

SYDDAL ENGINEERING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2010

WEDNESDAY



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SYDDAL ENGINEERING LIMITED

COMPANY INFORMATION

Directors	A Holmes M B Bedford
Company number	00945993
Registered office	111 Leigh Street Sheffield South Yorkshire S9 2PR
Auditors	PKF (UK) LLP Regent House Clinton Avenue Nottingham NG5 1AZ

SYDDAL ENGINEERING LIMITED

CONTENTS

	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

SYDDAL ENGINEERING LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JULY 2010

The directors present their report and the financial statements for the period ended 31 July 2010

Principal activities

The supply of a full range of high quality pipeline products that are designed for use in the Gas, Water, Oil and Process Industries

Directors

The directors who served during the period were

A Holmes
M B Bedford

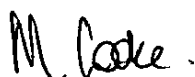
Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 13 December 2010 and signed on its behalf



M Cooke
Secretary

SYDDAL ENGINEERING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

SYDDAL ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYDDAL ENGINEERING LIMITED

We have audited the financial statements of Syddal Engineering Limited for the period ended 31 July 2010 which comprise the profit and loss account, the balance sheet, and the related notes. 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, 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.

Scope of the audit

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its loss for the period 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.

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.

SYDDAL ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYDDAL ENGINEERING LIMITED

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
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

PKF(UK) LLP

Roger Merchant (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
Nottingham, UK

15 December 2010

SYDDAL ENGINEERING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2010**

	Note	10 months ended 31 July 2010 £	Year ended 30 September 2009 £
TURNOVER	1	683,825	852,857
Cost of sales		<u>(445,930)</u>	<u>(523,482)</u>
GROSS PROFIT		237,895	329,375
Administrative expenses		<u>(294,920)</u>	<u>(302,476)</u>
OPERATING (LOSS)/PROFIT	2	(57,025)	26,899
EXCEPTIONAL ITEMS			
Net profit on sale of tangible fixed assets	4	<u>-</u>	<u>178,604</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(57,025)	205,503
Interest receivable		<u>-</u>	<u>420</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(57,025)	205,923
Tax on (loss)/profit on ordinary activities	5	<u>9,389</u>	<u>9,567</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	11	<u>(47,636)</u>	<u>215,490</u>

The notes on pages 7 to 12 form part of these financial statements

SYDDAL ENGINEERING LIMITED
REGISTERED NUMBER: 00945993

BALANCE SHEET
AS AT 31 JULY 2010

	Note	£	31 July 2010 £	30 September 2009 £
FIXED ASSETS				
Tangible fixed assets	6		18,250	19,929
CURRENT ASSETS				
Stocks		216,793		185,223
Debtors	7	119,351		97,465
Cash at bank and in hand		21,925		85,960
		<u>358,069</u>		<u>368,648</u>
CREDITORS: amounts falling due within one year	8	<u>(228,959)</u>		<u>(193,592)</u>
NET CURRENT ASSETS			129,110	175,056
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>147,360</u>	<u>194,985</u>
PROVISIONS FOR LIABILITIES				
Deferred tax	9		(1,411)	(1,400)
NET ASSETS			<u>145,949</u>	<u>193,585</u>
CAPITAL AND RESERVES				
Called up share capital	10		2,600	2,600
Capital redemption reserve	11		400	400
Profit and loss account	11		142,949	190,585
SHAREHOLDERS' FUNDS			<u>145,949</u>	<u>193,585</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



M B Bedford
Director

The notes on pages 7 to 12 form part of these financial statements

SYDDAL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

In light of the loss in the period, the directors have obtained assurance that financial support will be given by a fellow subsidiary, C B Kaymich & Co Limited as and when required, to enable the continuing of normal operations

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

Revenue is recognised when goods are dispatched

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

Plant & machinery	-	25%	reducing balance
Furniture & fittings	-	25%	reducing balance
Office equipment	-	25%	reducing balance

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.5 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

1.6 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 period

SYDDAL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2010

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	10 months ended 31 July 2010 £	Year ended 30 September 2009 £
Depreciation of tangible fixed assets - owned by the company	4,646	14,018
Auditors' remuneration	5,500	5,500
Pension costs	37,682	20,108
	<u>47,828</u>	<u>39,626</u>

3. DIRECTORS' REMUNERATION

	10 months ended 31 July 2010 £	Year ended 30 September 2009 £
Aggregate emoluments	95,000	69,669
	<u>95,000</u>	<u>69,669</u>

During the period retirement benefits were accruing to 1 director (2009 - 1) in respect of money purchase pension schemes

4. EXCEPTIONAL ITEMS

	10 months ended 31 July 2010 £	Year ended 30 September 2009 £
Profit on disposal of property	-	178,604
	<u>-</u>	<u>178,604</u>

5. TAXATION

	10 months ended 31 July 2010 £	Year ended 30 September 2009 £
Analysis of tax charge in the period/year		
Current tax		
UK corporation tax (credit)/charge on (loss)/profit for the period/year	(9,400)	9,400
Deferred tax (see note 9)		
Origination and reversal of timing differences	11	(18,967)
Tax on (loss)/profit on ordinary activities	<u>(9,389)</u>	<u>(9,567)</u>

SYDDAL ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2010**

5. TAXATION (continued)

There are tax losses of approximately £6,000 available to be carried forward against future profits of the same trade or for surrender by way of group relief without payment

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Furniture, fittings and office equipment £	Total £
Cost			
At 1 October 2009	257,456	94,237	351,693
Additions	-	2,967	2,967
	<hr/>	<hr/>	<hr/>
At 31 July 2010	257,456	97,204	354,660
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 October 2009	246,867	84,897	331,764
Charge for the period	2,206	2,440	4,646
	<hr/>	<hr/>	<hr/>
At 31 July 2010	249,073	87,337	336,410
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 July 2010	8,383	9,867	18,250
	<hr/>	<hr/>	<hr/>
At 30 September 2009	10,589	9,340	19,929
	<hr/>	<hr/>	<hr/>

7. DEBTORS

	31 July 2010 £	30 September 2009 £
Trade debtors	101,230	84,543
Other debtors	18,121	12,922
	<hr/>	<hr/>
	119,351	97,465
	<hr/>	<hr/>

SYDDAL ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2010**

8. CREDITORS
Amounts falling due within one year

	31 July 2010 £	30 September 2009 £
Trade creditors	101,783	70,304
Amounts owed to group undertakings	96,177	90,000
Corporation tax	-	9,400
Social security and other taxes	19,373	10,656
Other creditors	11,626	13,232
	<u>228,959</u>	<u>193,592</u>

9. DEFERRED TAXATION

	31 July 2010 £	30 September 2009 £
At beginning of period/year	1,400	20,367
Charge for/(released during) period/year	11	(18,967)
At end of period/year	<u>1,411</u>	<u>1,400</u>

The provision for deferred taxation is made up as follows

	31 July 2010 £	30 September 2009 £
Accelerated capital allowances	<u>1,411</u>	<u>1,400</u>

10. SHARE CAPITAL

	31 July 2010 £	30 September 2009 £
Allotted, called up and fully paid		
2,600 Ordinary shares of £1 each	<u>2,600</u>	<u>2,600</u>

11. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 October 2009	400	190,585
Loss for the period		(47,636)
At 31 July 2010	<u>400</u>	<u>142,949</u>

SYDDAL ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2010**

12. DIVIDENDS

	10 months ended 31 July 2010 £	Year ended 30 September 2009 £
Dividends paid on equity capital	-	440,000

13. CONTINGENT LIABILITIES

The company has an unlimited cross guarantee liability with its parent company, Lightbrook Enterprises (Holdings) Limited with regards to the company's overdraft facility

SYDDAL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2010

14. PENSION COMMITMENTS

The company operates a defined contributions 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 and amounted to £37,682 (2009 - £20,108). Contributions totaling £283 (2009 - £20,000) were payable to the fund at the balance sheet date and are included in creditors.

15. RELATED PARTY TRANSACTIONS

During the period, the company paid management charges of £NIL (2009 - £30,000) to Lightbrook Enterprises (Holdings) Limited, a company in which M B Bedford is a director.

At the period end the company owed Lightbrook Enterprises (Holdings) Limited £86,320 (2009 - £90,000). Repayments on the loan totalling £3,680 were made to Lightbrook Enterprises (Holdings) Limited during the period.

The company paid management charges of £6,000 (2009 - £NIL) and rent of £24,000 (2009 - £NIL) to S&J Holdings (Yorkshire) Limited, a company in which M B Bedford is a director. The amount owed at the period end to S&J Holdings (Yorkshire) Limited was £NIL (2009 - £NIL).

The company paid rent to C B Kaymich & Co Limited Executive Pension Scheme of £6,000 (2009 - £NIL). Of this £3,000 (2009 - £NIL) was owing at the period end. M B Bedford is a member of this scheme.

At the period end the company owed C B Kaymich & Co Limited, a company in which M B Bedford is a director, £6,857 (2009 - £NIL). This creditor arose following intercompany purchases from C B Kaymich & Co Limited totalling £6,857 (2009 - £NIL).

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's intermediary parent company is Lightbrook Enterprises (Holdings) Limited.

The ultimate parent company is S&J Holdings (Yorkshire) Limited, the parent company of Lightbrook Enterprises (Holdings) Limited. The ultimate controlling party is M B Bedford by virtue of his shareholding within S&J Holdings (Yorkshire) Limited.