

Company number : 1475653

PRECISION PRODUCTS HOLDINGS LIMITED

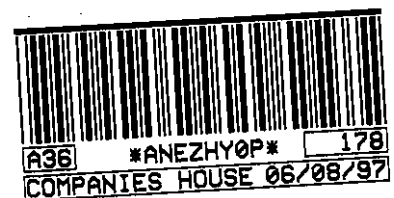
Abbreviated Accounts

Year ended 31st December 1996

Clark Whitehill Josolyne

Chartered Accountants

Leeds



PRECISION PRODUCTS HOLDINGS LIMITED

Abbreviated accounts

Year ended 31st December 1996

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**Auditors' report to the directors of
Precision Products Holdings Limited**
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the full accounts of Precision Products Holdings Limited for the year ended 31st December 1996.

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on the balance sheet and that the abbreviated accounts have been properly prepared from the full accounts. In reporting to you, the Companies Act 1985 requires us to reproduce our report to the members on those full accounts. The full text of that report, which was signed on 16th June 1997, was as follows:

"We have audited the accounts on pages 4 to 10 which have been prepared under 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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

(continued overleaf)

**Auditors' report to the directors of
Precision Products Holdings Limited**

pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985 (continued)

(full text of audit report to Precision Products Holdings Limited continued)

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Opinion on the abbreviated accounts

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31st December 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Clark Whitehill Josolyne

Clark Whitehill Josolyne

Chartered Accountants and
Registered Auditor

Leeds
16th June 1997

PRECISION PRODUCTS HOLDINGS LIMITED

Abbreviated balance sheet at

31st December 1996

| | Notes | £ | 1996 £ | £ | 1995 £ |
|-------------------------------------------------|-------|---------------|----------------|---------------|----------------|
| Fixed assets | | | | | |
| Investments | 2 | | 126,605 | | 126,605 |
| Current assets | | | | | |
| Debtors | | 9,872 | | 9,872 | |
| Cash at bank | | 57,451 | | 55,776 | |
| | | <u>67,323</u> | | <u>65,648</u> | |
| Current liabilities | | | | | |
| Creditors (amounts falling due within one year) | | 67,323 | | 65,648 | |
| Net current liabilities | | | - | | - |
| Net assets | | | <u>126,605</u> | | <u>126,605</u> |
| Capital and reserves | | | | | |
| Called up share capital | 3 | | 61,698 | | 61,698 |
| Share premium account | | | 64,907 | | 64,907 |
| Profit and loss account | | | - | | - |
| Shareholders' funds | | | <u>126,605</u> | | <u>126,605</u> |

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that the company is a small company.

The accounts on pages 4 to 7 were approved by the board of directors on 16th June 1997 and signed on its behalf by:

| | | |
|-----------|--------------------|-------------|
| W.R. Ball | <i>[Signature]</i> | } Directors |
| R. Ball | <i>[Signature]</i> | |

PRECISION PRODUCTS HOLDINGS LIMITED

Notes to the abbreviated accounts

Year ended 31st December 1996

1. Accounting policies

The company has adopted the following principal accounting policies which should be read in conjunction with the accounts set out on pages 3 to 6.

a) Basis of accounting

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

b) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost. Provision is made for any diminution in the value of the investments if the reduction in value is expected to be permanent.

d) Group accounts

The accounts present information about Precision Products Holdings Limited as an individual undertaking and, other than as disclosed in Notes 2 and 4 not about its group, as the company is exempt from preparing group accounts for the reasons described in Note 2.

PRECISION PRODUCTS HOLDINGS LIMITED

Notes to the abbreviated accounts

Year ended 31st December 1996

2. Fixed asset investments

| | 1996 £ | 1995 £ |
|-----------------------------------------|-----------|-----------|
| Precision Products (Cumberland) Limited | 100,747 | 100,747 |
| William Ball (Castings) Limited | 25,858 | 25,858 |
| | 126,605 | 126,605 |

The above investments represent holdings of 100% of the issued ordinary share capital of each subsidiary undertaking, both of which are registered in England and Wales.

Group accounts

No group accounts have been prepared by virtue of Section 248(1) of the Companies Act 1985 which exempts the company from the requirement to prepare group accounts as the group which it heads qualifies as a small group.

The further information regarding the subsidiary undertakings which is required by Schedule 5 to the Companies Act 1985 is as follows:

| | 1996 | | 1995 | |
|----------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------|-----------------------------------------------|
| | Precision Products (Cumberland) Limited £ | William Ball (Castings) Limited £ | Precision Products (Cumberland) Limited £ | William Ball (Castings) Limited £ |
| Aggregate amount of capital and reserves at 31st December 1996 | 681,510 | 56,111 | 598,472 | 56,111 |
| Profit/(Loss) for the year ended 31st December 1996 | 83,038 | - | 177,636 | (90,265) |
| Value of investment under the equity accounting method | 681,510 | 56,111 | 598,472 | 56,111 |

PRECISION PRODUCTS HOLDINGS LIMITED

Notes to the abbreviated accounts

Year ended 31st December 1996

| | 1996 £ | 1995 £ |
|-------------------------------------|---------------|---------------|
| 3. Called up share capital | | |
| Authorised | | |
| 65,000 Ordinary £1 Shares | 65,000 | 65,000 |
| 15,000 Preferred Ordinary £1 Shares | 15,000 | 15,000 |
| | <u>80,000</u> | <u>80,000</u> |
| Allotted, called up and fully paid | | |
| 61,698 Ordinary £1 Shares | <u>61,698</u> | <u>61,698</u> |

4. Directors' interests in contracts of the company and its subsidiaries

W.R. Ball and R. Ball occupy unfurnished freehold property at "Newshield", Alston, Cumbria which is owned by Precision Products (Cumberland) Limited, in return for an annual rent of £1,300. Additions to freehold property during the year included £4,022 in respect of "Newshield".