

Company Registration Number 01195702

HCM Engineering Limited
Abbreviated Accounts
For the Year Ended
30th April 2008

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HCM Engineering Limited

Abbreviated Balance Sheet

30th April 2008

	Note	2008	2007
	2	£	£
Fixed Assets			
Tangible assets		262,450	271,626
Investments		126,977	75,000
		<u>389,427</u>	<u>346,626</u>
Current Assets			
Stocks		206,691	47,837
Debtors		58,725	168,954
Cash at bank and in hand		15,635	12,418
		<u>281,051</u>	<u>229,209</u>
Creditors: Amounts falling due within one year		<u>420,220</u>	<u>285,149</u>
Net Current Liabilities		<u>(139,169)</u>	<u>(55,940)</u>
Total Assets Less Current Liabilities		<u>250,258</u>	<u>290,686</u>
Creditors: Amounts falling due after more than one year		<u>179,522</u>	<u>199,843</u>
		<u>70,736</u>	<u>90,843</u>
Capital and Reserves			
Called-up equity share capital	3	19,998	19,998
Profit and loss account		50,738	70,845
Shareholders' Funds		<u>70,736</u>	<u>90,843</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 25th February 2009, and are signed on their behalf by:

M G Hanson



The notes on pages 2 to 4 form part of these abbreviated accounts.

HCM Engineering Limited

Notes to the Abbreviated Accounts

Year Ended 30th April 2008

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

The turnover in the Profit and Loss Account represents goods and services supplied during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 10%, 20% or 33% on the straight line basis
Fixtures and fittings	- 25% on the reducing balance basis
Motor vehicles	- 25% on the reducing balance basis

Work in progress

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

HCM Engineering Limited

Notes to the Abbreviated Accounts

Year Ended 30th April 2008

1. Accounting Policies *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

HCM Engineering Limited

Notes to the Abbreviated Accounts

Year Ended 30th April 2008

2. Fixed Assets

	Tangible Assets £	Investments £	Total £
Cost			
At 1st May 2007	1,735,302	75,000	1,810,302
Additions	91,215	51,977	143,192
Disposals	(180,879)	—	(180,879)
At 30th April 2008	<u>1,645,638</u>	<u>126,977</u>	<u>1,772,615</u>
Depreciation			
At 1st May 2007	1,463,676	—	1,463,676
Charge for year	57,363	—	57,363
On disposals	(137,851)	—	(137,851)
At 30th April 2008	<u>1,383,188</u>	<u>—</u>	<u>1,383,188</u>
Net Book Value			
At 30th April 2008	<u>262,450</u>	<u>126,977</u>	<u>389,427</u>
At 30th April 2007	<u>271,626</u>	<u>75,000</u>	<u>346,626</u>

The company owns 45% of the issued share capital of HCM IBEX Pvt Limited, a company incorporated in India.

HCM Engineering Limited made its initial investment in the company in the Autumn of 2006 and no financial statements are available for the company at this point in time.

3. Share Capital

Authorised share capital:

	2008 £	2007 £
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>19,998</u>	<u>19,998</u>	<u>19,998</u>	<u>19,998</u>