

**PENDEFORD METAL SPINNINGS LIMITED**

**ABBREVIATED ACCOUNTS**

**for the year from 1 August 1996 to 31 July 1997**

**Company number : 1013760**

**BENTLEY JENNISON**  
**CHARTERED ACCOUNTANTS**  
**AND REGISTERED AUDITORS**



**AUDITORS' REPORT TO PENDEFORD METAL SPINNINGS LIMITED**  
**UNDER SECTION 247 B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of the company for the year ended 31 July 1997 prepared under section 226 of the Companies Act 1985.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

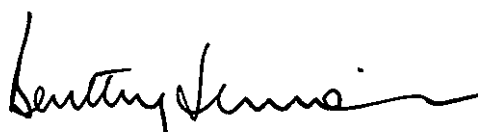
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and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



Bentley Jennison  
Chartered Accountants  
and Registered Auditors

*1 June 1998*

2 Hollinswood Court  
Stafford Park 1  
Telford  
TF3 3BD

## PENDEFORD METAL SPINNINGS LIMITED

## Abbreviated balance sheet at 31 July 1997

	Notes	£	1997 £	1996 £
<b>FIXED ASSETS</b>				
Tangible assets	2		106,150	113,796
Investments	2		13,962	11,922
			<u>120,112</u>	<u>125,718</u>
<b>CURRENT ASSETS</b>				
Stocks		137,280		72,479
Debtors		160,212		132,019
Cash at bank and in hand		173		97
		<u>297,665</u>		<u>204,595</u>
<b>CREDITORS : Amounts falling due within one year</b>	3	(222,296)		(170,849)
<b>NET CURRENT ASSETS</b>			<u>75,369</u>	<u>33,746</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			195,481	159,464
<b>CREDITORS : Amounts falling due after more than one year</b>	3		(50,981)	(53,875)
<b>NET ASSETS</b>			<u>144,500</u>	<u>105,589</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	4		1,000	1,000
Share premium account			14,023	14,023
Profit and loss account			129,477	90,566
<b>SHAREHOLDERS' FUNDS</b>			<u>144,500</u>	<u>105,589</u>

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

Approved by the Board on 20 May 1998 and signed on its behalf by:

R W Humphries

L M Hulme

} Directors

## PENDEFORD METAL SPINNINGS LIMITED

Notes to the abbreviated accounts  
for the year ended 31 July 1997

**1 ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Depreciation**

Depreciation is calculated to write off fixed assets over their estimated useful lives as follows:

Freehold property	2.5%	Reducing Balance
Motor vehicles	25%	Reducing Balance
Plant & equipment	20%	Reducing Balance
Fixtures & fittings	20%, 33.3%	Reducing Balance

**Leases and hire purchase contracts**

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated in accordance with the company's depreciation policy. The interest element of the rental obligation is charged to the profit and loss account over the period of the hire purchase contract and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes direct materials, labour and manufacturing overheads incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs to completion and selling costs.

**Deferred taxation**

Provision is made for deferred taxation using the liability method to the extent that it is considered likely that a liability will crystallise in the foreseeable future.

**Foreign currencies**

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates and the exchange differences are included in the profit and loss account.

**Pensions**

The company operates various defined contribution pension schemes. Contributions payable for the year are charged in the profit and loss account.

## PENDEFORD METAL SPINNINGS LIMITED

Notes to the abbreviated accounts  
for the year ended 31 July 1997

**1 ACCOUNTING POLICIES (Continued)****Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

**2 FIXED ASSETS**

	Tangible fixed assets £	Fixed asset investments £	Total £
<b>Cost</b>			
At 1 August 1996	312,159	11,922	324,081
Additions	7,148	2,040	9,188
Disposals	(16,982)	-	(16,982)
At 31 July 1997	<u>302,325</u>	<u>13,962</u>	<u>316,287</u>
<b>Depreciation</b>			
At 1 August 1996	198,363	-	198,363
Charge for the year	12,375	-	12,375
Disposals	(14,563)	-	(14,563)
At 31 July 1997	<u>196,175</u>	<u>-</u>	<u>196,175</u>
<b>Net book value</b>			
At 31 July 1997	<u>106,150</u>	<u>13,962</u>	<u>120,112</u>
At 31 July 1996	<u>113,796</u>	<u>11,922</u>	<u>125,718</u>

## PENDEFORD METAL SPINNINGS LIMITED

Notes to the abbreviated accounts  
for the year ended 31 July 1997

## 3 CREDITORS:

	1997 £	1996 £
Amounts falling due within one year		
Bank overdraft	41,412	49,286
Amounts falling due after more than one year		
Bank loan	50,500	50,500
	<u>91,912</u>	<u>99,786</u>

The bank borrowings are secured.

The bank loan is repayable in more than 5 years and otherwise than by instalments.

## 4 CALLED UP SHARE CAPITAL

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
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				
Equity shares				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

## 5 TRANSACTIONS INVOLVING DIRECTORS

The following loans to directors were outstanding during the year:

	1997	1996	Maximum in year
L M Hulme	<u>109</u>	<u>-</u>	<u>109</u>