

ADVANCED CASTING COMPANY LIMITED

Co. reg. no. 1394801

Abbreviated Financial Statements for the year ended

31st October 1998



KENDALL WADLEY

Chartered Accountants

MALVERN WORCESTER HEREFORD

ADVANCED CASTING COMPANY LIMITED

Abbreviated Financial Statements for the year ended

31st October 1998

Contents

Page	1	Report of the Auditors
	2	Abbreviated Balance Sheet
	3-6	Notes to the Abbreviated Balance Sheet

ADVANCED CASTING COMPANY LIMITED

**Report of the Auditors to Advanced Casting Company Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 6, together with the full statutory financial statements of the company for the year ended 31st October 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors 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(5) and 246(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 consider 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.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 6 are properly prepared in accordance with those provisions.



KENDALL WADLEY

Chartered Accountants and Registered Auditors

Granta Lodge,
71 Graham Road,
Malvern.
WR14 2JS.

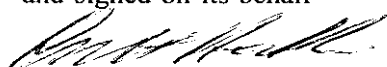
21st January 1999

ADVANCED CASTING COMPANY LIMITED**Abbreviated Balance Sheet****31st October 1998**

	Note	<u>1998</u> £	<u>1997</u> £
FIXED ASSETS			
Tangible assets	3	1,006,983	1,108,987
Investments	4	404,494	-
		<u>1,411,477</u>	<u>1,108,987</u>
CURRENT ASSETS			
Stocks		227,473	188,678
Debtors	5	540,385	661,799
Cash at bank and in hand		8,824	5,247
		<u>776,682</u>	<u>855,724</u>
CREDITORS: Amounts falling due within one year	6	<u>755,725</u>	<u>806,218</u>
		<u>20,957</u>	<u>49,506</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,432,434</u>	<u>1,158,493</u>
CREDITORS: Amounts falling due after more than one year	6	<u>(797,266)</u>	<u>(558,029)</u>
NET ASSETS		<u>£635,168</u>	<u>£600,464</u>
CAPITAL AND RESERVES			
Share capital	7	304,975	328,153
Other reserves		23,178	-
Profit and loss account		307,015	272,311
SHAREHOLDERS' FUNDS		<u>£635,168</u>	<u>£600,464</u>

The abbreviated 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 of directors on 21st January 1999
and signed on its behalf



A. Hodgkiss
Director



M.R. Magill
Director

The notes on pages 3 to 6
form part of these financial statements.

ADVANCED CASTING COMPANY LIMITED

Notes to the Abbreviated Balance Sheet

for the year ended 31st October 1998

1. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies, and then apply them consistently;
make judgements and estimates that are reasonable and prudent;
state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of Accounting

The financial statements of the company have been prepared under the historical cost convention. All activities are continuing.

Depreciation

Depreciation on fixed tangible assets has been calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold Property	2% on cost
Motor Vehicles	25% on cost
Fixtures and Fittings	10% and 25% on cost
Plant and Equipment	10% and 25% on cost

ADVANCED CASTING COMPANY LIMITED**Notes to the Abbreviated Balance Sheet****for the year ended 31st October 1998****2. ACCOUNTING POLICIES (continued)****Depreciation (continued)**

Schedule 4 to the Companies Act 1985 and Statement of Accounting Practice No. 12 (Revised) require that provision be made for depreciation of fixed assets having a finite useful life. However, the directors are of the opinion that the residual value at the end of the estimated useful life of the freehold buildings is not likely to materially differ from its cost. This is because it is the company's policy to maintain the freehold buildings in such condition that their value is not diminished by the passage of time; the relevant expenditure is charged to profit before tax in the financial period in which it is incurred. Therefore, any element of depreciation is considered to be immaterial and no provision is made.

Stock

Stock has been valued on the basis at the lower of cost and estimated net realisable value which is consistent with previous years.

Work in Progress

Work in progress has been valued at the cost of direct materials and expenditure incurred in that work in progress, less a provision for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Assets purchased under Hire Purchase Agreements

Assets which have been funded through hire purchase agreements have been capitalised and depreciated in the same manner as owned assets. Resulting hire purchase obligations are included in creditors. The interest element of hire purchase agreements is charged to profit and loss account.

Pension Scheme

The company operates a defined contribution pension 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 payable by the company to the fund and amounted to £35,208 (1997 £22,309).

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences arising from the above are included in the profit and loss account.

Grants

Grants received have been recognised on a receipts basis and are shown as Other operating income.

ADVANCED CASTING COMPANY LIMITED**Notes to the Abbreviated Balance Sheet****for the year ended 31st October 1998****3. FIXED TANGIBLE ASSETS**

	<u>1998</u> £
COST	
1st November 1997	1,688,107
Additions	47,204
Disposals	(13,650)
31st October 1998	<u>1,721,661</u>
DEPRECIATION	
1st November 1997	579,120
Charge in year	145,708
Eliminated on disposals	(10,150)
31st October 1998	<u>714,678</u>
NET BOOK VALUE	
31st October 1998	<u>£1,006,983</u>
31st October 1997	<u>£1,108,987</u>

The net book value of motor vehicles includes an amount of £12,562 (1997 £8,538) which relates to assets held under hire purchase agreements, and £1,795 included in depreciation charge (1997 £5,608).

The net book value of plant, machinery and tooling includes an amount of £66,208 (1997 £171,375) which relates to assets held under hire purchase agreements, and £7,357 (1997 £11,558) which relates to the depreciation charge for the year.

4. FIXED ASSET INVESTMENTS

	<u>1998</u> £
Unlisted investments	404,494
	<u>£404,494</u>

ADVANCED CASTING COMPANY LIMITED**Notes to the Abbreviated Balance Sheet****for the year ended 31st October 1998****4. FIXED ASSET INVESTMENTS (continued)**

During the year the company purchased the entire share capital of Crumpborough Property Limited, a company incorporated in England. Crumpborough Property Limited did not trade during the year and the directors do not consider this investment to have a material effect on the company's results.

5. DEBTORS

Included in debtors is an amount of £43,205 which falls due more than one year from the balance sheet date.

6. CREDITORS

Included in creditors is a bank loan secured by a fixed and floating charge over the assets of the company and the amount repayable after 5 years is £100,753 (1997 £133,130).

There is also a property loan which is secured by a deed of priority dated 14th May 1998 between the company, M.C. Davies and the Bank of Scotland and the amount repayable after five years is £106,728 (1997 nil).

Also included in creditors is a factoring creditor of £313,668 (1997 £290,685) which is secured by a second fixed and floating charge over the factored debts and other assets of the company. There are also directors' loans of £262,119 (1997 £302,919). The bank loan is secured by a fixed and floating charge over the assets of the company. The factoring creditor is secured by a second fixed and floating charge over the factored debts and other assets of the company.

7. SHARE CAPITAL

	<u>1998</u> £	<u>1997</u> £
AUTHORISED		
380,000 Ordinary shares of £1 each	£380,000	£380,000
	<hr/>	<hr/>
ISSUED AND FULLY PAID		
304,975 Ordinary shares of £1 each	£304,975	£328,153
	<hr/>	<hr/>

8. RELATED PARTY TRANSACTIONS

During the year the company traded with Valan Wax Products Limited, a company controlled by Mr W.J. Watton, the son-in-law of Mr A. Hodgkiss. At the year end the balance due to Valan Wax Products Limited was £6,074.