

TWYMAN ENGINEERING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH SEPTEMBER 1996

Registered Number 2625657 England & Wales



TWYMAN ENGINEERING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30th September 1996

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TWYMAN ENGINEERING LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

**Auditors' report to
Twyman Engineering Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985**

We have examined the abbreviated financial statements on pages 3 to 10, together with the financial statements of the company prepared under section 226 of the Companies Act 1985 as modified by the exemptions provided by Part 1 of Schedule 8 for the year ended 30th September 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. 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 under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30th September 1996, and the abbreviated financial statements on pages 3 to 10 have been properly prepared in accordance with that Schedule.

Other information

On 19th May 1997 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

TWYMAN ENGINEERING LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to
Twyman Engineering Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

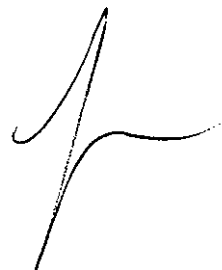
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'

A handwritten signature, likely of a member of the audit firm, consisting of a stylized 'M' followed by a horizontal line.

McGregors
Registered Auditors
Chartered Accountants
Bank Chambers
Market Place
Melbourne
Derbys DE73 1DS

19th May 1997

TWYMAN ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET

at 30th September 1996


		1996		1995	
	Note	£	£	£	£
Fixed assets					
Tangible assets	2	210,198		122,816	
Current assets					
Stocks		18,439		27,440	
Debtors	3	304,434		299,826	
		<u>322,873</u>		<u>327,266</u>	
Creditors: amounts falling due within one year	4	(499,424)		(424,209)	
		<u>(176,551)</u>		<u>(96,943)</u>	
Net current liabilities					
Total assets less current liabilities		33,647		25,873	
Creditors: amounts falling due after more than one year	5	(57,387)		(70,910)	
		<u>(23,740)</u>		<u>(45,037)</u>	
Capital and reserves					
Called up share capital	6	100		100	
Profit and loss account		(23,840)		(45,137)	
Total shareholders' funds					
- Equity interests		<u>(23,740)</u>		<u>(45,037)</u>	

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 3 to 10 were approved by the Board of Directors on 19th May 1997.

Signed on behalf of the Board of Directors


J. Ashley
Chairman

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th September 1996

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 conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 and 247 of the Companies Act 1985 for small companies.

Going concern

The financial statements have been prepared under the going concern concept. At 30th September 1996 its total liabilities exceeded total assets by £23,740 and the company has made a profit before tax of £21,297. The company is dependent upon the continuing support of the Bank. The Bank loan facility is issued under the Small Firms Loan Guarantee Scheme.

With effect from 1st October 1995 the company negotiated a finance lease for plant and machinery. Please see Note 2 to the Accounts for more details.

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:

Loose Tools	20% straight line
Plant and Machinery	10% straight line
Motor Vehicles	25% straight line
Office Equipment	20% straight line

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 applicable to operating leases where substantially all the benefits and risks of the ownership remain with the lessor are charged against the profit 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.

TWYMAN ENGINEERING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th September 1996

1 Accounting policies (continued)

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Turnover

Turnover represents net invoiced sales of goods and services, excluding Value Added Tax.

TWYMAN ENGINEERING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th September 1996

2 Fixed assets

	Tangible fixed assets
Cost	£
1st October 1995	173,781
Additions	125,478
Disposals	(19,730)
	<hr/>
30th September 1996	279,529
	<hr/>
Depreciation	
1st October 1995	50,965
Charge for year	34,807
Disposals	(16,441)
	<hr/>
30th September 1996	69,331
	<hr/>
Net book amount	
30th September 1996	210,198
	<hr/> <hr/>
1st October 1995	122,816
	<hr/> <hr/>

Fixed assets included in Note 2 which are held under hire purchase contracts and finance leases are as follows;

	Motor Vehicles	Plant and Equipment	Total
	£	£	£
Net book value			
30th September 1996	28,874	64,350	93,224
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
1st October 1995	7,399	-	7,399
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

TWYMAN ENGINEERING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th September 1996

2 Tangible fixed assets (continued)

Included within plant and machinery additions is £71,500 following the inception of a finance lease on 1st October 1995. The finance lease is for a two year term with annual rentals of £39,000. At the end of the primary lease a secondary lease is available at a peppercorn rental.

The inception value of £71,500 was supplied by an independent professional valuer on an open market valuation basis.

The plant and machinery subject to the finance lease is depreciated on a 10% straight line basis and interest payments are posted to the Profit and Loss Account on the following basis;

Year 1 - 30th September 1996	£4810
Year 2 - 30th September 1997	£1690

Until 30th September 1995 the company was granted an operating lease on the same equipment at an annual rental of £39,000

3 Debtors

	1996	1995
	£	£
Amounts falling due within one year		
Trade debtors	298,234	294,557
Other debtors	6,200	5,269
	<u>304,434</u>	<u>299,826</u>

Trade debtors are assigned under a factoring agreement to Alex Lawrie Factors. See Notes 4 and 5.

TWYMAN ENGINEERING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th September 1996

4 Creditors: amounts falling due within one year

	1996	1995
	£	£
Bank loans (secured)	24,871	16,159
Bank overdraft (secured)	69,908	71,847
Trade creditors	126,148	133,983
Factoring advances (secured)	183,453	151,845
Hire purchase (secured)	47,460	3,305
Other taxation and social security	31,101	29,829
Director's loan account Mr. N. Whittaker	10,000	10,000
Other creditors	6,483	7,241
	<u>499,424</u>	<u>424,209</u>

5 Creditors: amounts falling due after more than one year

Bank loans (secured)	37,932	70,910
Obligations under hire purchase contracts and finance leases	19,455	-
	<u>57,387</u>	<u>70,910</u>

Debt due after more than one year

Repayable between one and two years	35,021	24,871
Repayable between two and five years	22,366	46,039
	<u>57,387</u>	<u>70,910</u>

TWYMAN ENGINEERING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th September 1996

- 5 **Creditors:** amounts falling due
after more than one year (continued)

Security

Factoring creditor

The factoring advances are monies advanced by Alex Lawrie Factors secured on trade debtors. See Note 3.

Bank loans and overdraft

Secured by a fixed and floating charge over the company's assets excluding the trade debtors and a chattels mortgage over specific plant. Further security is provided by personal guarantees of the directors. The Bank loan facility is supported under the Small Firms Loan Guarantee Scheme.

Hire purchase liabilities are secured on the fixed assets included in Note 2.

The Bank loans are scheduled to be repaid as shown, but under normal banking terms are repayable on demand. As the Accounts are prepared on a going concern basis the terms to facilitate the repayment on demand of the Bank loans should not arise and, therefore, they are disclosed in the financial statements over the normal terms of borrowing.

- 6 **Called up share capital**

	1996		1995	
	Number of shares	£	Number of shares	£
Equity Shares				
Authorised				
Ordinary Shares of £1 each	1,000	1,000	1,000	1,000
Allotted called up and fully paid				
Ordinary Shares of £1 each	100	100	100	100

TWYMAN ENGINEERING LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th September 1996

7 Exceptional item

In the year ended 30th September 1995 the directors revised the rates used to depreciate fixed assets as they were of the opinion that the rates used previously were too high. As a result of this review, the directors adjusted the depreciation provisions used in previous years.

The total revisions from the date of purchase of the relevant fixed assets to 30th September 1994 amounted to £12,152 and were included as an exceptional item in the 30th September 1995 Accounts because of the relative importance to the reading of the Accounts.

8 Commitments

Operating Lease commitments

Land and buildings

In January 1995 the directors negotiated a new lease for a three year term at a rent of £33,364 per annum.