Argosy Control Engineering Limited

Abbreviated accounts

Registered number 95165

31 March 1998

Contents

KPMG
37 Albyn Place
Aberdeen
AB10 1JB
United Kingdom

Report of the auditors to Argosy Control Engineering Limited

pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 5 together with the financial statements of Argosy Control Engineering Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1998.

Respective responsibilities of the director 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 section 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 considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts 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 to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts are properly prepared in accordance with those provisions.

Other information

On 4 December 2000 we reported as auditors to the members of the company on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1998, and expressed a qualified opinion thereon. The text of our audit report was as follows:

We have audited the financial statements on pages 4 to 11.

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.

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.

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Report of the auditors to Argosy Control Engineering Limited *(continued)*

Basis of opinion (continued)

We planned 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 other irregularity or error. However, the evidence available to us was limited because of the absence of sufficient evidence over business travel expenses amounting to £11,287 and subcontractors' costs amounting to £31,959.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been necessary had we been able to obtain sufficient evidence concerning business travel expenses amounting to £11,287 included within administrative expenses, and subcontractors' costs amounting to £31,959 included within cost of sales, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect solely of the limitation of our work relating to business travel expenditure and subcontractors' costs we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

KPMG

KPMG
Chartered Accountants
Registered Auditors

4 December 2000

Balance sheet

at 31 March 1998

	Note	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible assets	2		**117,804**		111,817
Current assets					
Stocks		**11,583**		10,090	
Debtors		**154,503**		114,480	
Cash at bank and in hand		**119,528**		16,385	
		285,614		140,955	
Creditors: amounts falling *due within one year*		**(204,384)**		(172,560)	
Net current assets (liabilities)			**81,230**		(31,605)
Provisions for liabilities and Charges			**(2,625)**		-
Total assets less current liabilities			***196,409***		*80,212*
Capital and reserves					
Called up share capital	3		**22,000**		22,000
Capital redemption reserve			**5,000**		5,000
Revaluation reserve			-		2,000
Profit and loss account			**169,409**		51,212
			196,409		*80,212*

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These abbreviated accounts were approved by the board of directors on 4 December 2000 and signed on its behalf by:

PH Watt

PH Watt
Director

Notes

(forming part of the financial statements)

1 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 preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include the revaluation of certain plant and equipment.

Under Financial Reporting Standard 1, the company is exempt from the requirements to prepare a cash flow statement on the grounds of its size.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

Tenant's improvements	-	5 years
Plant and equipment	-	5 years
Office equipment	-	4 years
Motor vehicles	-	4 years

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes *(continued)*

2 Tangible fixed assets

	Total
Cost or valuation	**£**
At beginning of year	200,436
Additions	45,944
Disposals	(6,572)
At end of year	239,808
Depreciation	
At beginning of year	88,619
Charge for year	39,957
Disposals	(6,572)
At end of year	122,004
Net book value	
At 31 March 1998	**117,804**
At 31 March 1997	111,817

On 31 March 1993 the director revalued certain plant and machinery on a depreciated replacement cost basis.

	1998	1997
Plant and equipment	**£**	£
At 1993 depreciated replacement cost basis	**10,000**	10,000
Aggregate depreciation thereon	**(10,000)**	(8,000)
Net book value	-	2,000

Other tangible fixed assets are included at cost.

3 Called up share capital

	1998	1997
	£	£
Authorised		
Ordinary shares of £1 each	**100,000**	100,000
Allotted, called up and fully paid		
Ordinary shares of £1 each		
At beginning and end of year	**22,000**	22,000