

Stratford Tools Limited

FINANCIAL STATEMENTS

for the year ended

31 July 2008

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COMPANIES HOUSE

Company Registration No. 877272

Stratford Tools Limited

DIRECTORS AND OFFICERS

DIRECTORS

G Cooke

P Cooke

SECRETARY

P Cooke

COMPANY NUMBER

877272 (England and Wales)

REGISTERED OFFICE

No. 1 Top Angel

Buckingham

Bucks

MK18 1TH

AUDITORS

Baker Tilly UK Audit LLP

446 Midsummer Boulevard

Milton Keynes

Bucks

MK9 2EA

BUSINESS ADDRESS

No. 1 Top Angel

Buckingham

Bucks

MK18 1TH

BANKERS

The Royal Bank of Scotland

Milton Keynes Branch

Milton Keynes

MK9 3LF

SOLICITORS

Taylor Walton

Charter Court

Hemel Hempstead

HP2 5GF

Stratford Tools Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Stratford Tools Limited for the year ended 31 July 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of precision sheet metal working.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The profit after taxation was £177,051. The directors believe that the company is in a good position to continue trading successfully in spite of the economic slowdown. The company welcomes Colin James, in the position of Business Development Manager, to expand and develop its customer base.

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The company's principal financial instruments comprise of bank loans and hire purchase agreements, together with various items such as trade debtors and creditors. The main purpose of these instruments is to provide finance for the company's operations.

There are limited risks arising to the company as a result of these instruments and the directors agree policies for the management of these risks, which are summarised below.

a) Credit Risk

The company seeks to minimise any credit risk by dealing only with established or financially sound clients. It also establishes clear contractual relationships and identifies any credit issues in a timely manner.

b) Liquidity risk

The group seeks to manage and minimise financial risk by ensuring that sufficient liquidity is available at all times to meet foreseeable needs and by investing cash assets safely and profitably.

c) Interest rate risk

The interest charges on the company's bank loans are fixed thereby giving certainty over the interest payable on the finance used to acquire the company's assets.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £177,051.

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The following directors have held office since 1 August 2007:

G Cooke

P Cooke

In accordance with the company's Articles of Association, Mr G Cooke retires by rotation and, being eligible, offers himself for re-election.

Stratford Tools Limited

DIRECTORS' REPORT (CONTINUED)

AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board

G Cooke
Director

9/12/2008

Stratford Tools Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRATFORD TOOLS LIMITED

We have audited the financial statements on pages 6 to 19.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you, if in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements with

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give 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 information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
446 Midsummer Boulevard
Milton Keynes
Bucks
MK9 2EA

Baker Tilly UK Audit LLP

11th December 2008.

Stratford Tools Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 July 2008

	<i>Notes</i>	2008 £	2007 £
TURNOVER	1	3,911,450	4,024,880
Cost of sales		3,214,754	3,174,279
Gross profit		696,696	850,601
Other operating expenses	2	653,234	611,212
OPERATING PROFIT		43,462	239,389
Investment income	3	2,256	5,829
		45,718	245,218
Interest payable	4	46,412	49,360
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(694)	195,858
Taxation	7	(177,745)	14,604
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		177,051	181,254

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Stratford Tools Limited

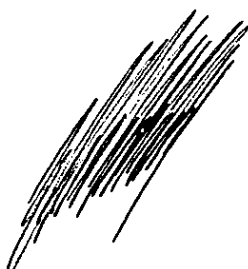
BALANCE SHEET

31 July 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	9	<u>2,880,018</u>	<u>3,131,287</u>
CURRENT ASSETS			
Stocks	10	201,053	209,653
Debtors	11	693,060	764,070
Cash at bank and in hand		<u>29,710</u>	<u>196</u>
		923,823	973,919
CREDITORS: Amounts falling due within one year	12	<u>838,912</u>	<u>976,183</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>84,911</u>	<u>(2,264)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,964,929	3,129,023
CREDITORS: Amounts falling due after more than one year	13	(356,327)	(504,708)
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(116,225)</u>	<u>(308,989)</u>
		<u>2,492,377</u>	<u>2,315,326</u>
CAPITAL AND RESERVES			
Called up share capital	15	12,400	12,400
Profit and loss account	16	<u>2,479,977</u>	<u>2,302,926</u>
SHAREHOLDERS' FUNDS	17	<u>2,492,377</u>	<u>2,315,326</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 9-12-2008 and are signed on its behalf by:

G Cooke



Director

Stratford Tools Limited

CASH FLOW STATEMENT

for the year ended 31 July 2008

	<i>Notes</i>	2008 £	2007 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	372,643	502,164
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,256	5,829
Interest paid		(25,226)	(39,427)
Interest element of finance lease rentals		(21,186)	(9,933)
Net cash outflow for returns on investments and servicing of finance		(44,156)	(43,531)
TAXATION		(1,907)	(145,823)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(4,070)	(493,588)
Receipts from sales of tangible assets		1,639	771
Net cash outflow for capital expenditure		(2,431)	(492,817)
EQUITY DIVIDENDS PAID		-	(100,000)
Net cash inflow/(outflow) before management of liquid resources and financing		324,149	(280,007)
FINANCING			
New hire purchase contracts		-	418,585
Other new long term loans		100,000	-
Repayment of long term bank loan		(257,642)	(243,756)
Capital element of hire purchase contracts		(85,615)	(55,387)
Net cash outflow from financing		(243,257)	119,442
INCREASE/(DECREASE) IN CASH IN THE YEAR		80,892	(160,565)

Stratford Tools Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold land and buildings	over 50 years
Plant and machinery	10% - 25% per annum
Fixtures, fittings & equipment	10% - 20% per annum
Motor vehicles	25% per annum

STOCK AND WORK IN PROGRESS

Stock and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

PENSIONS CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods despatched to customers.

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008

1. TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The contributions of the various activities of the company to turnover, which are in respect of continuing activities, are set out below:

By geographical market:

	Turnover	
	2008	2007
	£	£
United Kingdom	3,806,738	3,798,075
Europe	82,694	226,805
Rest of the world	22,018	-
	<u>3,911,450</u>	<u>4,024,880</u>

2. OTHER OPERATING EXPENSES

	2008	2007
	£	£
Distribution costs	90,124	90,033
Administrative expenses	563,110	521,179
	<u>653,234</u>	<u>611,212</u>

3. INVESTMENT INCOME

	2008	2007
	£	£
Bank interest	<u>2,256</u>	<u>5,829</u>

4. INTEREST PAYABLE

	2008	2007
	£	£
On bank loans and overdrafts	3,099	2,082
On loans repayable after 5 years	21,967	37,185
Lease finance charges	21,186	9,933
Other interest	160	160
	<u>46,412</u>	<u>49,360</u>

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 July 2008

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2008	2007
	£	£
(Loss)/Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	215,650	193,373
leased assets	39,689	66,373
Profit on disposals	(1,639)	(771)
Auditors' remuneration	10,328	9,948
	<u> </u>	<u> </u>
6. EMPLOYEES		
The average monthly number of persons (including directors) employed by the company during the year was:	2008	2007
	No.	No.
Production	46	47
Sales and administration	7	7
	<u> </u>	<u> </u>
	53	54
	<u> </u>	<u> </u>
	£	£
Staff costs for the above persons:		
Wages and salaries	1,655,592	1,665,154
Social security costs	179,450	181,046
Other pension costs	41,824	35,042
	<u> </u>	<u> </u>
	1,876,866	1,881,242
	<u> </u>	<u> </u>
DIRECTORS' REMUNERATION	2008	2007
	£	£
Emoluments for qualifying services	92,582	90,086
	<u> </u>	<u> </u>

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 July 2008

7. TAXATION	2008 £	2007 £
Domestic current year tax		
U.K. corporation tax	15,019	1,907
Adjustment for prior years	-	2,165
	<u>15,019</u>	<u>4,072</u>
Current tax charge		
Deferred tax		
Deferred tax charge/(credit) current year	(192,764)	10,532
	<u>(177,745)</u>	<u>14,604</u>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	<u>(694)</u>	<u>195,858</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 20.33% (2007: 19.34%)	<u>(141)</u>	<u>37,879</u>
Effects of:		
Non deductible expenses	89	1,040
Depreciation in excess of / (less than) capital allowances	14,391	(36,757)
Adjustments to previous periods	-	2,165
Other tax adjustments	680	(255)
	<u>15,160</u>	<u>(33,807)</u>
Current tax charge	<u>15,019</u>	<u>4,072</u>
8. DIVIDENDS	2008 £	2007 £
Ordinary:		
Interim paid - Nil (2007 - £8.06)	<u>-</u>	<u>100,000</u>

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 July 2008

9. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Fixtures, Motor vehicles fittings & equipment</i>		<i>Total</i>
	£	£	£	£	£
Cost					
1 August 2007	2,540,583	3,409,780	251,476	13,500	6,215,339
Additions	-	750	3,320	-	4,070
Disposals	-	(7,340)	(13,772)	-	(21,112)
31 July 2008	2,540,583	3,403,190	241,024	13,500	6,198,297
Depreciation					
1 August 2007	406,794	2,460,336	209,609	7,313	3,084,052
Charge in the year	46,211	194,637	11,116	3,375	255,339
Disposals	-	(7,340)	(13,772)	-	(21,112)
31 July 2008	453,005	2,647,633	206,953	10,688	3,318,279
Net book value					
31 July 2008	2,087,578	755,557	34,071	2,812	2,880,018
31 July 2007	2,133,789	949,444	41,867	6,187	3,131,287

Included above are assets held under finance leases or hire purchase contracts as follows:

	<i>Plant and machinery</i>
	£
Net book value	
31 July 2008	343,040
31 July 2007	488,734

10. STOCKS AND WORK IN PROGRESS

	2008	2007
	£	£
Raw materials and consumables	72,783	58,754
Work in progress	77,714	92,091
Finished goods and goods for resale	50,556	58,808
	201,053	209,653

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 July 2008

11. DEBTORS	2008	2007
	£	£
Due within one year:		
Trade debtors	612,242	693,898
Other debtors	889	3,431
Prepayments and accrued income	79,929	66,741
	<u>693,060</u>	<u>764,070</u>
12. CREDITORS: Amounts falling due within one year	2008	2007
	£	£
Bank overdraft	-	51,378
Bank loans	161,871	256,381
Obligations under finance lease and hire purchase contracts	84,255	84,621
Trade creditors	342,520	345,728
Corporation tax	15,019	1,907
Other taxes and social security costs	142,673	154,058
Other creditors	92,574	82,110
	<u>838,912</u>	<u>976,183</u>
Debt due in one year or less	<u>161,871</u>	<u>256,381</u>

The bank loans are secured on the freehold land and building. Interest is charged on this loan at a rate of 7.5% pa and is due for repayment in 2010. The company will have repaid these loans in full by April 2009.

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 July 2008

13. CREDITORS: Amounts falling due in more than one year	2008 £	2007 £
Bank loans	28,302	191,434
Loan from director	100,000	-
Obligations under finance leases and hire purchase agreements	228,025	313,274
	<u>356,327</u>	<u>504,708</u>
Loans		
Wholly repayable within five years	290,173	447,815
Included in current liabilities	(161,871)	(256,381)
	<u>128,302</u>	<u>191,434</u>
Loan maturity analysis:		
In more than one year but not more than two years	28,302	166,516
In more than two years but not more than five years	-	24,918

The bank loans are secured on the freehold land and building.

	2008 £	2007 £
Obligations under finance leases and hire purchase contracts:		
Repayable within one year	84,255	84,621
Repayable between two and five years	228,025	313,274
	<u>312,280</u>	<u>397,895</u>
	312,280	397,895
Included in current liabilities	(84,255)	(84,621)
	<u>228,025</u>	<u>313,274</u>

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 July 2008

14. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
Balance at 1 August 2007	308,989
Transfer to profit and loss account	(192,764)
Balance at 31 July 2008	<u>116,225</u>

Deferred taxation provided in the financial statements is as follows:

	2008 £	2007 £
Excess of tax allowances over depreciation	<u>116,225</u>	<u>308,989</u>

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets. This tax will become payable if the replacement assets are sold and further similar relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £87,295. The transfer to the profit and loss account in the year is substantially due to the phasing out of industrial buildings allowances.

15. SHARE CAPITAL	2008 £	2007 £
Authorised:		
15,000 Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>
Allotted, issued and fully paid:		
12,400 Ordinary shares of £1 each	<u>12,400</u>	<u>12,400</u>

16. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account £</i>
1 August 2007	2,302,926
Retained profit for the year	177,051
31 July 2008	<u>2,479,977</u>

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 July 2008

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2008 £	2007 £
Profit for the financial year	177,051	181,254
Dividends	-	(100,000)
Net addition to shareholders' funds	177,051	81,254
Opening shareholders' funds	2,315,326	2,234,072
Closing shareholders' funds	2,492,377	2,315,326

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 July 2008

18. CASH FLOWS		2008	2007	
		£	£	
a. Reconciliation of operating profit to net cash inflow from operating activities				
Operating profit		43,462	239,389	
Depreciation of tangible assets		255,339	259,746	
Profit on disposal of tangible assets		(1,639)	(771)	
Decrease/(increase) in stocks		8,600	(11,955)	
Decrease in debtors		71,010	75,485	
Decrease in creditors within one year		(4,129)	(59,730)	
Net cash inflow from operating activities		<u>372,643</u>	<u>502,164</u>	
b. Analysis of net debt	1 August 2007	Cash flow	Other non-cash changes	31 July 2008
	£	£	£	£
Net cash:				
Cash at bank and in hand	196	29,514	-	29,710
Bank overdrafts	(51,378)	51,378	-	-
	<u>(51,182)</u>	<u>80,892</u>	<u>-</u>	<u>29,710</u>
Debt:				
Finance leases	(397,895)	85,615	-	(312,280)
Debts falling due within one year	(256,381)	94,510	-	(161,871)
Debts falling due after one year	(191,434)	63,132	-	(128,302)
	<u>(845,710)</u>	<u>243,257</u>	<u>-</u>	<u>(602,453)</u>
Net debt	<u>(896,892)</u>	<u>324,149</u>	<u>-</u>	<u>(572,743)</u>
c. Reconciliation of net cash flow to movement in net debt		2008	2007	
		£	£	
Increase/(decrease) in cash in the year		80,892	(160,565)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		243,257	(119,442)	
Movement in net debt in the year		<u>324,149</u>	<u>(280,007)</u>	
Opening net debt		(896,892)	(616,885)	
Closing net debt		<u>(572,743)</u>	<u>(896,892)</u>	
19. CAPITAL COMMITMENTS		2008	2007	
		£	£	
Capital expenditure contracted for but not provided in the financial statements		33,120	-	

Stratford Tools Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 July 2008

20. PENSION COMMITMENTS

DEFINED CONTRIBUTION

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. At the year end the company had outstanding contributions amounting to £5,655 (2007 £2,309).

	2008 £	2007 £
Contributions payable by the company for the year	<u>41,824</u>	<u>35,042</u>

21. CONTROL

At 31 July 2008 the company was controlled by G Cooke.

22. RELATED PARTY TRANSACTIONS

During the year G Cooke, a director, loaned the company £100,000 (2007 £ Nil). He has agreed not to request repayment within twelve months, and not to charge interest. At 31 July 2008 £100,000 (2007 £ Nil) was outstanding and is included in Creditors falling due in more than one year. (Note 13)