
AVOCET ENGINEERING SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

Company No. 2609175 (England and Wales)



P W JOHN & COMPANY
Chartered Certified Accountants

AVOCET ENGINEERING SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors: David J Callow
Vera D Callow
Edwin J Ham
Doreen Ham
Andrew Pole
Marion N Pole

Secretary: David J Callow

Company Number: 2609175

Registered Office: The Barns
Oak Farm
Weston Road
Congresbury
Somerset
BS19 5EB

Registered Auditor: P W John & Co
Parkview
Wadham Street
Weston-super-Mare
Somerset
BS23 1JZ

Bankers: National Westminster Bank PLC
18 South Parade
Weston-super-Mare
Somerset

AVOCET ENGINEERING SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

The Directors present their report and the financial statements for the year ended 31 March 1997.

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;
- 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.

Principal activity

The company's principal activity is that of providing tool manufacture and engineering and design services.

Directors

The Directors who served during the period and their beneficial interests in the company's issued ordinary share capital were:

	Number of Shares	
	1997	1996
David J Callow	250	250
Vera D Callow	250	250
Edwin J Ham	250	250
Doreen Ham	250	250
Andrew Pole	250	250
Marion Pole	250	250

Auditors

The Auditors, P W John & Co, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 2 June 1997, and signed on their behalf.

David J Callow
Secretary



**AUDITOR'S REPORT TO THE SHAREHOLDERS OF
AVOCET ENGINEERING SERVICES LIMITED**

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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.

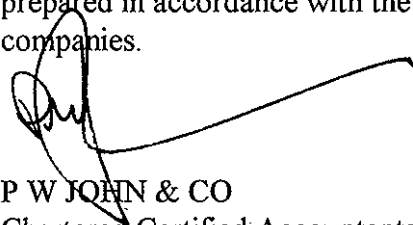
Basis of opinion

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.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



P W JOHN & CO
Chartered Certified Accountants
& Registered Auditor

2 June 1997

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997

	Notes	1997 £	1996 £
Turnover	1.2	130,050	41,254
Cost of sales		<u>(31,145)</u>	<u>(16,172)</u>
Gross profit		105,905	25,082
Administrative Expenses		<u>81,494</u>	<u>15,051</u>
Operating profit	2	24,411	10,031
Interest receivable		<u>350</u>	<u>-</u>
Profit on ordinary activities before taxation		24,761	10,031
Taxation on profit on ordinary activities	3	<u>5,766</u>	<u>2,200</u>
Profit on ordinary activities after taxation		<u>18,995</u>	<u>7,831</u>
Retained profit for the year		18,995	7,831
Retained profit brought forward		<u>9,313</u>	<u>1,482</u>
Retained profit carried forward		<u>28,308</u>	<u>9,313</u>

There were no recognised gains and losses for the year other than those included in the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 1997

	Notes	£	1997 £	1996 £
Fixed Assets				
Tangible Assets	4		11,335	8,003
Current Assets				
Work-in-Progress		8,375		850
Debtors and Prepayments	5	5,619		7,765
Due from H M Customs and Excise		-		449
Cash at Bank and in Hand		<u>28,608</u>		<u>5,959</u>
		42,602		15,023
Creditors: amounts falling due within one year	6	<u>24,129</u>		<u>12,213</u>
Net Current Assets			<u>18,473</u>	<u>2,810</u>
Net Assets			<u>29,808</u>	<u>10,813</u>
Capital and Reserves				
Called up share capital	7		1,500	1,500
Profit and Loss Account			<u>28,308</u>	<u>9,313</u>
Shareholders' Funds	8		<u>29,808</u>	<u>10,813</u>

The directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to small companies on the grounds that the company qualified as a small company by virtue of Section 247 of the Companies Act 1985. The financial statements were approved by the board on 2 June 1997 and signed on its behalf.

David J Callow
Director



The notes on pages 5 to 7 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

1 Accounting policies**1.1 Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment - 15% per annum, reducing balance basis

2 Operating profit

The operating profit is stated after charging:

	1997 £	1996 £
Depreciation of tangible fixed assets		
- owned by the company	2,000	1,412
Directors' emoluments	49,728	9,424
Auditor's remuneration	<u>1,850</u>	<u>550</u>

3 Taxation**UK current year taxation**

UK Corporation tax at 24% (1996 - 25%)	5,766	2,362
UK Corporation tax refund	<u>-</u>	<u>(162)</u>
	<u>5,766</u>	<u>2,200</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

4 Tangible fixed assets

	Equipment	Total
	£	£
Cost		
At 1 April 1996	13,564	13,564
Additions	<u>5,331</u>	<u>5,331</u>
At 31 March 1997	<u>18,895</u>	<u>18,895</u>
Depreciation		
At 1 April 1996	5,561	5,561
Charge for year	<u>1,999</u>	<u>1,999</u>
At 31 March 1997	<u>7,560</u>	<u>7,560</u>
Net book values		
At 31 March 1997	<u>11,335</u>	<u>11,335</u>
At 31 March 1996	<u>8,003</u>	<u>8,003</u>

5 Debtors

	1997	1996
	£	£
Due within one year		
Trade debtors	3,581	5,769
Prepayments	<u>1,020</u>	<u>1,996</u>
	<u>4,601</u>	<u>7,765</u>

6 Creditors: amounts falling due within one year

	1997	1996
	£	£
Trade Creditors	2,496	2,069
Other Creditors	<u>21,633</u>	<u>10,144</u>
	<u>24,129</u>	<u>12,213</u>

Included within other creditors is an amount of £10,265 (1996 - £2,414) relating to social security and other taxes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997**7 Called up share capital**

	£	£
Authorised		
Ordinary Shares of £1 each	<u>1,500</u>	<u>1,500</u>
Issued		
Ordinary Shares of £1 each	<u>1,500</u>	<u>1,500</u>

8 Movement on shareholders' funds

	£	£
Profit for the year	18,995	7,831
Opening shareholders' funds	<u>10,813</u>	<u>2,982</u>
Closing shareholders' funds	<u>29,808</u>	<u>10,813</u>