

PUMP SERVICE & ENGINEERING LIMITED

DIRECTORS:

Mrs. K. Hutton
Mr. N.J. Hutton
Mr. A.S. Hutton

SECRETARY:

Mrs. K. Hutton

REGISTERED OFFICE:

Unit 17,
Charlestown Industrial Estate,
Robinson Street,
Ashton-under-Lyne,
Lancashire.
OL6 8NS.

REGISTERED NUMBER:

00763001 - England and Wales

ANNUAL REPORT AND ACCOUNTS - 31ST AUGUST 2005

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| 1. | Report of the Directors |
| | Accounts, comprising - |
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PUMP SERVICE & ENGINEERING LIMITED

DIRECTORS' REPORT

The directors submit their report and the company accounts for the year ended 31st August 2005.

Principle activity

The principle activity of the company is the sale, repair and servicing of pumps.

Dividend

The directors do not recommend the payment of a dividend in respect of the year ended 31st August 2005.

Directors and their interests

The directors and their shareholdings were:-

	Number of Shares	
	At 31st August 2005	At 31st August 2004
K. Hutton	1	1
N.J. Hutton	-	-
A.S. Hutton	-	-

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable;

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 not appropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of a fraud and other irregularities.

BY ORDER OF THE BOARD,

K Hutton

K. HUTTON

Chairman

13th March 2006

PUMP SERVICE & ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST AUGUST 2005

	<u>Notes</u>	£	2004 £
TURNOVER			
Continuing operations		448,533	372,454
Change in stocks of finished goods		5,050	179
Raw materials & consumables		<u>237,278</u>	<u>187,671</u>
		242,328	187,850
GROSS PROFIT		206,205	184,604
Staff Costs	7	135,953	106,191
Other external charges		54,327	49,133
Bad Debts		-	9,103
Depreciation		4,658	9,183
Loss on sale of motor vehicle		<u>3,186</u>	<u>869</u>
OTHER OPERATING COSTS		198,124	174,479
OPERATING PROFIT			
Continuing operations		8,081	10,125
Interest payable	8	(2,542)	(2,745)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	9	5,539	7,380
Taxation		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		5,539	7,380
Accumulated profits brought forward		15,534	8,154
ACCUMULATED PROFIT CARRIED FORWARD		£ 21,073	£ 15,534

The notes on pages 4 to 6 form part of these accounts.

PUMP SERVICE & ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST AUGUST 2005

	<u>Notes</u>	£	2004 £
<u>FIXED ASSETS</u>			
Tangible Assets	2	10,594	<u>27,552</u>
<u>CURRENT ASSETS</u>			
Stocks	3	24,350	29,400
Debtors	4	42,135	83,604
Cash at bank		<u>7,033</u>	<u>-</u>
		73,518	113,004
CREDITORS: amounts falling due within one year	5	<u>(53,162)</u>	<u>(98,792)</u>
NET CURRENT ASSETS		<u>20,356</u>	<u>14,212</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		30,950	41,764
CREDITORS: amounts falling due after more than one year	5	<u>(8,877)</u>	<u>(25,230)</u>
NET ASSETS		<u>£22,073</u>	<u>£ 16,534</u>
<u>CAPITAL AND RESERVES</u>			
Called-up Share Capital		1,000	1,000
Profit and Loss Account		<u>21,073</u>	<u>15,534</u>
		<u>£22,073</u>	<u>£16,534</u>

The directors' statements required by Section 249B(4) are shown on the following page, which forms part of this balance sheet.

PUMP SERVICE & ENGINEERING LIMITED

BALANCE SHEET (Continued)

STATEMENT BY THE DIRECTORS IN ACCORDANCE WITH
THE COMPANIES ACT 1985 (AUDIT EXEMPTION)
REGULATIONS 1994

The directors state:

- (a) for the year in question the company was entitled to the exemption conferred by subsection (1) of section 249A.
- (b) no notice has been deposited under subsection (2) of section 249B in relation to its accounts for the financial year.
- (c) that the directors acknowledge their responsibilities for -
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

K. Hutton

K. HUTTON
Director

13th March 2006

PUMP SERVICE & ENGINEERING LIMITED

NOTES TO THE ACCOUNTS

31ST AUGUST 2005

1. ACCOUNTING POLICIES

The accounting policies followed in dealing with the items considered material in relation to the company's accounts are:

Basis of accounting

The accounts have been prepared under the Historical Cost Convention.

Depreciation

Fixed Assets are shown at cost less accumulated depreciation. Depreciation has been calculated to write off the cost over their estimated lives at the following rates, using the reducing balance method.

Motor Vehicles	-	25%
Plant & Machinery	-	20%
Office Equipment	-	20%

Stocks

Stocks are valued at the lower of cost or net realisable value.

2. TANGIBLE FIXED ASSETS

	Plant, Equipment & Vehicles £
COST	
At 1st September 2004	46,063
Cost of disposals	(16,400)
Cost at 31st August 2005	£29,663
DEPRECIATION	
At 1st September 2004	18,511
Depreciation on Sales	(4,100)
Depreciation for the year	4,658
Accumulated Depreciation at 31st August 2005	£19,069
NET BOOK VALUE at 31st August 2005	£10,594
NET BOOK VALUE at 31st August 2004	£27,552

3. STOCKS

	2005	2004
Work-in-Progress	750	750
Finished Goods	23,600	28,650
	£24,350	£29,400

4. DEBTORS

Trade Debtors	£42,135	£83,604
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PUMP SERVICE & ENGINEERING LIMITED

NOTES TO THE ACCOUNTS (Continued)

31ST AUGUST 2005

5. CREDITORS

Amounts falling due within one year:

Bank overdraft	-	9,368
Trade Creditors	47,488	75,071
Amount due on hire purchase	1,924	10,603
Accruals	3,750	3,750
	<u>£53,162</u>	<u>£98,792</u>

Amounts falling due after more than one year:

Loan Account	8,877	14,877
Amount due on hire purchase	-	10,353
	<u>£ 8,877</u>	<u>£25,230</u>

6. CALLED-UP SHARE CAPITAL

Authorised		
1,000 Ordinary Shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
Issued & Fully paid		
1,000 Ordinary Shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>

7. STAFF COSTS

Wages & Salaries	122,843	96,398
Social Security Costs	12,610	9,293
Pension Fund Contributions	500	500
	<u>£135,953</u>	<u>£106,191</u>

The average weekly number of persons employed by the company during the year was as follows:-

Office & Management	<u>2</u>	<u>2</u>
Production & Sales	<u>3</u>	<u>3</u>

8. INTEREST PAYABLE

On loans repayable within five years:

Pension Fund Loan Interest	-	-
Bank Interest	147	259
Hire Purchase Interest	2,395	2,486
	<u>£2,542</u>	<u>£2,745</u>

Contd.

PUMP SERVICE & ENGINEERING LIMITED

NOTES TO THE ACCOUNTS (Continued)

31ST AUGUST 2005

	£	2004 £
9. <u>PROFIT ON ORDINARY ACTIVITY</u>		
The profit is stated after charging:		
Directors' Remuneration:		
Salaries	91,838	75,787
Pension Fund Contributions	500	500
	<u>£92,338</u>	<u>£76,287</u>
10. <u>CAPITAL COMMITMENTS</u>		
At 31st August 2005 the company had no capital commitments. (2004: Nil).		
11. <u>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</u>		
Profit for the financial year	<u>5,539</u>	<u>7,380</u>
Total recognised gains and losses for the financial year	<u>£5,539</u>	<u>£7,380</u>
12. <u>RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS</u>		
Profit for the financial year	5,539	7,380
Shareholders' Funds at 31st August 2004	<u>15,534</u>	<u>8,154</u>
Shareholders' Funds at 31st August 2005	<u>£21,073</u>	<u>£15,534</u>