares or debentures during the year and the Company has not dealt in or subjected its own shares to any charges.

AUDITORS

The present auditors of the company offer themselves for re-appointment under the Provisions of the Companies Act 1985.

.....Director
On behalf of the Board.

D.M.I. PRECISION LTD.

PROFIT AND LOSS ACCOUNT

For the Year Ended 30th November 1987


<u>1986</u>		<u>1987</u>	
£		£	£
242140	Work Done		281370
	28005 Purchases	52906	
	1500 Add: Opening Stock	1600	
	(1600) Less: Closing Stock	(2000)	
27905			52506
214235	GROSS PROFIT		229364
157	Investment Income		200
214390			229564
	<u>Deduct:-</u>		
105632	Wages & NIC	100952	
1200	Staff Superannuation	2600	
1792	Staff Welfare	2524	
53	Training Expenses	88	
5162	Motor Running Costs	5959	
232	Travelling Expenses	--	
585	Rates	669	
1432	Insurance	1551	
670	Property Repairs	397	
3810	Heat, Light and Power	4119	
1106	Cleaning and Laundry	800	
1055	Telephone Charges	1138	
832	Printing and Stationery	916	
3843	Entertaining Expenses	2841	
438	Leasing Charges	438	
910	Sundries	609	
128752			125601
85640	Profit before Charging:		103963
52387	Directors Remuneration	53425	
3599	Directors Pension Contribution	12070	
1681	Bank Charges and Interest	2748	
2546	Hire Purchase Interest	10628	
1000	Audit and Accountancy Fee	1000	
-	Company Registration Fee	20	
31023	Depreciation	30196	
-	Loss on Sale	2506	
92236			112593
(6596)	Net Loss before Taxation		(8630)
1119	Taxation		4124
(5477)	Net Loss after Taxation		(4506)
19240	Reserves per last Account		13763
13763	Reserves Carried to Balance Sheet		9257
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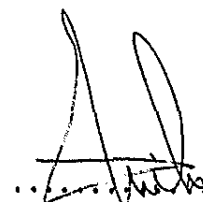
D.M.I. PRECISION ENGINEERING LTD.

BALANCE SHEET

As at 30th November 1987

<u>1986</u>		<u>1987</u>	
£	£	£	£
	<u>FIXED ASSETS</u>		
6617	Property	6617	
86280	Plant & Machinery	64710	
210	Fixtures & Fittings	157	
6460	Motor Vehicles	25627	
130	Tools	98	
<u>99697</u>		<u>97209</u>	
(91029)	Hire Purchase Creditor	85474	
<u>8668</u>		<u>11735</u>	
	<u>CURRENT ASSETS</u>		
1600	Stock	2000	
1000	Work in Progress	1500	
49383	Sales Ledger Balances	42223	
3003	Directors Loan Account	-	
1	Building Society Account	1	
8556	Bank Deposit Account	5985	
267	Cash in Hand	270	
<u>63810</u>		<u>51979</u>	
	<u>CURRENT LIABILITIES</u>		
14602	Purchase Ledger Balances	19365	
31220	Suppliers Creditors and Accruals	11690	
576	Corporation Tax	576	
8093	Bank Overdraft	22726	
4124	Deferred Tax	-	
<u>58615</u>		<u>54357</u>	
5195	Net Current Assets (Liabilities)	(2378)	
<u>13863</u>	NET ASSETS	<u>9357</u>	
	<u>Represented By:-</u>		
	Share Capital:-		
100	Authorised	100	
=====		=====	
100	Issued and Fully Paid	100	
13763	Revenue Reserves	8257	
<u>13863</u>	CAPITAL EMPLOYED	<u>9357</u>	
=====		=====	

.....Director

.....Director

D.M.I. PRECISION ENGINEERING LTD.

Statement of Source & Application of Funds

For the Year Ended 30th November 1987

SOURCE OF FUNDS

Loss before Tax	8630
Add: Depreciation	30196
Loss on Sale	2506
	<hr/> 24072

FUNDS NOT GENERATED FROM TRADING

Transfer from deferred Tax Account	4124	
Sale of Assets	2600	
Directors Loan Repayments	3003	
	<hr/>	9727
		<hr/> 33799

APPLICATION OF FUNDS

Purchase of Fixed Assets	32814
	<hr/> 985
	=====

INCREASE IN WORKING CAPITAL

Increase in Work in Progress		500	
Increase in Stock		400	
Decrease in Debtors		(7160)	
Increase in Creditors	(4763)		
Decrease in Accrued Charges	19530		
Decrease in H.P. Creditor	5555		
Decrease in Deferred Tax	4124	24446	
	<hr/>	<hr/>	18186
Decrease in Liquid Funds			
Increase in Bank Overdraft	(14633)		
Increase in Cash	3		
Decrease in Deposit Account	(2571)	17201	
	<hr/>	<hr/>	985
			===

D.M.I. PRECISTON LTD.

Notes on the Accounts

Period ended 30th November 1987

1. ACCOUNTING POLICIES

The accounts are prepared on a going concern basis, under the historical cost convention and are exclusive of Value Added Tax.

Depreciation of Fixed Assets is provided using the reducing balance method at the annual % rates:-

Land and Buildings	0%
Plant & Machinery	25%
Fixtures & Fittings	25%
Motor Vehicles	25%

2. TURNOVER

a) Arrived at from the provision of goods and services in the period after deduction of trade discount, value added tax and debts thought to be irrecoverable.

c) There were no goods exported during the year.

The aggregate emoluments is receivable by the Directors in respect of their services as Directors of the Company is as follows:-

	<u>Remuneration</u>
H. Innes	17849
R. Milne	19349
B. Morten	16227
	<u>53425</u>

In addition to the above remuneration there is a Directors' pension scheme for which contributions in the year ended 30th November 1987 amounted to £12070.

3. TAXATION

In view of the Loss there is no provision for Taxation, the Credit for Taxation represents the cancellation of the provision for Deferred Taxation which is no longer thought to be necessary.

4. PROPOSED DIVIDENDS

There were no dividends paid or proposed in the year.

5. INTANGIBLE FIXED ASSETS

There were no Fixed Assets of this class.

6. TANGIBLE FIXED ASSETS

	Land & Buildings	Plant Machinery	Fixtures & Equipment	Motor Vehicles	Loose Tools
<u>COST</u>					
At start of year	6617	180906	998	25748	1370
Additions				32814	
Cost of disposals				(21517)	
	6617	180906	998	37045	1370
<u>Aggregate Depreciation</u>					
At start of year		94626	788	19288	1240
Charge for the year		21570	53	11047	32
Relating to Disposals				(18917)	
		116196	841	11418	1272
<u>NET BOOK VALUE</u>					
At end of year	6617	64710	157	25627	98
At end of previous year	6617	86280	190	6460	130

7. INVESTMENTS

There are no fixed asset investments being held by the company and consequently no income is derived from this class of asset.

8. STOCKS

Work in progress is valued by the Directors at prime cost. Stock hand is valued by the Directors at the lower of cost or net realisable value and comprises finished goods and goods for resale.

9. DEBTORS

Debtors are provided in full after allowing for debts thought to be irrecoverable. There is no amount falling due after one year.

10. BANK LOAN OVERDRAFT

The Liability is secured by a floating charge over the Company's Assets.

11. CREDITORS

There is no security given by the Company to creditors in respect of outstanding sums due to them.

12. ACCRUALS

State Creditors	
U.K. Corporation Tax	576
PAYE & Social Security Contributions	4000
Value Added Tax	6483
Other Accruals	1207
	<u>12266</u>

13. SHARE CAPITAL

The authorised, issued and fully paid share capital comprises 100 ordinary shares of £1 each and there was no allotment of shares during the year. There is no called up share capital unpaid at the year end or share premium account.

D.M.I. PRECISION LTD.

AUDITORS' REPORT

We have audited the Books and Accounts of the Company for the period ended as shown in the Accounts. In common with many businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the Directors. Where independent confirmation of the completeness of the accounting records was not therefore available, we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion, the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs at the period end and of its profit and source and application of funds for the period then ended and comply with the Companies Acts 1985.

IAN J BROWN & COMPANY
Chartered Accountants