

Company Number 3647587

AUTOMOTIVE PERFORMANCE TECHNOLOGIES LIMITED

**DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 SEPTEMBER 2007**



**Automotive Performance Technologies Limited
Report and Consolidated Financial Statements
Year ended 30 September 2007**

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Automotive Performance Technologies Limited
Directors' Report
Year ended 30 September 2007

The directors present their report and the financial statements for the year ended 30 September 2007

Principal activities

The company is a holding company which does not carry on any trading activity. The group operates principally as manufacturers and distributors of braking systems and clutches for race, rally and specialist road cars.

Business review

The company is principally engaged in the design and manufacture of automotive braking systems and clutches for motor sport and road car applications.

Turnover of brake and clutch systems increased from £6.5m to £7.4m. Additional sales were achieved of Engineering Services and Tooling of £0.6m. The sales growth was primarily attributable to new business in road car original equipment manufacturer sales. The group reported an operating profit before tax of £334,286 compared to a comparable number from the previous year of £340,883. Cash flow for the year was negative £292,026 after accounting for capital and net debt repayments of £123,336.

The underlying order book continues to remain strong and the board is confident of continued growth in both OEM and Motorsport sectors.

The group monitors a variety of Key Performance indicators and has recognised the need to enhance their use in the coming year via the development of a company wide Performance Management System.

There was a group profit for the year after taxation of £63,897 (2006: £73,079). No dividends were paid in the year (2006: £NIL) leaving £63,897 which has been transferred to reserves (2006: £73,079).

Financial risk management, objectives and policies

The company uses financial instruments, other than derivatives, comprising group borrowings, bank borrowings, finance leases and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are liquidity risk and interest rate risk. The policies have remained unchanged from previous periods.

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Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through group financing arrangements and bank facilities.

Interest rate risk

The company finances its operations through a mixture of retained profits, bank borrowings and finance lease agreements. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Purchase of the company's own shares

Further to the shareholders' resolutions of 14th August 2007, the company purchased 72,916 ordinary shares with a nominal value of £72,916, for the consideration of £1. The reason for the purchase was to affect the departure of the venture capitalist from the business.

Directors

The directors who served during the year were -

Mr A I Fergusson
Mr M Haywood (appointed 04/06/07)
Mr R Kishor
Mr P J Smith
Mr P J Stubbs
Mr N C Alldritt (resigned 04/06/07)

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- So far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all steps that they ought to have taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

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Auditors

Horwath Clark Whitehill LLP were appointed as auditors to the company during the period

The board has decided to recommend Horwath Clark Whitehill LLP for reappointment as auditors of the company and, Horwath Clark Whitehill LLP having expressed their willingness to accept this appointment, a resolution appointing them will be submitted to the forthcoming Annual General Meeting

This report was approved by the board on
and signed on its behalf

Mr M Haywood
Company Secretary

A handwritten signature in black ink, appearing to read 'M Haywood', written in a cursive style.

16 September 2008

Automotive Performance Technologies Limited
Statement of Directors' Responsibilities
Year ended 30 September 2007

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Shareholders of Automotive Performance Technologies Limited

We have audited the group and parent company financial statements (the "financial statements") of Automotive Performance Technologies Limited for the year ended 30 September 2007 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, the financial statements are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

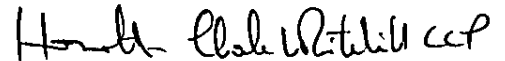
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 September 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Directors' Report is consistent with the financial statements

Hatherton House,
Hatherton Street
Walsall WS1 1YB



*Horwath Clark Whitehill LLP
Chartered Accountants and
Registered Auditors*

Date 16 September 2008

Automotive Performance Technologies Limited
Consolidated Profit and Loss Account
Year ended 30 September 2007

	Note	2007	2006
Turnover	1c/2	7,983,726	6,502,802
Cost of sales		<u>(4,857,757)</u>	<u>(3,642,941)</u>
Gross profit		3,125,969	2,859,861
Other operating charges - normal		(2,791,683)	(2,518,978)
Other operating charges – exceptional		<u>-</u>	<u>(93,090)</u>
Operating profit		334,286	247,793
Interest receivable and similar income	6	-	624
Interest payable and similar charges	7	<u>(187,315)</u>	<u>(111,244)</u>
Profit on ordinary activities before taxation		146,971	137,173
Tax on profit on ordinary activities	8	<u>(83,074)</u>	<u>(64,094)</u>
Profit on ordinary activities after taxation		<u>63,897</u>	<u>73,079</u>

All amounts relate to continuing operations

Movements in reserves are shown in note 20 to the financial statements

There were no recognised gains or losses for 2007 or 2006 other than those included in the Profit and loss account

The notes on pages 12 to 25 form an integral part of these financial statements

Automotive Performance Technologies Limited
Consolidated Balance Sheet
Year ended 30 September 2007

	Note	2007	2006
Fixed assets			
Intangible	9	124,549	208,141
Tangible	10	<u>569,905</u>	<u>266,888</u>
		694,454	475,029
Current assets			
Stocks	12	462,377	449,931
Debtors	13	1,509,654	1,270,060
Cash at bank and in hand		<u>235,447</u>	<u>18,900</u>
		2,207,478	1,738,891
Creditors			
Amounts falling due within one year	14	(2,293,533)	(1,461,926)
Net current (liabilities)/assets		<u>(86,055)</u>	<u>276,965</u>
Total assets less current liabilities		608,399	751,994
Creditors			
Amounts falling due after more than one year	15	(304,878)	(530,425)
Provisions for liabilities	18	<u>(20,352)</u>	<u>(75,212)</u>
Net assets		<u>283,169</u>	<u>146,357</u>
Capital and reserves			
Called up share capital	19	130,417	130,417
Share premium	20	1,354	1,354
Capital redemption reserve		72,916	-
Profit and loss account	20	<u>78,482</u>	<u>14,586</u>
Equity shareholders' funds		<u>283,169</u>	<u>146,357</u>

These financial statements were approved and authorised for issue by the board of directors on _____ and were signed on its behalf by



Mr A I Fergusson
Director

16 September 2008

The notes on pages 12 to 25 form an integral part of these financial statements

Automotive Performance Technologies Limited
Company Balance Sheet
Year ended 30 September 2007

	Note	2007	2006
Fixed assets			
Investments	11	<u>1,579,927</u>	<u>1,579,927</u>
Creditors			
Amounts falling due within one year		<u>(1,286,360)</u>	<u>(865,691)</u>
Net current liabilities		<u>(1,286,360)</u>	<u>(865,691)</u>
Total assets less current liabilities		293,567	714,236
Creditors			
Amounts falling due after more than one year	15	<u>-</u>	<u>(521,460)</u>
Net assets		<u>293,567</u>	<u>192,776</u>
Capital and reserves			
Called up share capital	19	130,417	130,417
Share premium	20	1,354	1,354
Capital redemption reserve		72,916	-
Profit and loss account	20	<u>88,880</u>	<u>61,005</u>
Equity shareholders' funds		<u>293,567</u>	<u>192,776</u>

These financial statements were approved and authorised for issue by the board of directors on _____ and were signed on its behalf by



Mr A I Fergusson
Director

16 September 2008

The notes on pages 12 to 25 form part of these financial statements

Automotive Performance Technologies Limited
Consolidated Cashflow Statement
Year ended 30 September 2007

	Note	2007	2006
Cash flow statement			
Net cash inflow from operating activities		424,050	295,512
Net cash outflow from returns on investments and servicing of finance	21(a)	(187,315)	(88,726)
Taxation paid		(5,547)	24,283
Capital expenditure and investing activities	21(a)	(399,878)	(94,670)
Dividends paid		<u>-</u>	<u>(662)</u>
Net cash (outflow)/inflow before financing		(168,690)	135,737
Net cash outflow from financing	21(a)	(123,336)	(87,973)
(Decrease)/Increase in cash		<u>(292,026)</u>	<u>47,764</u>
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		334,286	247,793
Depreciation and amortisation charge		239,170	232,823
(Increase)/decrease in stocks		(12,443)	60,719
(Increase) in debtors		(295,622)	(332,378)
Increase in creditors		158,659	92,337
Profit on sale of fixed assets		<u>-</u>	<u>(5,782)</u>
Net cash inflow from operating activities		<u>424,050</u>	<u>295,512</u>
Reconciliation of net cash flow to movement in net debt			
(Decrease)/Increase in cash in the period		(292,026)	47,764
Cash outflow from financing in the year		73,673	50,000
Cash outflow from finance leases in year		<u>51,017</u>	<u>37,973</u>
Change in net debt resulting from cash flows		(167,336)	135,737
Inception of finance leases		<u>(58,720)</u>	<u>(12,730)</u>
Movement in net debt in the year		(226,056)	123,007
Net debt at 1 October 2006		(667,877)	(790,884)
Net debt at 30 September 2007	21(b)	<u>(893,933)</u>	<u>(667,877)</u>

The notes on pages 12 to 25 form an integral part of these financial statements

Automotive Performance Technologies Limited
Reconciliation of Movements in Group Shareholders' Funds
Year ended 30 September 2007

	2007	2006
Reconciliation of Movements in Group Shareholders' Funds		
Profit for the financial year	63,897	73,079
Shares redeemed at less than par	72,915	-
Net increase in shareholders' funds	<u>136,812</u>	<u>73,079</u>
Opening shareholders' funds	146,357	73,278
Closing shareholders' funds	<u>283,169</u>	<u>146,357</u>

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom

a. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and include the results of the group's operations which are described in the Directors' report, all of which are continuing

b. Basis of consolidation

The financial statements include the financial statements of the company up to 30 September 2007. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the period are included in the consolidated profit and loss account from the date of acquisition. In accordance with the exemption allowed by Section 230(4) of the Companies Act 1985, a separate profit and loss account dealing with the company has not been presented.

c. Turnover

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

d. Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and unincorporated businesses, (representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired), has been recognised following the provisions of FRS 10, which require the capitalisation of goodwill. This goodwill is amortised over the useful economic life of ten years, in equal instalments of 10% per annum.

e. 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Asset Type	Rate
Leasehold improvements	4 years
Plant and machinery	20% - 50% straight line
Motor vehicles	25% straight line

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

f. Leases 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. Future instalments under such leases, net of finance charges, are included in creditors. Instalments payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases'. Substantially all of the benefits and risks of ownership remain with the lessor and all costs are charged to the profit and loss account on a straight-line basis over the life of the lease.

g. Stocks

Stocks 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 attributable overheads. Net realisable value is based on the estimated selling price less further costs of completion and selling expenses.

h. Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. 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,
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- deferred tax assets are recognised only to the extent that the directors consider 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 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.

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

i. Pensions

The group operate defined contribution pension schemes in the UK and the related pension charges represent the amounts payable by the group to the funds in respect of the year

j. Research and development

Expenditure incurred on the development of new projects is deferred to future periods where there is a clearly defined and separately identified project and where the technical feasibility, commercial viability and future profitability of the product can be assessed with reasonable certainty. Deferred development expenditure is amortised on a straight-line basis over three years commencing from the date of application of the products. All other research and development expenditure is written off to the profit and loss account as incurred.

k. Foreign currencies

The results and cash flows of overseas subsidiaries are translated into sterling on an average exchange rate basis. Assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date.

2 Analysis of turnover

In the opinion of the directors, turnover relates to two major business activities, Motorsport and special vehicles and Performance Original Equipment manufacturing.

A geographical analysis of turnover is as follows

	2007	2006
United Kingdom	2,956,968	2,363,831
Rest of European Union	2,751,764	1,948,311
Rest of World	<u>2,274,994</u>	<u>2,190,660</u>
	<u>7,983,726</u>	<u>6,502,802</u>

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

3 Operating profit on ordinary activities

	2007	2006
Operating profit is stated after charging		
Auditors' remuneration	12,680	13,900
Depreciation of owned assets	143,040	137,577
Depreciation of assets held under finance leases and hire purchase contracts	12,537	11,657
Amortisation of goodwill	83,592	83,589
Operating lease rentals land and buildings	139,204	78,686
Net loss on foreign currency translation	33,645	79,090

4 Remuneration of directors

Remuneration in respect of directors was as follows

	2007	2006
Emoluments	283,716	331,549
Pension contributions to money purchase pension scheme	17,510	19,950

During the year 3 directors (2006 4) participated in money purchase pension schemes

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

5 Staff numbers and costs

The average number of persons employed by the company and its trading subsidiaries (including directors) during the year, analysed by category, were as follows

	2007	2006
	No	No
Distribution	3	2
Production	47	35
Administration & Sales	<u>30</u>	<u>32</u>
	80	69

The aggregate payroll costs of these persons were as follows

	2007	2006
Wages and salaries	2,433,267	1,928,875
Social security costs	268,079	211,415
Other pension costs	<u>82,852</u>	<u>78,160</u>
	<u>2,784,198</u>	<u>2,218,450</u>

6 Interest receivable and similar income

	2007	2006
Other interest receivable	<u>-</u>	<u>624</u>

7 Interest payable and similar charges

	2007	2006
Bank loans interest	131,096	87,880
Finance lease interest	4,332	1,470
Other loans	51,887	21,894
	<u>187,315</u>	<u>111,244</u>

8 Taxation

8(a) Analysis of charge in period

	2007	2006
UK corporation tax on profits at 30%	29,527	-
Foreign tax	<u>5,547</u>	<u>5,094</u>
Total current taxation	35,074	5,094
Group Deferred taxation - current period	<u>48,000</u>	<u>59,000</u>
	<u>83,074</u>	<u>64,094</u>

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

8(b) Factors effecting tax charge for the year

The tax charge for the year is lower than the standard rate of Corporation Tax in the UK (30%), the differences are explained below

	2007	2006
Profit on ordinary activities before tax	<u>146,971</u>	<u>137,173</u>
Profit on ordinary activities multiplied at the standard rate of Corporation Tax of 30%	44,091	41,153
Effects of		
Difference between depreciation and capital allowances	(38,472)	3,853
Expenses not deductible for tax	29,294	37,327
Losses utilised	-	(63,054)
Overseas Tax	3,416	5,094
Research and Development	-	(10,996)
Overseas adjustments	-	(7,383)
Marginal relief	(10,351)	-
Other timing differences	(1,092)	(900)
Prior year over provision	<u>8,188</u>	<u>-</u>
Current tax charge for the period (note 8(a))	<u>35,074</u>	<u>5,094</u>

9 Intangible fixed assets

	Goodwill
The Group	
Cost	
At 01 October 2006	<u>964,041</u>
At 30 September 2007	<u>964,041</u>
Accumulated amortisation	
At 01 October 2006	755,900
Charge for the year	<u>83,592</u>
At 30 September 2007	<u>839,492</u>
Net Book Value	
30 September 2007	<u>124,549</u>
01 October 2006	<u>208,141</u>

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

10 Tangible fixed assets

The Group	Leasehold Improvements	Plant & machinery & motor vehicles	Total £
	£	£	
Cost			
At 01 October 2006	69,960	2,148,920	2,218,880
Additions	-	468,473	468,473
Disposals	-	(35,494)	(35,494)
Exchange adjustment	-	(3,140)	(3,140)
At 30 September 2007	69,960	2,578,759	2,648,719
Accumulated depreciation			
At 01 October 2006	69,960	1,882,032	1,951,992
Charge for period	-	163,898	163,898
Eliminated on disposals	-	(35,494)	(35,494)
Exchange adjustment	-	(1,582)	(1,582)
At 30 September 2007	69,960	2,008,854	2,078,814
Net Book Value			
At 30 September 2007	-	569,905	569,905
At 01 October 2006	-	266,888	266,888

Included above are assets held under finance leases or hire purchase agreements with a net book value of £61,147 (2006 £42,469). The depreciation charged to the financial statements in the year in respect of such assets amounted to £12,537 (2006 £11,657).

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

11 Fixed asset investments

The Company	2007
Shares in subsidiary undertaking	
Cost:	
At 01 October 2006	1,579,927
Additions	<u>-</u>
30 September 2007	<u>1,579,927</u>

The subsidiaries which form part of these financial statements are

	Incorporation	Proportion of ordinary share capital owned	Principal activity
Alcon Components Limited	England	100%	Manufacture and distribution of clutches and braking systems
Alcon Components USA Inc	USA	100%	Customer support services for clutches and braking systems
Alcon France SARL	France	100%	Customer support services for clutches and braking systems

12 Stocks

	2007		2006	
	Group	Company	Group	Company
Raw materials and consumables	<u>462,377</u>	<u>-</u>	<u>449,931</u>	<u>-</u>

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

13 Debtors

	2007		2006	
	Group	Company	Group	Company
Trade debtors	1,431,474	-	1,038,343	-
Other debtors and prepayments	47,181	-	144,690	-
Deferred tax asset	31,000	-	79,000	-
Corporation tax	-	-	8,027	-
	<u>1,509,654</u>	<u>-</u>	<u>1,270,060</u>	<u>-</u>

14 Creditors: Amounts falling due within one year

	2007		2006	
	Group	Company	Group	Company
Bank loans and overdrafts (note 16)	809,677	-	69,687	-
Other Loans	-	-	120,000	120,000
Amounts owed under finance leases (note 17)	14,825	-	39,581	-
Trade creditors	972,949	-	781,100	-
Amounts owed to group undertakings	-	1,285,006	-	716,555
Corporation tax	21,500	-	-	-
Social security costs and other taxes	82,063	-	73,195	-
Other creditors	1,354	1,354	59,540	-
Accruals and deferred income	391,165	-	318,823	29,136
	<u>2,293,533</u>	<u>1,286,360</u>	<u>1,461,926</u>	<u>865,691</u>

The bank loan and overdraft are secured by fixed and floating charges over all the assets of the relevant companies. Included within bank loans and overdraft is a balance of £578,259 (2006 £69,687) which relates to invoice discounting.

Automotive Performance Technologies Limited
Notes to the Financial Statements
Year ended 30 September 2007

15 Creditors: Amounts falling due after more than one year

	2007		2006	
	Group	Company	Group	Company
Bank and other loans	263,454	-	448,544	448,544
Amounts due under finance leases	41,424	-	8,965	-
Shares classified as financial liabilities	<u>-</u>	<u>-</u>	<u>72,916</u>	<u>72,916</u>
	<u>304,878</u>	<u>-</u>	<u>530,425</u>	<u>521,460</u>

16 Bank and other loans and overdrafts

	2007		2006	
	Group	Company	Group	Company
Repayable as follows				
Within one year or on demand	231,418	-	189,687	120,000
Between one and two years	159,389	-	120,000	120,000
Between two and five years	104,065	-	328,544	328,544
Greater than five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>494,872</u>	<u>-</u>	<u>638,231</u>	<u>568,544</u>

17 Obligations under finance leases and hire purchase contracts

The finance lease and hire purchase obligations to which the group is committed are repayable as follows

	2007		2006	
	Group	Company	Group	Company
Within one year	14,825	-	39,581	-
Between one and two years	10,207	-	3,701	-
Between two and five years	31,215	-	5,264	-
Greater than five years	<u>-</u>	<u>-</u>	<u>72,916</u>	<u>72,916</u>
	<u>56,247</u>	<u>-</u>	<u>121,462</u>	<u>72,916</u>

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18 Provisions for liabilities

	Group 2007
Provision for warranty claims	
At 01 October 2006	75,212
Utilised	<u>(54,860)</u>
At 30 September 2007	<u>20,352</u>

Deferred tax

	Group 2007	Company 2007
The amounts recognised for deferred taxation are set out below		
Brought forward	79,000	-
Difference between accumulated depreciation and amortisation and capital allowances	(48,000)	-
At 30 September 2007	<u>31,000</u>	<u>-</u>

19 Called up share capital

	2007 Number of shares No	Value of shares £
Authorised		
Ordinary shares of £1 each	135,417	135,417
'B' Ordinary shares of £1 each	<u>10,965</u>	<u>10,965</u>
	146,382	146,382
Allotted, called up and fully paid		
Ordinary shares of £1 each	130,417	130,417

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20 Capital and Reserves

Share premium	Group	Company
At 01 October 2006	<u>1,354</u>	<u>1,354</u>
Shares premium		
At 30 September 2007	<u>1,354</u>	<u>1,354</u>
 Profit and loss account	 Group	 Company
At 01 October 2006	14,586	61,005
Profit for the period	63,897	27,875
At 30 September 2007	<u>78,483</u>	<u>88,880</u>

As permitted by Section 230 of the Companies Act 1985, the company has not presented its own profit and loss account

21 Notes to the cashflow statement

21(a) Analysis of gross cashflow	2007	2006
Returns on investments and servicing of finance		
Interest paid	(187,315)	(89,350)
Interest received	-	624
Net cash outflow from returns on investments and servicing of finance	<u>(187,315)</u>	<u>(88,726)</u>
Capital expenditure and investing activities	(399,878)	(115,537)
Sale of tangible fixed assets	-	20,867
Purchase of tangible fixed assets	<u>(399,878)</u>	<u>(94,670)</u>
Financing		
Issue of ordinary share capital	1,354	-
New loans	542,445	-
Loan repayments	(616,117)	(50,000)
Redemption of share capital	(1)	-
Capital element of finance lease rental payments	(51,017)	(37,973)
Net cash inflow from financing	<u>(123,336)</u>	<u>(87,973)</u>

Automotive Performance Technologies Limited
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21 Notes to the cashflow statement (Continued...)

21(b) Analysis of net funds	At 01 October 2006	Cashflow	Other non cash changes	At 30 September 2007
Cash at bank and in hand	(50,787)	(292,025)		(342,812)
Debt due within one year	(120,000)	(111,418)		(231,418)
Debt due after one year	(448,544)	185,090		(263,454)
Obligations under finance leases	<u>(48,546)</u>	<u>51,017</u>	<u>(58,720)</u>	<u>(56,249)</u>
	<u>(667,877)</u>	<u>(167,336)</u>	<u>(58,720)</u>	<u>(893,933)</u>

22 Commitments

22(a) Capital commitments at the end of the financial period for which no provision has been made are as follows:

	2007		2006	
	Group	Company	Group	Company
Contracted	<u>-</u>	<u>-</u>	<u>244,332</u>	<u>244,332</u>

22(b) Operating leases commitments

The Group

At 30 September 2007 the Group was committed to making the following payments in respect of operating leases

	2007 Group		2006 Group	
	Land & buildings	Other	Land & buildings	Other
Leases which expire				
Within one year	-	-	-	-
Within two to five years	-	-	-	-
After five years	<u>136,204</u>	<u>-</u>	<u>136,470</u>	<u>-</u>
	<u>136,204</u>	<u>-</u>	<u>136,470</u>	<u>-</u>

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24 Related party transactions

Mr A I Fergusson, Mr P J Smith and Mr R Kishor each have family interests in Apollo Investments, a partnership that owns the building from which Alcon Components Limited operated during the year. Rentals were paid to Apollo Investments during the year amounting to £139,204 (2006 £136,470) which were consistent with the terms of the existing lease agreement.