

CHEVRON AEROSTRUCTURES LIMITED

Report and Financial Statements

31 March 2007

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CHEVRON AEROSTRUCTURES LIMITED

REPORT AND FINANCIAL STATEMENTS

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CHEVRON AEROSTRUCTURES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2007

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 264(4) of the Companies Act 1985

ACTIVITIES

The principal activity of the company is as the holder of a lease to a property occupied by a fellow subsidiary undertaking

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the year and the and the financial position at the year ended are considered to be satisfactory It is anticipated that similar results will occur in the future

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 4

The directors do not recommend the payment of a dividend (2006 £Nil)

DIRECTORS

The directors who served during the year were as follows

S C Barrett

M Donegan

W D Larson

G A Hawkes

R A Cooke

S R Hagel

M R Roskopf

CHEVRON AEROSTRUCTURES LIMITED

DIRECTORS' REPORT

DIRECTORS' STATEMENT OF RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year 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 the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 which 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.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP were appointed during the year and have expressed their willingness to continue in office as auditors of the company. A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S C BARRETT

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEVRON AEROSTRUCTURES LIMITED

We have audited the financial statements of Chevron Aerostructures Limited for the year ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 within it.

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 judgments 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 March 2007 and of its profit for the year then ended,
- the financial statements 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.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Nottingham, United Kingdom

36th January 2008

CHEVRON AEROSTRUCTURES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2007

	Note	2007 £'000	2006 £'000
TURNOVER	2	688	671
GROSS PROFIT		688	671
Other operating expenses (net)		(659)	(27)
OPERATING PROFIT	4	29	644
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29	644
Tax on profit on ordinary activities	5	(9)	(151)
PROFIT FOR THE FINANCIAL YEAR	11	20	493

All amounts relate to continuing operations

There are no recognised gains or losses other than the profits for the current year and prior year and therefore, no statement of total recognised gains and losses is presented

CHEVRON AEROSTRUCTURES LIMITED

BALANCE SHEET 31 March 2007

	Note	2007 £'000	2006 £'000
CURRENT ASSETS			
Debtors due within one year	6	<u>8,276</u>	<u>8,470</u>
CREDITORS: amounts falling due within one year	7	<u>(235)</u>	<u>(419)</u>
NET CURRENT ASSETS		<u>8,041</u>	<u>8,051</u>
CREDITORS: amounts falling due after more than one year	8	<u>(80)</u>	<u>(110)</u>
NET ASSETS		<u>7,961</u>	<u>7,941</u>
CAPITAL AND RESERVES			
Called up share capital	9	6,190	6,190
Share premium account	10	200	200
Profit and loss account	11	<u>1,571</u>	<u>1,551</u>
SHAREHOLDERS' FUNDS	11	<u>7,961</u>	<u>7,941</u>

These financial statements were approved by the Board of Directors on 29 January 2008
Signed on behalf of the Board of Directors


S C BARRETT

Director

CHEVRON AEROSTRUCTURES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Operating lease income

Operating lease income is accounted for on a straight line basis with any rental increases recognised during the period to which they relate.

Cash flow statement

The company is a wholly owned subsidiary of Precision Castparts Corporation and the cash flows of the company are included in the consolidated cash flows of Precision Castparts Corporation. Consequently, the company is exempt under the terms of FRS1 (revised) from preparing a cash flow statement.

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. TURNOVER

Turnover in the current and previous year relates to property rental income received from a fellow subsidiary.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments

None of the directors received or waived any emoluments for their services to the company in the current year and prior year.

There were no employees during the year (2006: none).

CHEVRON AEROSTRUCTURES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)	2007 £'000	2006 £'000
Operating leases		
Land and buildings	685	671
Amortisation of a reserve lease premium	(29)	(644)

Remuneration of the company's auditors of £2,000 (2006 £2,000 payable to PricewaterhouseCoopers LLP) is borne by a fellow subsidiary undertaking and was not recharged to the company

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £'000	2006 £'000
Current tax		
United Kingdom corporation tax at 30% (2006 30%) based on the profit for the year	9	193
Adjustment in respect of previous periods	-	(42)
Tax on profit on ordinary activities	<u>9</u>	<u>151</u>
 Profit on activities before taxation	 29	 644
 Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 30% (2006 30%)	 9	 193
Adjustments to tax in respect of previous periods	-	(42)
Total current tax	<u>9</u>	<u>151</u>

Post Balance Sheet Event

In March 2007 the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008. This legislation was substantively enacted on 26 June 2007. The effective tax rate for the period to 31 March 2008 will reduce accordingly.

CHEVRON AEROSTRUCTURES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

6 DEBTORS: DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Amounts owed by group undertakings	8,276	8,470

During 2007, amounts owed by group undertakings have been included within amounts due within one year and the 2006 comparatives have been reclassified into the same category to reflect the due date of the debt. The effect on the 2006 comparatives has been to reclassify £8.3m from amounts due after more than one year into amounts due within one year.

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Corporation tax	9	193
Trade creditors	197	197
Accruals and deferred income	29	29
	235	419

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £'000	2006 £'000
Accruals and deferred income	80	110

Accruals and deferred income falling due after more than one year relate to a reverse lease premium and will be released at a rate of £29,000 per annum.

CHEVRON AEROSTRUCTURES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

9. CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised		
6,020,000 ordinary shares of £1 each	6,020	6,020
170,000 deferred shares of £1 each	170	170
	<u>6,190</u>	<u>6,190</u>
Called up, allotted and fully paid - equity		
6,020,000 ordinary shares of £1 each	6,020	6,020
170,000 deferred shares of £1 each	170	170
	<u>6,190</u>	<u>6,190</u>

The deferred shares carry no voting rights and only carry an entitlement to a distribution of assets on a winding up of the company after a distribution of the sum of £10 million to ordinary shareholders

10. RESERVES

	Share premium £'000	Profit and loss account £'000
At 1 April 2006	200	1,551
Profit for the financial year	-	20
	<u>200</u>	<u>1,571</u>
At 31 March 2007		

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £'000	2006 £'000
Profit for the financial year	20	493
Opening shareholders' funds	<u>7,941</u>	<u>7,448</u>
Closing shareholders' funds	<u>7,961</u>	<u>7,941</u>

12. CONTINGENT LIABILITIES

The company has entered into cross guarantees in respect of the bank loans and overdrafts of itself and all other SPS Technologies Limited companies. The bank loans and overdrafts of the companies amounted to £Nil at 31 March 2007 (2006 £Nil)

13. RELATED PARTY TRANSACTIONS

Related party transactions with other group companies are not disclosed under the exemption in FRS8 for subsidiaries at least 90% owned by their ultimate parent company. There were no other related party transactions.

CHEVRON AEROSTRUCTURES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

14. FINANCIAL COMMITMENTS

At 31 March 2007, the company had annual commitments under non-cancellable operating leases as follows

	2007 £'000	2006 £'000
Land and buildings Expiring over five years	685	671
	<u>685</u>	<u>671</u>

15. ULTIMATE AND IMMEDIATE PARENT COMPANIES

The directors regard Precision Castparts Corporation (PCC), a company incorporated in the Commonwealth of Oregon in the United States of America, as the ultimate parent company and controlling party. Copies of the financial statements of Precision Castparts Corporation, can be obtained from The Corporate Secretary's Office, 2650 S W Macadam Avenue, Suite 440, Portland, OR 97239, USA

The parent undertaking of the smallest group to consolidate these financial statements is SPS Technologies Limited. Copies of the financial statements of SPS Technologies Limited can be obtained from 191 Barkby Road, Troon Industrial Area, Leicester, LE4 9HX

The immediate parent company is SPS Chevron Limited