

TALBOT TOOL COMPANY LIMITED

ABBREVIATED ACCOUNTS

31ST DECEMBER 1998

HLB Kidsons
Chartered Accountants
Spectrum House
20-26 Cursitor Street
London EC4A 1HY



TALBOT TOOL COMPANY LIMITED

Auditors' report to the director of Talbot Tool Company Limited under Section 247b to the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 2 to 5 together with the financial statements of the company for the year ended 31st December 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors


The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(3) and (6) of the Act to the Registrar of Companies and whether the financial statements 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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. 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 to deliver abbreviated financial statements prepared in accordance with 246(3) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 5 are prepared in accordance with those provisions.



HLB Kidsons

Registered Auditors

Chartered Accountants

London

19th August 1999

TALBOT TOOL COMPANY LIMITED

ABBREVIATED BALANCE SHEET

31st December 1998

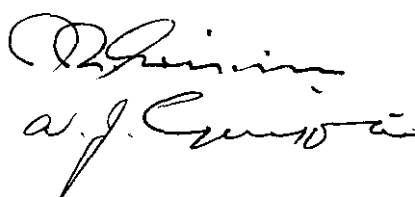
	Note	1998	1997
		£	£
Fixed assets			
Tangible assets	3	264,419	221,302
Investments	4	6,179	6,179
Current assets			
Stocks		346,099	380,842
Debtors - amounts falling due within one year		344,841	367,512
Cash at bank and in hand		<u>594,753</u>	<u>483,843</u>
		1,285,693	1,232,197
Creditors: amounts falling due within one year		<u>(788,536)</u>	<u>(684,974)</u>
Net current assets		<u>497,157</u>	<u>547,223</u>
Total assets less current liabilities		767,755	774,704
Provisions for liabilities and charges		<u>(15,100)</u>	<u>(14,000)</u>
Net assets		<u>752,655</u>	<u>760,704</u>
Capital and reserves			
Called up share capital	5	258,791	258,791
Profit and loss account		<u>493,864</u>	<u>501,913</u>
Equity shareholders' funds		<u>752,655</u>	<u>760,704</u>

The financial statements were approved by the board of directors on 19th August 1999.

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part 1 of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

J.R. Griffiths - Director

A.J. Griffiths - Director



The notes on pages 3 to 5 form part of these financial statements.

TALBOT TOOL COMPANY LIMITED

NOTES ON ABBREVIATED ACCOUNTS

31st December 1998

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and 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 to 247 of the Companies Act 1985 for small companies.

The company and its subsidiary comprises a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

(b) Turnover

Turnover represents the invoiced value excluding value added tax of goods sold to third parties. All activities are classed as continuing. There were no acquisitions during the year.

(c) Cost of sales

Cost of sales is stated as all those costs directly incurred by the company, including depreciation and an appropriate proportion of overheads, in order to bring each product sold to its saleable condition.

(d) Depreciation

Plant and machinery, motor vehicles and furniture, fixtures and fittings are depreciated on a reducing balance basis calculated to write off the assets over their working lives. Leases are written off over the term of the lease.

Computer equipment is written off at the rate of 20% on cost.

The following rates are used to depreciate assets on a reducing balance basis:-

Plant and machinery	20%
Motor vehicles	25%
Furniture, fixtures and fittings	15%

(e) Stocks

Stocks are valued at the lower of cost and net realisable value.

(f) Deferred taxation

Provision is made on the liability method for taxation which is deferred as a result of timing differences except where it is considered that the reversal of such timing differences is not probable in the foreseeable future.

TALBOT TOOL COMPANY LIMITED

NOTES ON ABBREVIATED ACCOUNTS

31st December 1998

(continued)

1 Accounting policies (continued)

(g) Defined contribution pension scheme

The company operates a pension scheme providing benefits based on contributions paid. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

(h) Leasing transactions

All leases are operating leases and rentals payable are charged to the profit and loss account on a straight line basis.

2 Auditors' remuneration

	1998 £	1997 £
Auditors' remuneration - audit	<u>5,050</u>	<u>5,050</u>

3 Tangible fixed assets

	At 1.1.98 £	Additions £	Disposals £	At 31.12.98 £
Cost				
Short term leasehold premises	151,430	-	-	151,430
Plant and machinery	275,887	11,592	-	287,479
Motor vehicles	94,166	84,797	(68,260)	110,703
Computer	38,889	3,683	-	42,572
Furniture, fixtures and fittings	83,647	15,899	-	99,546
Ditchling Road:				
Long term lease	7,218	-	-	7,218
Furniture and fittings	<u>1,422</u>	<u>-</u>	<u>-</u>	<u>1,422</u>
	<u>652,659</u>	<u>115,971</u>	<u>(68,260)</u>	<u>700,370</u>
	At 1.1.98 £	Charge £	On Disposals £	At 31.12.98 £
Depreciation				
Short term leasehold premises	61,455	2,646	-	64,101
Plant and machinery	229,697	11,557	-	241,254
Motor vehicles	48,596	15,526	(35,360)	28,762
Computer	24,218	4,765	-	28,983
Furniture, fixtures and fittings	63,608	5,391	-	68,999
Ditchling Road:				
Long term lease	2,394	64	-	2,458
Furniture and fittings	<u>1,389</u>	<u>5</u>	<u>-</u>	<u>1,394</u>
	<u>431,357</u>	<u>39,954</u>	<u>(35,360)</u>	<u>435,951</u>
Net book value	<u>221,302</u>			<u>264,419</u>

TALBOT TOOL COMPANY LIMITED

NOTES ON ABBREVIATED ACCOUNTS

31st December 1998

(continued)

4 Investments	1998	1997
	£	£
Shares in subsidiary undertaking at cost	<u>6,179</u>	<u>6,179</u>

The company owns 100% of the ordinary share capital of K.D.L. Precision Engineers Limited, a company incorporated in Great Britain and registered in England and Wales. At 31st December 1998, the aggregate of the share capital and reserves of K.D.L. Precision Engineering Limited amounted to £676,515 (1997 - £578,976) and the profit for the year to that date after taxation was £97,539 (1997 - £69,264).

5 Called up share capital	1998 and 1997	
	Authorised	Allotted, Issued and Fully Paid
	£	£
Ordinary shares of £1 each (equity)	<u>300,000</u>	<u>258,791</u>

6 Pension costs

The company operates a defined contribution scheme. The assets of the scheme are held separately, from those of the company, in an independently administered fund. The pension cost charge represents contributions, which amounted to £14,191, payable by the company to the fund. There were no outstanding contributions due at the year end.

7 Related party transactions

Included in the accounts is a management charge of £752,562 (1997: £673,317) from the subsidiary of Talbot Tool Company Limited -K.D.L. Precision Engineering Limited for labour force.

There is also an overhead recharge from Talbot Tool Company Limited to K.D.L. Precision Engineering Limited of £29,163 (1997: £29,616).

8 Post balance sheet event

All assets and liabilities of KDL Precision Engineering Limited were transferred to Talbot Tool Company Limited on 1st January 1999.