

**A & M TUNGSTEN POWDERS LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999**



**Morison Stoneham**  
**Chartered Accountants**  
**Salisbury House**  
**31 Finsbury Circus**  
**London EC2M 5SQ**

**Company Number: 3674027**

**A & M TUNGSTEN POWDERS LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999**

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## **A & M TUNGSTEN POWDERS LIMITED**

### **DIRECTOR'S REPORT**

**FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999**

The Director presents his report together with the audited financial statements of the company for the period ended to 30 June 1999.

### **INCORPORATION**

The company was incorporated on 25 November 1998 as Tenchmace Limited. On 5 January 1999 the company changed its name to A & M Tungsten Powders Limited and commenced trading on 1 March 1999.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the period was the manufacture of tungsten powders and dart billets.

### **RESULTS**

The results for the period are set out on page 4 of the financial statements.

### **DIRECTOR AND HIS INTERESTS**

The director who held office during the period and his beneficial holding of the Company's share capital at the beginning and end of the period is as follows:

<b>Ordinary Shares of £1 each</b>	
<b>At 25 November 1998</b>	<b>At 30 June 1999</b>

J McCombie (appointed 25 November 1998)

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J McCombie is a director and shareholder of the company's holding company A&M Group Limited, and his share interests in that company are disclosed in the Directors' report of that company.

### **DIRECTOR'S RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each period which give a true and fair view of the state of affairs of the company at the end of the financial period 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.

## **A & M TUNGSTEN POWDERS LIMITED**

### **DIRECTOR'S REPORT**

**FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999 - continued**

#### **DIRECTOR'S RESPONSIBILITIES - continued**

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 them to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for taking such steps as are reasonably necessary for him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **SHARE CAPITAL**

The company was incorporated with an authorised share capital of 100 ordinary shares of £1 each. On 29 June 1999, the authorised share capital was increased to 500,000 ordinary shares of £1 each.

On incorporation, the company issued 2 ordinary shares of £1 each at par for cash. On 29 June 1999, the company issued a further 219,998 ordinary shares of £1 each at par for cash to provide the company with additional capital.

#### **YEAR 2000**

The director is satisfied that steps undertaken will ensure there are no significant implications for the company's activities during the year 2000 and beyond.

#### **AUDITORS**

Morison Stoneham, Chartered Accountants, were appointed as first auditors of the company by the directors. A resolution to re-appoint Morison Stoneham as auditors to the company will be proposed at the Annual General Meeting.

**By order of the Board**



Dennis Downing  
Secretary

*20 June 2000*

## **A & M TUNGSTEN POWDERS LIMITED**

### **AUDITORS' REPORT TO THE SHAREHOLDERS OF A & M TUNGSTEN POWDERS LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and in accordance with the accounting policies set out in note 1 to the financial statements.

#### **Respective responsibilities of director and auditors**

As described in the Director's Report, the company's director is responsible for the preparation of the 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 affairs of the company as at 30 June 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Salisbury House  
31 Finsbury Circus  
London  
EC2M 5SQ

*20 June 2000*

*Morison Stoneham*

MORISON STONEHAM  
Registered Auditors  
Chartered Accountants

**A & M TUNGSTEN POWDERS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999**

	NOTE	25 November 1998 to 30 June 1999 £
<b>TURNOVER</b>		231,255
Cost of sales		(201,925)
		<hr/>
<b>GROSS PROFIT</b>		29,330
Administrative expenses		(72,645)
Other operating income		2,000
		<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	(41,315)
Taxation	4	-
		<hr/>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(41,315)
		<hr/>

All amounts relate to continuing activities.

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

The notes on pages 6 to 10 form part of these financial statements.

# A & M TUNGSTEN POWDERS LIMITED

## BALANCE SHEET AS AT 30 JUNE 1999

	NOTE	1999	
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5		221,670
<b>CURRENT ASSETS</b>			
Stock	6	34,233	
Debtors	7	31,081	
		<hr/>	
		65,314	
<b>CREDITORS: amounts falling due within one year</b>	8	(108,299)	
		<hr/>	
<b>NET CURRENT LIABILITIES</b>			(42,985)
			<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			178,685
			<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9		220,000
Profit and loss account			(41,315)
			<hr/>
<b>SHAREHOLDER'S FUNDS</b>	10		178,685
			<hr/>

The financial statements were approved by the board of directors on 20th June 2000 and signed on its behalf by:

  
J McCombie  
Director

The notes on pages 6 to 10 form part of these financial statements.

## **A & M TUNGSTEN POWDERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999**

#### **1. ACCOUNTING POLICIES**

##### **a. Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

##### **b. Going Concern**

The financial statements have been prepared on a going concern basis as the company has received written assurances from related parties that they will continue to provide financial support to the company for the foreseeable future.

##### **c. Turnover**

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

##### **d. Tangible Fixed Assets**

The cost of tangible fixed assets is their purchase price together with any incidental costs of acquisition.

Depreciation is provided on a straight line basis on all tangible fixed assets to write off the cost of the asset over its expected useful life as follows:

Plant and Machinery	10% Per annum
Motor Vehicles	25% Per annum
Office Equipment	20% Per annum
Furnace Housing	5% Per annum

##### **e. Stock**

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

##### **f. Cash Flow Statement**

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking and its ultimate parent undertaking's financial statements include a consolidated cash flow statement.



# **A & M TUNGSTEN POWDERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999 - continued**

<b>2.</b>	<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1999 £</b>
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This is stated after charging:

Auditors' remuneration	4,250
Depreciation	6,605
Director's remuneration	-

<b>3.</b>	<b>EMPLOYEE INFORMATION</b>	<b>1999 £</b>
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Wages and salaries	111,478
National insurance	11,148
	<hr/>
	122,626

The average number of employees during the period was 13.

## **4. TAXATION**

The company has tax losses available to carry forward of approximately £123,000.

## **5. TANGIBLE FIXED ASSETS**

Cost	Plant and Machinery £	Motor Vehicles £	Office Equipment £	Furnace Housing £	Total £
Additions in the period	159,189	1,000	4,902	63,184	228,275
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1999	159,189	1,000	4,902	63,184	228,275
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
Charge for period	5,210	42	300	1,053	6,605
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1999	5,210	42	300	1,053	6,605
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value 30 June 1999</b>	<b>153,979</b>	<b>958</b>	<b>4,602</b>	<b>62,131</b>	<b>221,670</b>

**A & M TUNGSTEN POWDERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999 – continued**

<b>6. STOCK</b>	<b>1999</b>
	<b>£</b>
Raw materials	10,948
Work in progress	2,790
Finished goods	20,495
	<hr/>
	34,233
	<hr/>
<b>7. DEBTORS</b>	<b>1999</b>
	<b>£</b>
Trade debtors	2,000
Amount due from group undertakings	2,339
Other debtors	23,713
Prepayments and accrued income	3,029
	<hr/>
	31,081
	<hr/>
<b>8. CREDITORS: amounts falling due within one year</b>	<b>1999</b>
	<b>£</b>
Trade creditors	46,338
Amounts owed to group undertakings	22,833
Other taxes and social security costs	26,374
Accruals	12,754
	<hr/>
	108,299
	<hr/>

# **A & M TUNGSTEN POWDERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999 – continued**

<b>9. SHARE CAPITAL</b>	<b>1999</b>
	<b>£</b>
<b>Authorised</b>	
500,000 ordinary shares of £1 each	500,000
<b>Issued and fully paid</b>	
220,000 ordinary shares of £1 each	220,000

Details of the issue of shares during the period are included in the Director's Report.

<b>10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>1999</b>
	<b>£</b>
Loss for the period	(41,315)
Proceeds from the issue of shares	220,000
Closing shareholders' funds	178,685

All shareholders' funds relate to equity interests.

<b>11. RELATED PARTY TRANSACTIONS</b>	
Details of related party transactions during the period are as follows:	<b>1999</b>
	<b>£</b>
Sales to A & M Minerals and Metals Limited	124,191
Purchases of raw materials and fixed assets from A & M Minerals and Metals Limited	285,240
Sales to Jenson Tungsten Limited	100,214
Purchases from Jenson Tungsten Limited	100,345

At 30 June 1999 the company owed A & M Minerals and Metals Limited £20,188 and owed Jenson Tungsten Limited £2,645.

## **A & M TUNGSTEN POWDERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD 25 NOVEMBER 1998 TO 30 JUNE 1999 – continued**

#### **12. CONTINGENT LIABILITY**

The company has a joint and several liability for VAT under a group registration scheme. At the balance sheet date the company and the group did not have any amounts owing to HM Customs & Excise.

#### **13. ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY**

The company's ultimate parent undertaking is A & M Group Limited, a company registered in England and Wales. A & M Group Limited is controlled by Mr J McCombie.