

SIGNED
CH.

FINE GEARS LIMITED
ABBREVIATED ACCOUNTS
31ST OCTOBER, 1998



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chartered accountants

s h i p l e y s

c h a r t e r e d a c c o u n t a n t s

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AUDITORS' REPORT TO FINE GEARS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the full financial statements of Fine Gears Limited 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 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 accounts, 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 full statutory accounts.

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 4 are properly prepared in accordance with those provisions.


Registered Auditors

12 May 99

FINE GEARS LIMITED
ABBREVIATED BALANCE SHEET
AT 31ST OCTOBER, 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	1.3&2	327,710	278,048
CURRENT ASSETS			
Stocks and work in progress	1.4	231,189	210,521
Debtors and prepayments		397,150	428,098
Cash and bank balances		<u>464,992</u>	<u>313,634</u>
		1,093,331	952,253
CREDITORS: Amounts falling due within one year		<u>(512,921)</u>	<u>(489,570)</u>
NET CURRENT ASSETS		<u>580,410</u>	<u>462,683</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		908,120	740,731
CREDITORS: Amounts falling due after more than one year		<u>(32,069)</u>	<u>(35,853)</u>
		<u>£876,051</u>	<u>£704,878</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		<u>875,951</u>	<u>704,778</u>
EQUITY SHAREHOLDERS' FUNDS		<u>£876,051</u>	<u>£704,878</u>

In preparing these abbreviated accounts the directors have:-

- (a) relied upon exemptions for individual accounts under Sections 246 and 247 of the Companies Act 1985 and
- (b) done so on the grounds that the company is entitled to those exemptions as a small company.

Approved by the Board on 11 March 99

Mrs. A. E. Colliver)
) Directors
 D. J. Colliver)

AE Colliver
DJ Colliver

The notes on pages 3 and 4 form an integral part of these abbreviated accounts.

FINE GEARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

31ST OCTOBER, 1998

1. ACCOUNTING POLICIES**1.1 Basis of Accounting**

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

1.2 Turnover

Turnover represents the total invoiced value of goods sold and services provided to customers, excluding value added tax.

1.3 Depreciation and amortisation of tangible fixed assets

Depreciation and amortisation is provided in order to write off the cost of tangible fixed assets over their estimated useful lives using the following annual rates:-

Improvements to leasehold premises	: on a straight line basis over the remaining period of the lease
Plant and equipment	: at 15% on the reducing balance basis
Motor vehicles	: at 25% on the straight line basis

1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is based on the cost of direct materials and labour plus attributable overheads based on a normal level of activity. Net realisable value is based on estimated selling price less further costs to be incurred to completion, sale and distribution.

1.5 Deferred taxation

No provision is made for deferred taxation as, in the opinion of the directors, such provision would be unlikely to crystallise in the foreseeable future (see note 6).

1.6 Operating leases

Rental costs applicable to operating leases, under which substantially all of the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

1.7 Hire purchase contracts

Assets held subject to hire purchase contracts are included in the balance sheet at cost less accumulated depreciation, which is calculated in accordance with the policies outlined in 1.3 above. The capital element of the future obligations is shown as a liability. The interest element of the obligations is charged against profit over the period of the contract in proportion to the reducing capital element outstanding.

1.7 Pension costs

The company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds.

FINE GEARS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - CONTINUED

31ST OCTOBER, 1998

1. ACCOUNTING POLICIES - Continued

1.8 Cash flow statement

The company is a small company as defined by sections 246 and 247 of the Companies Act 1985. It has therefore taken advantage of the exemption conferred by Financial Reporting Standard Number 1 not to prepare a cash flow statement.

2. TANGIBLE FIXED ASSETS

Cost	Total £
At 1st November, 1997	595,365
Additions in year	131,281
Disposals in year	<u>(114,261)</u>
At 31st October, 1998	<u>612,385</u>
Depreciation and Amortisation	
At 1st November, 1997	317,317
Provided in year	61,172
Eliminated on disposals	<u>(93,814)</u>
At 31st October, 1998	<u>284,675</u>
Net Book Value	
At 31st October, 1998	<u>£372,710</u>
At 31st October, 1997	<u>£278,048</u>

3. CALLED UP SHARE CAPITAL

1998

1997

Authorised, allotted, called up and fully paid

100 ordinary shares of £1 each

£100

£100