

**METALOCK ENGINEERING UK LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

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**METALOCK ENGINEERING UK LIMITED**

**INDEPENDENT AUDITORS' REPORT TO METALOCK ENGINEERING UK LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of Metalock Engineering UK Limited for the year ended 31 December 2006 set out on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 2006 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 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 246 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 246 (5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions 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 sections 246 (5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.

*PKF (UK) LLP*

**PKF (UK) LLP**

Registered auditors

Birmingham, UK

15 February 2007

**METALOCK ENGINEERING UK LIMITED**

**ABBREVIATED BALANCE SHEET  
AS AT 31 DECEMBER 2006**

	Note	£	2006 £	£	2005 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	2		458,106		429,075
<b>CURRENT ASSETS</b>					
Stocks		88,226		59,747	
Debtors		1,057,004		1,135,369	
Cash at bank		499,564		774,062	
		<u>1,644,794</u>		<u>1,969,178</u>	
<b>CREDITORS:</b> amounts falling due within one year		(584,648)		(874,954)	
<b>NET CURRENT ASSETS</b>			<u>1,060,146</u>		<u>1,094,224</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,518,252</u>		<u>1,523,299</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	3		26,903		26,903
Profit and loss account			1,491,349		1,496,396
<b>SHAREHOLDERS' FUNDS</b>			<u>1,518,252</u>		<u>1,523,299</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf on 14 February 2007.



Director



Director

The notes on pages 3 to 5 form part of these financial statements.

## METALOCK ENGINEERING UK LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

##### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Turnover is recognised on completion of work contracted.

##### 1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short term leasehold property	-	4% - 12.5% straight line
Other fixed assets	-	7.5 - 33.5% straight line

Leasehold buildings are depreciated over the unexpired term remaining on the lease.

##### 1.4 Operating leases

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

##### 1.5 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a first in first out basis and includes all direct costs and an appropriate proportion of production overheads.

##### 1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# METALOCK ENGINEERING UK LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

### 1. ACCOUNTING POLICIES (continued)

#### 1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

#### 1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### 2. TANGIBLE FIXED ASSETS

	£
<b>Cost</b>	
At 1 January 2006	2,248,107
Additions	130,013
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At 31 December 2006	2,378,120
<b>Depreciation</b>	
At 1 January 2006	1,819,032
Charge for the year	100,982
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At 31 December 2006	1,920,014
<b>Net book value</b>	
At 31 December 2006	458,106
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At 31 December 2005	429,075
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### 3. SHARE CAPITAL

	2006 £	2005 £
<b>Authorised</b>		
140,000 Ordinary shares of 25p each	35,000	35,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
107,612 Ordinary shares of 25p each	26,903	26,903
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**METALOCK ENGINEERING UK LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**4. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is controlled by Metalock Engineering AB, a company incorporated in Sweden.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Midroc Holding AB, a company incorporated in Sweden. Consolidated accounts are available from P O Box 2053 - S 17402 Sundbyberg, Sweden.

In the opinion of the directors this is the company's ultimate parent company.

Midroc Holding AB is ultimately controlled by Mohammed H Al-Amoudi.