

Company Registration No 00086564 (England and Wales)

THE PHOENIX ENGINEERING COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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THE PHOENIX ENGINEERING COMPANY LIMITED

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THE PHOENIX ENGINEERING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE PHOENIX ENGINEERING COMPANY LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 6, together with the financial statements of The Phoenix Engineering Company Limited for the year ended 30 September 2010 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 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 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 23/06/2011 we reported, as auditors of The Phoenix Engineering Company Limited, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 30 September 2010, and our report was as follows:

"We have audited the financial statements of The Phoenix Engineering Company Limited for the year ended 30 September 2010 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

THE PHOENIX ENGINEERING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE PHOENIX ENGINEERING COMPANY LIMITED (CONTINUED) UNDER SECTION 449 OF THE COMPANIES ACT 2006

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime "

Qualified opinion arising from disagreement about accounting treatment

In our opinion, the financial statements should disclose the following matter:

The company operates a defined benefit pension scheme as set out in note 12 to the financial statements.

The provisions of Financial Reporting Standard 17 Retirement Benefits require that the company's liability to fund the deficit in the pension scheme be provided in the financial statements. The directors do not consider that the annual cost of obtaining the necessary information from the Actuary in order to calculate the liability in accordance with the Financial Reporting Standard 17 Retirement Benefits is warranted, and therefore the liability at 30 September 2010 has not been provided. The last Actuarial report quantified the liability at 1 September 2008, net of deferred tax, as being £443,800. This liability has not been provided though the company is following a recovery plan expected to eliminate the 1 September 2008 deficit by 30 June 2019. In September 2009 the company paid an amount of £100,000 on account of this plan, and a further £100k has been accrued at 30 September 2010, being paid shortly afterwards.

In our opinion the company should make provision for the net £243,800 pension liability at 30 September 2010, reducing profits and net assets at 30 September 2010 by the same amount.

Except for the adjustment referred to in the paragraph above, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE PHOENIX ENGINEERING COMPANY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE PHOENIX ENGINEERING COMPANY
LIMITED (CONTINUED)
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements "



David Griffin FCA (Senior Statutory Auditor)
for and on behalf of Albert Goodman LLP
Chartered Accountants
Statutory Auditor
23rd June 2011

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

THE PHOENIX ENGINEERING COMPANY LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	2		105,353		105,991
Current assets					
Stocks		984,250		1,066,431	
Debtors		485,842		395,597	
Cash at bank and in hand		3,205,394		2,989,259	
		<u>4,675,486</u>		<u>4,451,287</u>	
Creditors amounts falling due within one year		<u>(948,288)</u>		<u>(997,317)</u>	
Net current assets			<u>3,727,198</u>		<u>3,453,970</u>
Total assets less current liabilities			<u>3,832,551</u>		<u>3,559,961</u>
Provisions for liabilities			<u>(10,995)</u>		<u>(12,089)</u>
			<u>3,821,556</u>		<u>3,547,872</u>
Capital and reserves					
Called up share capital	3		9,452		9,452
Other reserves			548		548
Profit and loss account			3,811,556		3,537,872
Shareholders' funds			<u>3,821,556</u>		<u>3,547,872</u>

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board for issue on 16 JUNE 2011

T J Jennings
Director

S C P Jennings
Director

Company Registration No 00086564

THE PHOENIX ENGINEERING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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 comprises the invoiced value of sales to customers, exclusive of VAT

Revenue is recognised when machines or parts are delivered to customers

1.4 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 less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	3 to 7 years on a straight line basis
Motor vehicles	2 to 4 years on a straight line basis

Additions to patterns, drawings and loose tools are not capitalised but are dealt with on a renewals basis

1.5 Stock and work in progress

Finished goods, stocks and work in progress are valued at the lower of cost and net realisable value. Raw materials are valued at cost, subject to an allowance for obsolescence where appropriate.

1.6 Pensions

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Warranties for Products

Provision is made for the estimated liability on all products still under warranty where the company is aware that claims will be made.

THE PHOENIX ENGINEERING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2010

2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
Cost			
At 1 October 2009	633,258	9,013	642,271
Additions	35,204	-	35,204
Disposals	(39,757)	(9,013)	(48,770)
At 30 September 2010	628,705	-	628,705
Depreciation			
At 1 October 2009	527,267	9,013	536,280
On disposals	(39,194)	(9,013)	(48,207)
Charge for the year	35,279	-	35,279
At 30 September 2010	523,352	-	523,352
Net book value			
At 30 September 2010	105,353	-	105,353
At 30 September 2009	105,991	-	105,991

3 Share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
9,452 Ordinary shares of £1 each	9,452	9,452

4 Ultimate parent company

The ultimate parent undertaking is Jennings Industries Limited, a company registered in England and Wales