

A-Belco Limited
(formerly Bals Engineering Group Limited)
Abbreviated financial statements
for the year ended 31 March 2002

Registered Number 2769705



A-Belco Limited

(formerly Bals Engineering Group Limited)

Abbreviated financial statements

for the year ended 31 March 2002

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A-Belco Limited (formerly Bals Engineering Group Limited)

Independent auditors' report to the members of A-Belco Limited

We have examined the abbreviated financial statements on pages 2 to 8 together with the annual financial statements of A-Belco Limited for the year ended 31 March 2002.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 and whether the abbreviated financial statements 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 annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are 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 annual financial statements.

Opinion

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



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

10 September 2002

A-Belco Limited (formerly Bals Engineering Group Limited)

Balance sheet as at 31 March 2002

(Abbreviated in accordance with the provisions of the Companies Act 1985)

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	1		453,710		-
Investments in subsidiaries	2		1,975,000		2,074,119
Investment in joint venture	3		509,000		-
			2,937,710		2,074,119
Current assets					
Stock		92,365		-	
Debtors		625,768		169,252	
Cash at bank and in hand		136,206		-	
		854,339		169,252	
Creditors: amounts falling due within one year		(606,206)		-	
Net current assets			248,133		169,252
Total assets less current liabilities			3,185,843		2,243,371
Creditors : amounts falling due after more than one year			(2,065,000)		-
Provisions for liabilities and charges			(11,894)		-
Net assets			1,108,949		2,243,371
Capital and reserves					
Called up equity share capital	4		305,010		305,010
Capital redemption reserve			1,339,242		1,339,242
Profit and loss account			(535,303)		599,119
Equity shareholders' funds			1,108,949		2,243,371

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.

The abbreviated financial statements on pages 2 to 8 were approved by the board of directors on 10 September 2002 and were signed on its behalf by:


M J Kelly
Director

A-Belco Limited (formerly Bals Engineering Group Limited)

Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. A summary of the more important accounting policies is set out below, together with an explanation of where change have been made to previous policies on the adoption of new accounting standards in the year.

Changes in accounting policies

Financial Reporting Standard 18 ("Accounting Policies") has been adopted in the current year but did not require any changes in accounting policies. The company has also adopted Financial Reporting Standard 19 ("Deferred taxation") as noted below. There has been no material impact upon the reported results in the financial statements as a result of the adoption of these new standards.

Basis of preparation

The Company has taken advantage of the Companies Act 1985 (S228) in not preparing accounts consolidated with those of its subsidiary companies. These financial statements therefore present information about the Company as an individual undertaking and not about the group.

Turnover

Turnover comprises amounts invoiced (excluding value added tax) in respect of goods sold. Turnover is recognised when goods are despatched to customers.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of tangible assets by the straight-line method over their estimated useful lives as follows:

Plant, equipment and workshop tools	10% per annum
Machine tools	10% per annum
Computer equipment	33% per annum
Fixtures and fittings	10% per annum

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value.

The cost of work in progress and finished goods includes an appropriate proportion of production overheads.

Leases

Tangible fixed assets subject to finance lease arrangements are capitalised in the balance sheet and the related lease liability is included in creditors. Any such assets are depreciated at rates described above.

Operating lease rentals are charged to the profit and loss account in the period to which the rental relates.

Investments

Investments in subsidiaries and joint ventures are carried at cost less any provision for permanent diminution in value.

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Pension fund

During the year the company operated an externally administered money purchase pension scheme for its directors and employees. The pension costs are charged to the profit and loss account in the period in which they are payable.

Deferred taxation

As noted above, during the year the company changed its accounting policy on deferred tax in line with FRS 19. FRS 19 introduces a form of full provision for accounting for deferred tax, called the incremental liability approach, which replaces the partial provision approach previously followed under SSAP 15.

Deferred tax is now provided on timing differences where the company has an obligation to pay more tax in the future as a result of the reversal of those timing differences. Previously deferred tax was provided on timing differences to the extent that they were expected to reverse in the foreseeable future.

No prior year adjustments is required for the change in accounting policy. The current years tax charge has been increased by £11,894 as a result of the new policy.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of those transactions.

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

Cash flow statement

The company has taken advantage of the exemption offered by Financial Reporting Standard 1 not to publish a cash flow statement as the company qualifies as a small company.

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Notes to the financial statements for the year ended 31 March 2002

1 Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Total
	£	£	£
Cost			
At 31 March 2001	-	-	-
Additions	-	32,428	32,428
Transfers from group undertakings	405,489	115,766	521,255
Disposals	(21,881)	-	(21,881)
At 31 March 2002	383,608	148,194	531,802
Accumulated depreciation			
At 31 March 2001	-	-	-
Charge for the year	39,709	42,581	82,290
Disposals	(4,198)	-	(4,198)
At 31 March 2002	35,511	42,581	78,092
Net book amount			
At 31 March 2002	348,097	105,613	453,710
At 31 March 2001	-	-	-

Included in motor vehicles and fixtures, fittings and equipment are assets held under hire purchase agreements at a cost of £40,620 (2001: £Nil) on which depreciation has been charged amounting to £8,133 (2001: £Nil).

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2 Fixed asset investments

	2002 £	2001 £
Opening balance as at 1 April	2,074,119	2,074,119
Provision against carrying value	(99,119)	-
Closing balance as at 31 March	1,975,000	2,074,119

The investment relates to a holding of the 100% ordinary share capital in A-Belco Industrial Accessories Limited, a dormant company registered in England that is in liquidation. During the year the company wrote down the value of its investment in A-Belco Industrial Accessories Limited to the underlying net asset value of the subsidiary.

The director is of the opinion that, following the provision noted above, the value of the interest in the subsidiary is not less than the amount at which it is stated above.

3 Investments in joint ventures

	2002 £	2001 £
355,000 £1 ordinary A shares in Scame UK Limited	400,000	-
40,000 £1 ordinary A shares in Cortem UK Limited	109,000	-
	509,000	-

Company	Principal activity	% owned
Scame UK Limited	Electrical component manufacture	50
Cortem UK Limited	Electrical component manufacture	50

During the year the joint venture investments were purchased from Bals Engineering Limited for £509,000. The directors are of the opinion that the value of the joint venture is not less than the amount at which they are stated above. The joint venture companies are incorporated and operative in the United Kingdom.

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4 Called up share capital

Authorised

At 31 March 2001 and 31 March 2002

	£
<u>Equity</u>	
5,000,000 ordinary shares 10p	500,000
53,345 5% cumulative convertible participating preferred ordinary shares £1	53,345
	553,345
<u>Non-equity</u>	
925,933 10% first cumulative redeemable preference shares £1	925,933
172,727 10% second cumulative redeemable preference shares £1	172,727
130,582 2% bank rate third cumulative redeemable preference shares £1	130,582
110,000 8% fourth cumulative redeemable preference shares £1	110,000
	1,339,242

Allotted, called up and fully paid

	2001	2000
	£	£
<u>Equity</u>		
2,516,651 ordinary shares 10p	251,665	251,665
53,345 5% cumulative convertible participating preferred ordinary shares of £1 each	53,345	53,345
	305,010	305,010

The £1 cumulative convertible participating preferred ordinary (CCPPO) shares are entitled to a dividend of 5% of net profit before taxation. They may be converted into ordinary shares on a one for ten basis if, upon the occurrence of a Conversion Event as defined in the Articles of Association, a holder or holders of a majority in CCPPO shares gives notice in writing to the company. The ordinary shares resulting from such a conversion shall rank pari passu in all respects with the other ordinary shares in the issue at the date of conversion.

Ordinary shareholders have one vote for each share of which they are the registered holder. Holders of the CCPPO shares are entitled to 10 votes for each share of which they are the registered holder.

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5 Ultimate controlling party

The company is a wholly owned subsidiary of and ultimately controlled by A-Belco Holdings Limited, a company incorporated in England.

Copies of the accounts of A-Belco Holdings Limited are available from A-Belco Holdings Limited, Jubilee Estate, Ashington, Northumberland, NE63 8UG.