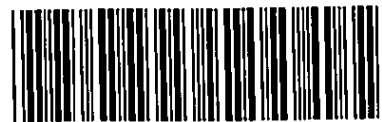


Company Registration No. 00711612 (England and Wales)

A.C. BACON ENGINEERING LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

WEDNESDAY



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A.C. BACON ENGINEERING LTD

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A.C. BACON ENGINEERING LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The director presents his report and financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principal activity of the company continued to be that of construction and steelwork engineering.

The director is pleased to report a satisfactory trading performance despite the economic downturn which took affect during the latter part of the year. The company has benefited from its contracts in the agricultural sector.

Competition in the industry remains high as a result of over-capacity and a reduction in the number of orders. However, the director considers that the company is well placed to ride out the downturn as it has significant cash reserves and substantial net current assets.

Since the year end the company has taken the decision to upgrade its manufacturing facilities with the purchase and installation of two new machines. This will expand the company's production capacity and enable it to continue its focus on producing high quality products. The director believes that it will also leave the company very well placed to take advantage of the increased orders from any future recovery.

The director uses three main performance indicators to monitor the financial performance of the company. They are gross profit, net profit and cashflow generation. The director is pleased to report that, for all three, the company has achieved and continues to achieve satisfactory results.

In common with every other business, the company aims to minimise financial risk. The measures used by the director to manage this risk includes the preparation of profit and cashflow forecasts and regular monitoring of actual performance against these forecasts. Contracts are closely monitored to keep the risk of bad debts to a minimum.

Results and dividends

The results for the year are set out on page 4.

The director does not recommend the payment of a dividend.

Market value of land and buildings

In the opinion of the director the market value of land and buildings exceeds the current net book value.

Directors

The following directors have held office since 1 January 2008:

D.G. Bacon

N.M. Howling

(Resigned 4 January 2008)

Charitable donations

During the year the company made the following payments:

Charitable donations

2008
£

2007
£

2,481

1,369

A.C. BACON ENGINEERING LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Auditors

In accordance with the company's articles, a resolution proposing that Larking Gowen be reappointed as auditors of the company will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

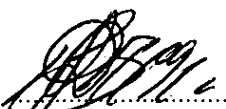
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



U.G. Bacon

Director

7/10/09



CHARTERED
ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT TO A.C. BACON ENGINEERING LTD
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of A.C. Bacon Engineering Ltd for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Larking Gowen

9 October 2009

Chartered Accountants
Registered Auditors

1 Tavern Lane
Dereham
Norfolk
NR19 1PX

A.C. BACON ENGINEERING LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Gross profit		3,211,440	3,609,579
Administrative expenses		(2,803,087)	(2,945,215)
Operating profit	2	408,353	664,364
Other interest receivable and similar income		95,716	63,826
Interest payable and similar charges	4	(16,096)	(21,395)
Profit on ordinary activities before taxation		487,973	706,795
Tax on profit on ordinary activities	5	(121,461)	(150,800)
Profit for the year	14	366,512	555,995

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

A.C. BACON ENGINEERING LTD

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	6		3,109,161		3,203,062
Current assets					
Stocks	7	1,144,289		1,665,859	
Debtors	8	1,104,349		1,485,761	
Cash at bank and in hand		2,126,096		1,311,892	
		<u>4,374,734</u>		<u>4,463,512</u>	
Creditors: amounts falling due within one year	9	<u>(1,881,710)</u>		<u>(2,370,060)</u>	
Net current assets			<u>2,493,024</u>		<u>2,093,452</u>
Total assets less current liabilities			<u>5,602,185</u>		<u>5,296,514</u>
Creditors: amounts falling due after more than one year	10		(54,923)		(74,133)
Provisions for liabilities	11		<u>(268,230)</u>		<u>(309,861)</u>
			<u>5,279,032</u>		<u>4,912,520</u>
Capital and reserves					
Called up share capital	13		3,800		3,800
Other reserves	14		1,200		1,200
Profit and loss account	14		<u>5,274,032</u>		<u>4,907,520</u>
Shareholders' funds	15		<u>5,279,032</u>		<u>4,912,520</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and authorised for issue on ...7/10/2009



D. S. Bacon
Director

A.C. BACON ENGINEERING LTD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	£	2008 £	£	2007 £
Net cash inflow from operating activities	20		1,230,417		749,754
Returns on investments and servicing of finance					
Interest received		95,716		63,826	
Interest paid		(5,341)		(3,264)	
Interest element of finance lease rentals		(10,755)		(18,131)	
Net cash inflow for returns on investments and servicing of finance			79,620		42,431
Taxation			(201,023)		(112,095)
Capital expenditure					
Payments to acquire tangible assets		(133,945)		(92,317)	
Receipts from sales of tangible assets		19,581		19,989	
Net cash outflow for capital expenditure			(114,364)		(72,328)
Net cash inflow before management of liquid resources and financing			994,650		607,762
Financing					
Capital element of hire purchase contracts		(180,446)		(165,934)	
Net cash outflow from financing			(180,446)		(165,934)
Increase in cash in the year	21, 22		814,204		441,828

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents work done for outside customers at invoiced amounts less VAT. Where amounts are invoiced in advance of work being performed, an amount relating to future performance is deferred and is included in creditors as excess payments in advance.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2% straight line, land not depreciated
Plant and machinery	8.5% straight line and 15% reducing balance
Computer equipment	33.33% straight line
Motor vehicles	10%, 20% and 25% reducing balance

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

Work in progress is stated at prime cost plus contracting overheads. No account is taken of profits until the contract is finally completed.

Progress payments received attributable to the value of contracts are deducted in presenting the value of work in progress in the financial statements.

1.7 Pensions

The company operates defined contribution schemes for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies **(continued)**

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Operating profit	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	291,627	323,728
Loss on disposal of tangible assets	6,638	635
Operating lease rentals		
- Plant and machinery	745,299	344,027
- Other assets	57,000	43,500
Auditors' remuneration (including expenses and benefits in kind)	9,000	9,000
	<u> </u>	<u> </u>

3 Investment income	2008	2007
	£	£
Bank interest	95,716	63,826
	<u> </u>	<u> </u>
	<u>95,716</u>	<u>63,826</u>

4 Interest payable	2008	2007
	£	£
On bank loans and overdrafts	5,341	3,264
Lease finance charges	10,755	18,131
	<u> </u>	<u> </u>
	<u>16,096</u>	<u>21,395</u>

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

5 Taxation	2008 £	2007 £
Domestic current year tax		
U.K. corporation tax	124,952	212,883
Adjustment for prior years	(11,860)	-
	<u>113,092</u>	<u>212,883</u>
Current tax charge		
Deferred tax		
Deferred tax charge/credit current year	(1,763)	(62,083)
Deferred tax adjust re previous year	10,132	-
	<u>8,369</u>	<u>(62,083)</u>
	<u>121,461</u>	<u>150,800</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>487,973</u>	<u>706,795</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	<u>136,632</u>	<u>212,039</u>
Effects of:		
Non deductible expenses	3,184	8,724
Capital allowances less than depreciation and profit on assets	10,454	10,302
Movement on other timing differences	(8,585)	401
Marginal relief	(16,732)	(18,583)
Adjustments to previous periods	(11,861)	-
	<u>(23,540)</u>	<u>844</u>
Current tax charge	<u>113,092</u>	<u>212,883</u>

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

6 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2008	1,754,239	2,105,210	2,462,837	6,322,286
Additions	-	40,111	183,834	223,945
Disposals	-	(88,743)	(88,674)	(177,417)
At 31 December 2008	1,754,239	2,056,578	2,557,997	6,368,814
Depreciation				
At 1 January 2008	235,214	1,656,495	1,227,515	3,119,224
On disposals	-	(82,587)	(68,611)	(151,198)
Charge for the year	27,499	85,867	178,261	291,627
At 31 December 2008	262,713	1,659,775	1,337,165	3,259,653
Net book value				
At 31 December 2008	1,491,526	396,803	1,220,832	3,109,161
At 31 December 2007	1,519,025	450,162	1,233,875	3,203,062

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 December 2008	677,237
At 31 December 2007	646,851
Depreciation charge for the year	
At 31 December 2008	69,430
At 31 December 2007	66,098

Included above is land not depreciated at cost of £379,360 (2007 : £379,360).

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

7	Stocks and work in progress	2008	2007
		£	£
	Raw materials and consumables	297,465	283,575
	Work in progress	846,824	1,382,284
		<u>1,144,289</u>	<u>1,665,859</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

8	Debtors	2008	2007
		£	£
	Trade debtors	947,798	1,226,855
	Other debtors	20,673	136,939
	Prepayments and accrued income	135,878	121,967
		<u>1,104,349</u>	<u>1,485,761</u>

Amounts falling due after more than one year and included in the debtors above are:

	2008	2007
	£	£
Trade debtors	<u>81,942</u>	<u>-</u>

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

9	Creditors: amounts falling due within one year	2008 £	2007 £
	Payments received on account	379,400	42,453
	Net obligations under finance leases	102,453	173,689
	Trade creditors	726,560	1,147,572
	Corporation tax	124,952	212,883
	Other taxes and social security costs	375,127	475,456
	Other creditors	41,132	40,364
	Accruals and deferred income	132,086	277,643
		<u>1,881,710</u>	<u>2,370,060</u>

The company's overdraft facility is secured by a fixed and floating charge over the company's assets.

10	Creditors: amounts falling due after more than one year	2008 £	2007 £
	Net obligations under finance leases	<u>54,923</u>	<u>74,133</u>
	Net obligations under finance leases		
	Repayable within one year	102,453	173,689
	Repayable between one and five years	54,923	74,133
		<u>157,376</u>	<u>247,822</u>
	Included in liabilities falling due within one year	(102,453)	(173,689)
		<u>54,923</u>	<u>74,133</u>

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

11 Provisions for liabilities

	Deferred tax liability £	Other £	Total £
Balance at 1 January 2008	259,861	50,000	309,861
Profit and loss account	8,369	(50,000)	(41,631)
	<u>268,230</u>	<u>-</u>	<u>268,230</u>
Balance at 31 December 2008	<u>268,230</u>	<u>-</u>	<u>268,230</u>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	251,487	261,835
Other timing differences	16,743	(1,974)
	<u>268,230</u>	<u>259,861</u>

12 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2008 £	2007 £
Contributions payable by the company for the year	<u>471,224</u>	<u>268,547</u>

13 Share capital

Authorised

5,000 Ordinary of £1 each

Allotted, called up and fully paid

3,800 Ordinary of £1 each

	2008 £	2007 £
5,000 Ordinary of £1 each	<u>5,000</u>	<u>5,000</u>
3,800 Ordinary of £1 each	<u>3,800</u>	<u>3,800</u>

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

14 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2008	1,200	4,907,520
Profit for the year	-	366,512
	<u>1,200</u>	<u>5,274,032</u>
Balance at 31 December 2008	<u>1,200</u>	<u>5,274,032</u>
Other reserves		
Capital redemption reserve		
Balance at 1 January 2008 & at 31 December 2008	<u>1,200</u>	

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	366,512	555,995
Opening shareholders' funds	4,912,520	4,356,525
	<u>5,279,032</u>	<u>4,912,520</u>
Closing shareholders' funds	<u>5,279,032</u>	<u>4,912,520</u>

16 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings	
	2008 £	2007 £
Operating leases which expire:		
In over five years	<u>57,000</u>	<u>57,000</u>

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

17 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	129,201	206,646
Company pension contributions to money purchase schemes	157,144	182,204
Compensation for loss of office	-	17,000
	<u>286,345</u>	<u>405,850</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 2).

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Direct labour	55	57
Office and management	41	41
	<u>96</u>	<u>98</u>

Employment costs

	2008 £	2007 £
Wages and salaries	2,819,570	3,057,664
Other pension costs	471,224	268,547
	<u>3,290,794</u>	<u>3,326,211</u>

19 Post balance sheet events

After the balance sheet date the company acquired an investment property for £253,536.

A.C. BACON ENGINEERING LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

20 Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
	£	£
Operating profit	408,353	664,364
Depreciation of tangible assets	291,627	323,728
Loss on disposal of tangible assets	6,638	635
Decrease/(increase) in stocks	521,570	(567,813)
Decrease/(increase) in debtors	381,412	(232,419)
(Decrease)/Increase in creditors within one year	(329,183)	511,259
Other reserve movement	(50,000)	50,000
Net cash inflow from operating activities	1,230,417	749,754

21 Analysis of net funds	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
	£	£	£	£
Net cash:				
Cash at bank and in hand	1,311,892	814,204	-	2,126,096
Debt:				
Finance leases	(247,822)	90,446	-	(157,376)
Net funds	1,064,070	904,650	-	1,968,720

22 Reconciliation of net cash flow to movement in net funds	2008	2007
	£	£
Increase in cash in the year	814,204	441,828
Cash outflow from decrease in debt and lease financing	90,446	165,934
Movement in net funds in the year	904,650	607,762
Opening net funds	1,064,070	456,308
Closing net funds	1,968,720	1,064,070