

Printed

CADET ENGINEERING LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED
30 SEPTEMBER 1998



CADET ENGINEERING LIMITED

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CADET ENGINEERING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1998

The director presents his report and the financial statements for the year ended 30 September 1998.

Statement of director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 activities

The company's principal activity during the period was the provision of specialist precision engineering. The director was pleased with the level of trading and hopes that this will continue into the new financial year.

Director

The director who served during the year and his interest in the company's issued share capital was :

	Ordinary shares of £1 each	
	1998	1997
C D Taylor	90	90

Auditors

The auditors, Horwath Clark Whitehill, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 11 May 1999 and signed on its behalf.

N. R. Hesson
N R Hesson
Secretary

CADET ENGINEERING LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF CADET ENGINEERING LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities 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 director is 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 director 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 30 September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


Horwath Clark Whitehill

Chartered Accountants and
Registered Auditors
Norwich Union House
17 Lichfield Street
Walsall
WS1 1TU

Date: 11 May 1999

CADET ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 30 September 1998

	Note	1998 £	1997 £
TURNOVER	1,2	796,670	259,869
Cost of sales		(616,695)	(212,799)
GROSS PROFIT		179,975	47,070
Administrative expenses		(96,004)	(40,564)
OPERATING PROFIT	3	83,971	6,506
Interest receivable		224	84
Interest payable		(17,312)	(4,405)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		66,883	2,185
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4	(17,000)	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		49,883	2,185
RETAINED PROFIT/(LOSS) BROUGHT FORWARD		1,136	(1,049)
RETAINED PROFIT CARRIED FORWARD		51,019	1,136

The notes on pages 5 to 8 form part of these financial statements.

CADET ENGINEERING LIMITED

BALANCE SHEET
As at 30 September 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible fixed assets	5		231,303		83,503
CURRENT ASSETS					
Stocks		54,340		32,645	
Debtors	6	162,450		81,333	
Cash at bank and in hand		25,806		27,778	
		<u>242,596</u>		<u>141,756</u>	
CREDITORS: amounts falling due within one year	7	<u>(223,805)</u>		<u>(110,714)</u>	
NET CURRENT ASSETS			<u>18,791</u>		<u>31,042</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>250,094</u>		<u>114,545</u>
CREDITORS: amounts falling due after more than one year	8		<u>(181,975)</u>		<u>(113,309)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	9		<u>(17,000)</u>		<u>-</u>
NET ASSETS			<u>51,119</u>		<u>1,236</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Profit and loss account			51,019		1,136
SHAREHOLDERS' FUNDS			<u>51,119</u>		<u>1,236</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the board on 11 May 1999 and signed on its behalf.

Director

The notes on pages 5 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1998

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and include the results of the company's operations which are described in the Director's Report.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation 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:

Plant & machinery	-	15%	reducing balance
Motor vehicles	-	25%	reducing balance
Office equipment	-	20%	reducing balance

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.9 Government grants

Government grants in respect of capital expenditure are accounted for as deferred credits. They are amortised over the expected useful life of the assets to which they relate.

CADET ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1998

2. TURNOVER

All of the company's turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets - owned by the company	22,508	8,189
Auditors' remuneration	1,800	-
Director's emoluments	28,130	14,375
Pension costs	1,450	-
	<u>33,888</u>	<u>22,564</u>

4. TAXATION

	1998 £	1997 £
Current year taxation		
Transfer to deferred taxation	17,000	-
	<u>17,000</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Plant & Equipment £	Total £
Cost or valuation		
At 1 October 1997	91,785	91,785
Additions	171,678	171,678
Disposals	(2,700)	(2,700)
At 30 September 1998	<u>260,763</u>	<u>260,763</u>
Depreciation		
At 1 October 1997	8,282	8,282
Charge for year	22,508	22,508
On disposals	(1,330)	(1,330)
At 30 September 1998	<u>29,460</u>	<u>29,460</u>
Net Book Value		
At 30 September 1998	<u>231,303</u>	<u>231,303</u>
At 30 September 1997	<u>83,503</u>	<u>83,503</u>

CADET ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1998

6. DEBTORS

	1998 £	1997 £
Due after more than one year		
Other debtors	5,637	-
Due within one year		
Trade debtors	138,169	76,454
Other debtors	18,644	4,879
	<u>162,450</u>	<u>81,333</u>

7. CREDITORS:
Amounts falling due within one year

	1998 £	1997 £
Bank loan	9,536	-
Net obligations under finance lease and hire purchase contracts	26,589	6,143
Trade creditors	105,426	56,994
Other creditors	82,254	47,577
	<u>223,805</u>	<u>110,714</u>

Included within other creditors is an amount of £4,997 (1997 - £11,937) relating to social security and other taxes.

8. CREDITORS:
Amounts falling due after more than one year

	1998 £	1997 £
Bank Loan	23,984	-
Net obligations under finance lease and hire purchase contracts	57,991	13,309
Other loan	100,000	100,000
	<u>181,975</u>	<u>113,309</u>
Included within the above are amounts falling due as follows:		
In 1 - 5 years:		
Bank loan instalments	23,984	-
Other loan instalments	100,000	100,000
Finance lease and hire purchase obligations	57,991	13,309

CADET ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1998

9. PROVISIONS FOR LIABILITIES AND CHARGES

	1998 £	1997 £
Deferred taxation		
Charge for the year	<u>17,000</u>	<u>-</u>

10. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>