



MICOM LIMITED

COMPANY NUMBER: 1033144

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1995

Bird Chartered
Luckin Accountants



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 May 1995.

ACTIVITIES

The principal activity of the company is precision engineering and the manufacture and marketing of castings.

DIRECTORS

The directors of the company during the year are shown below together with their interests in the company's shares at the year end.

	31 May 1995	1 June 1994
R A A Webber	1,000	1,000

AUDITORS

In accordance with Section 385(2) of the Companies Act 1985, a resolution to re-appoint the auditors, Bird Luckin, and authorising the directors to agree their remuneration will be proposed at the annual general meeting.

SMALL COMPANY EXEMPTIONS

In preparing this directors' report, the board has taken advantage of special exemptions available to small companies, on the grounds that this company qualifies as a small company for the year ended 31 May 1995.

By order of the board


J HARGEAVES
Secretary

Date...22/11/95.....

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 MAY 1995

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for the year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985;
- safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF

MICOM LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are 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.

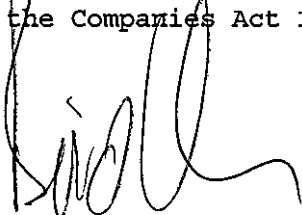
BASIS OF OPINION

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 directors 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 of the information and explanations which we considered necessary in order to provide us with sufficient evidence to give a 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 the 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 31 May 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.



BIRD LUCKIN
Registered Auditor
and Chartered Accountants

Aquila House
Waterloo Lane
Chelmsford
Essex CM1 1BN

Date... 24/11/95...

MICOM LIMITED

4.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1995

	Note	£	1994 £
TURNOVER	2	540,058	248,022
Cost of sales		327,675	137,154
GROSS PROFIT		<u>212,383</u>	<u>110,868</u>
Administrative expenses		(126,590)	(139,533)
OPERATING PROFIT (LOSS)		<u>85,793</u>	<u>(28,665)</u>
Interest receivable and similar income		7,161	2,665
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	92,954	(26,000)
Tax on profit (loss) on ordinary activities	4	(23,218)	276
PROFIT (LOSS) FOR THE FINANCIAL YEAR		<u>69,736</u>	<u>(25,724)</u>
Dividends	5	(9,600)	-
PROFIT (LOSS) RETAINED	15	<u>60,136</u>	<u>(25,724)</u>

Movements in reserves are set out in note 15.

Turnover and operating profit derive from continuing operations.

There is no difference between the figures stated above and their historical cost equivalent.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MAY 1995

Profit (loss) for the financial year	60,136	(25,724)
Purchase of own shares from distributable reserves	-	(143,212)
Total gains and losses recognised since the last annual report	<u>60,136</u>	<u>(168,936)</u>

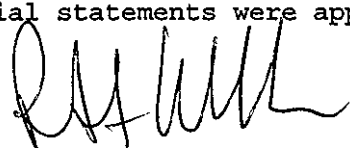
BALANCE SHEET
31 MAY 1995

	Note	£	£	1994 £	£
FIXED ASSETS					
Tangible assets	6		165,497		135,153
Investments	7		-		2
			<u>165,497</u>		<u>135,155</u>
CURRENT ASSETS					
Stocks	8	25,813		24,493	
Debtors	9	92,216		102,532	
Cash at bank and in hand		197,618		165,035	
		<u>315,647</u>		<u>292,060</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	10	(217,220)		(208,987)	
NET CURRENT ASSETS					
			<u>98,427</u>		<u>83,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			263,924		218,228
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	11	(19,263)		(35,803)	
PROVISIONS FOR LIABILITIES AND CHARGES					
	12	(23,300)		(21,200)	
			<u>(42,563)</u>		<u>(57,003)</u>
			<u>221,361</u>		<u>161,225</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,000		1,000
Capital redemption reserve	14		4,000		4,000
Profit and loss account	15		216,361		156,225
			<u>221,361</u>		<u>161,225</u>
EQUITY SHAREHOLDERS' FUNDS					
			<u>221,361</u>		<u>161,225</u>

We have taken advantage of the exemptions for small companies conferred by Part I of Schedule 8 to the Companies Act 1985 because, in our opinion, the company is entitled to benefit from those exemptions as a small company.

These financial statements were approved by the board on ..22/11/95.....

R A A WEBBER
Director



NOTES TO THE FINANCIAL STATEMENTS
31 MAY 1995

1. ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The financial statements are prepared in accordance with applicable accounting standards.

1.2 DEPRECIATION

Fixed assets are stated at cost or professional valuation less depreciation. Depreciation is calculated to write off fixed assets, less estimated residual value, over their estimated useful lives at the following annual rates:

Motor vehicles	25% on written down balance
Plant and machinery	10% on written down balance
Fixtures and fittings	15% on written down balance
Leasehold property	Over the period of the lease

1.3 STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost represents the expenditure incurred in bringing each product to its present location and condition as follows:

Raw materials	Purchase cost on a 'first in first out' basis
Work in progress and finished goods	Cost of direct materials and labour plus attributable overheads based on the normal level of activity

1.4 DEFERRED TAXATION

Full provision is made at the current rate of corporation tax for timing differences that arise between the accounting and taxation treatment of income and expenditure.

1.5 PENSION COMMITMENTS

The company contributes to a defined contribution scheme. The contributions are charged to the profit and loss account as they become payable.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided net of value added tax and trade discounts.

The turnover originated in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
31 MAY 1995

	£	1994 £
3. PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		
After charging:		
Depreciation (note 6):		
Owned assets	16,022	8,014
Assets acquired under finance leases		
Directors' remuneration	12,283	37,028
Auditors' remuneration:		
Audit work	2,950	2,500
Non audit work	1,235	12,106
	<u> </u>	<u> </u>
and after crediting:		
Interest receivable and similar income	7,161	2,665
	<u> </u>	<u> </u>
4. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES		
On the profit (loss) for the year:		
Corporation tax @ 25% (1994: 25%)	20,938	(350)
Deferred tax	2,100	74
	<u> </u>	<u> </u>
	23,038	(276)
Prior year:		
Corporation tax	180	-
	<u> </u>	<u> </u>
	23,218	(276)
	<u> </u>	<u> </u>
5. DIVIDEND		
Dividend of 960.00 p (1994: 0.00 p) per ordinary share paid 3 April 1995	9,600	-
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
31 MAY 1995

6. TANGIBLE FIXED ASSETS

	Motor vehicles £	Plant & machinery £	Fixtures & fittings £	Leasehold property £	Total £
COST					
1 June 1994	26,077	294,125	3,848	1,749	325,799
Additions	-	48,991	749	-	49,740
Disposals	(15,580)	-	-	-	(15,580)
31 May 1995	10,497	343,116	4,597	1,749	359,959
DEPRECIATION					
1 June 1994	12,207	173,465	3,225	1,749	190,646
Charge	2,624	12,775	623	-	16,022
Disposals	(12,206)	-	-	-	(12,206)
31 May 1995	2,625	186,240	3,848	1,749	194,462
NET BOOK AMOUNT					
31 MAY 1995	7,872	156,876	749	-	165,497
31 MAY 1994	13,870	120,660	623	-	135,153
Finance leases and hire purchase contracts included in the above net book amounts:					
31 May 1995	-	43,252	-	-	43,252
31 May 1994	-	-	-	-	-
					1994
					£
7. INVESTMENTS					
Shares in subsidiary at cost				-	2

The investment in Anglian Pattern Components Limited, a 100% subsidiary of Micom Limited, was written off during the year as the subsidiary had been struck from the Registrars listing.

8. STOCKS

Raw materials and consumables	6,668	4,330
Work in progress	9,076	5,534
Finished goods	10,069	14,629
	25,813	24,493

The replacement value of stocks is not considered to be materially different from the stated figures.

NOTES TO THE FINANCIAL STATEMENTS
31 MAY 1995

	£	1994 £
9. DEBTORS		
Trade debtors	89,562	90,481
Corporation tax recoverable	-	8,607
Other debtors	-	3,140
Prepayments	2,654	304
	<u>92,216</u>	<u>102,532</u>
There are no debtors falling due after more than one year.		
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	50,871	31,168
Corporation tax	18,538	-
Advance corporation taxation	2,400	39,053
Other taxes and social security costs	11,002	13,022
Other creditors	35,803	3,349
Obligations under finance leases and hire purchase contracts (note 11)	9,631	-
Accruals and deferred income	5,894	25,838
Directors loans	83,081	96,557
	<u>217,220</u>	<u>208,987</u>
11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Obligations under finance leases and hire purchase contracts (note 11.1)	19,263	-
Other creditors (note 11.2)	-	35,803
	<u>19,263</u>	<u>35,803</u>
11.1 Obligations under finance leases and hire purchase contracts		
Payable between one and two years	9,631	-
Payable between two and five years	9,632	-
Payable after five years	-	-
	<u>19,263</u>	<u>-</u>
The amount repayable within one year of £ 9,631 (1994: £ 0) is shown in note 10.		
11.2 Other creditors		
Payable between one and two years	-	35,803
	<u>-</u>	<u>35,803</u>

NOTES TO THE FINANCIAL STATEMENTS
31 MAY 1995

	£	1994 £
12. PROVISIONS FOR LIABILITIES AND CHARGES		
DEFERRED TAXATION		
Comprising timing differences at 25% (1994: 25%) on:		
Depreciation	23,300	21,200
	<u>23,300</u>	<u>21,200</u>
13. SHARE CAPITAL		
Authorised:		
100,000 (1994: 100,000) ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid:		
1,000 (1994: 1,000) ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
14. CAPITAL REDEMPTION RESERVE		
1 June 1994	4,000	2,999
Adjustment re purchase of own shares	-	1,001
	<u>4,000</u>	<u>4,000</u>
31 May 1995	4,000	4,000
	<u>4,000</u>	<u>4,000</u>
15. PROFIT AND LOSS ACCOUNT		
1 June 1994	156,225	325,161
Purchase of own shares	-	(143,212)
Profit (loss) retained	60,136	(25,724)
	<u>156,225</u>	<u>156,225</u>
31 May 1995	216,361	156,225
	<u>216,361</u>	<u>156,225</u>
16. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS		
Profit (loss) for the financial year after taxation	69,736	(25,724)
Dividends (note 5)	(9,600)	-
	<u>60,136</u>	<u>(25,724)</u>
Net other recognised gains and losses relating to the year (page 4)	-	(143,212)
	<u>60,136</u>	<u>(143,212)</u>
Total recognised gains and losses for the year after dividends	60,136	(168,936)
Opening equity shareholders' funds	161,225	330,161
	<u>161,225</u>	<u>330,161</u>
Closing equity shareholders' funds	221,361	161,225
	<u>221,361</u>	<u>161,225</u>

NOTES TO THE FINANCIAL STATEMENTS
31 MAY 1995

17. PENSION SCHEME

DEFINED CONTRIBUTION SCHEME

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 and amounts to £7,807 (1994: £31,588). Contributions totalling £nil (1994: £810) were payable to the fund at the year end and are included in creditors.

18. TRANSACTIONS WITH DIRECTORS

The company paid rent to the director monthly throughout the year. This transaction was made under normal commercial principles and amounted to £12,500.