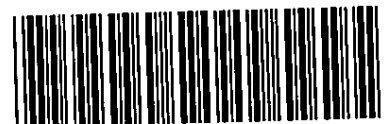


FACTORY AUTOMATION EXPERT LTD
(FORMERLY KNOWN AS S2 ENGINEERING LIMITED)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MAY 2007

TUESDAY



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COMPANIES HOUSE

Prepared By:
Rayner Whiting & Co Ltd
35 Frederick Street
Sunderland
SR1 1LN
Tel: (0191) 564 1211
Fax: (0191) 564 0363
E-Mail: raynerwhiting@aol.com

FACTORY AUTOMATION EXPERT LTD

Annual Report & Financial Statements
for the Year Ended
31st May 2007

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1	Report of the Directors
2	Profit & Loss Account
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The following does not represent part of the statutory accounts

7	Detailed Profit & Loss Account
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<u>Directors:</u>	E McHatton
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<u>Secretary:</u>	C M McHatton
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<u>Registered Office:</u>	35 Frederick Street Sunderland SR1 1LN
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<u>Co. Reg. No:</u>	3790528
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<u>Accountants</u>	Rayner Whiting & Co Ltd 35 Frederick Street Sunderland SR1 1LN
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FACTORY AUTOMATION EXPERT LTD

Report of the Directors for the Year Ended 31st May 2007

The Directors present their report together with the financial statements for the year ended 31st May 2007

Principal Activities

The principal activity of the company is that of trade repairs in the manufacturing sector

Directors' Interests in Shares of the Company

The Directors as at 31st May 2007 and their interests in the shares of the company were as follows

	<u>Number of Ordinary Shares of £1 each</u>	
	<u>2007</u>	<u>2006</u>
E McHatton	<u>-</u>	<u>-</u>

Statement of Directors' Responsibilities

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 and of the profit of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements 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 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.

Accountants

Rayner Whiting & Co have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000)

This report was approved by the board on 3rd March 2008 and signed on its behalf



C M McHatton
Secretary

FACTORY AUTOMATION EXPERT LTD

Profit & Loss Account
for the Year Ended
31st May 2007

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
Turnover		117656	179034
Cost of Sales		<u>75956</u>	<u>107254</u>
Gross Profit		41700	71780
Administrative Expenses		<u>32826</u>	<u>61564</u>
Operating Profit		8874	10216
Interest Receivable		9	35
Interest Payable and Similar Charges		<u>903</u>	<u>4360</u>
Profit on Activities before Taxation	2	7980	5891
Taxation on Profit on Ordinary Activities	3	<u>1495</u>	<u>230</u>
Profit on Activities after Taxation		6485	5661
Dividends	4	<u>10000</u>	<u>5000</u>
Retained Profit for the Year		(3515)	661
Retained Profit Brought Forward		<u>16185</u>	<u>15524</u>
Retained Profit Carried Forward		£ <u><u>12670</u></u>	£ <u><u>16185</u></u>

The notes on Pages 4 to 6 form part of these Financial Statements

FACTORY AUTOMATION EXPERT LTD

Balance Sheet as at 31st May 2007

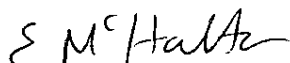
	<u>Notes</u>	<u>2007</u>	<u>2006</u>
		£	£
<u>Fixed Assets</u>			
Tangible Assets	5	27682	16324
<u>Current Assets</u>			
Stock & Work in Progress		4500	9200
Debtors	6	29909	23977
Cash at Bank & in Hand		-	-
		34409	33177
<u>Creditors: Amounts falling due within 1 year</u>	7	<u>(49321)</u>	<u>(33216)</u>
<u>Net Current Assets / (Liabilities)</u>		<u>(14912)</u>	<u>(39)</u>
<u>Net Assets / (Liabilities)</u>		<u>£ 12770</u>	<u>£ 16285</u>
<u>Capital & Reserves</u>			
Called up Share Capital	8	100	100
Profit & Loss Account		12670	16185
<u>Shareholders' Funds</u>		<u>£ 12770</u>	<u>£ 16285</u>

For the year ended 31st May 2007, the Company was entitled to exemption under section 249A (1) of the Companies Act 1985

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2)

- i) The directors acknowledge their responsibility for
Ensuring the company keeps accounting records which comply with section 221, and
ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the board on 3rd March 2008 and signed on its behalf



E McHatton
Director

FACTORY AUTOMATION EXPERT LTD

Notes forming part of the Financial Statements **for the Year Ended** **31st May 2007**

1. Principal Accounting Policies

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Basis of preparation of accounts

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Tangible Fixed Assets

Tangible fixed assets are stated at cost.

Depreciation is charged on a reducing balance basis at the following rates per annum:

Motor Vehicles	- 25%
Plant and equipment	- 25%
Fixtures and Fittings	- 25%

The above rates are calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives.

Finance leases, operating leases and hire purchase agreements

Costs in respect of operating leases are charged on a straight line basis over the lease term. Where fixed assets are financed by leasing or hire purchase agreements, which transfer to the company substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets. The capital element of the leasing or hire purchase commitments is shown as obligations under finance leases or hire purchase agreements. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases or hire purchase agreements are depreciated over the useful lives of equivalent owned assets.

Turnover

Turnover represents the value of goods and services sold during the year exclusive of value added tax.

Deferred taxation

Deferred taxation is accounted for using the liability method on all material timing differences.

FACTORY AUTOMATION EXPERT LTD

Notes forming part of the Financial Statements (cont) for the Year Ended 31st May 2007

						<u>2007</u>	<u>2006</u>
						£	£
2. <u>Operating Profit</u>							
The operating profit is stated after charging -							
Depreciation of Tangible Assets						3476	4635
Directors' remuneration						<u>2495</u>	<u>4800</u>
3. <u>Taxation</u>							
United Kingdom corporation tax						<u>1495</u>	<u>230</u>
4. <u>Dividends</u>							
Dividends Paid						<u>10000</u>	<u>5000</u>
5. <u>Tangible Fixed Assets</u>	<u>Improvements</u>	<u>Motor</u>	<u>Plant &</u>	<u>Fixtures &</u>			
	<u>to Property</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Fittings</u>	<u>Total</u>		
	£	£	£	£	£		
<u>Cost</u>							
At 1st June 2006	2420	14610	11760	5932	34722		
Additions	17254	-	-	-	17254		
Disposals	<u>(2420)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2420)</u>		
	<u>17254</u>	<u>14610</u>	<u>11760</u>	<u>5932</u>	<u>49556</u>		
<u>Depreciation</u>							
At 1st June 2006	-	5479	9644	3275	18398		
Charge for the Year	-	2283	529	664	3476		
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
	<u>-</u>	<u>7762</u>	<u>10173</u>	<u>3939</u>	<u>21874</u>		
<u>Net Book Value</u>							
At 31st May 2007	<u>17254</u>	<u>6848</u>	<u>1587</u>	<u>1993</u>	<u>27682</u>		
At 31st May 2006	<u>2420</u>	<u>9131</u>	<u>2116</u>	<u>2657</u>	<u>16324</u>		
						<u>2007</u>	<u>2006</u>
6. <u>Debtors: amounts falling due within one year</u>						£	£
Trade Debtors						29140	23977
Other Debtors						<u>769</u>	<u>-</u>
						£ 29909	£ 23977

FACTORY AUTOMATION EXPERT LTD

Notes forming part of the Financial Statements (cont.) for the Year Ended 31st May 2007

7. Creditors: falling due within 1 year	<u>2007</u> £	<u>2006</u> £
Bank Overdraft	9865	2960
Net Obligations Under Hire Purchase Contracts	3946	7270
Trade Creditors	3767	11481
Corporation Tax	1495	230
Other Taxation and Social Security	2702	2373
Loan Account	5000	7500
Dividends Payable	10000	-
Directors Loan Account	8836	52
Other Creditors	3710	1350
	<u>£ 49321</u>	<u>£ 33216</u>

8. Called up Share Capital

Authorised

100 ordinary shares of £1 each	£ <u>100</u>	£ <u>100</u>
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Allotted, called up and fully paid

100 ordinary shares of £1 each	£ <u>100</u>	£ <u>100</u>
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9. Capital and other Commitments

Capital expenditure authorised and contracted for	£ <u>-</u>	£ <u>-</u>
Capital expenditure authorised by the directors but not yet contracted for	£ <u>-</u>	£ <u>-</u>

10. Controlling Parties

The company is controlled by S J McHatton by virtue of his ownership of 100% of the issued ordinary share capital in the company

11. Change of Company Name

A Company Change of Name Resolution was passed on 13th August 2007 The Company was formerly known as S2 Engineering Ltd

FACTORY AUTOMATION EXPERT LTD

Trading & Profit & Loss Account for the Year Ended 31st May 2007

	<u>2007</u>		<u>2006</u>	
<u>Turnover</u>	£	£	£	£
Sales		117656		177719
<u>Cost of Sales</u>				
Opening Stock	9200		12500	
Purchase of Materials	67245		82584	
Purchase of Components	4011		20530	
Sub Contractors	-		840	
	<u>80456</u>		<u>116454</u>	
Closing Stock & Work in Progress	(4500)	75956	(9200)	107254
<u>Gross Profit</u>	35.4%	41700	39.6%	70465
<u>Administrative Expenses</u>				
Accountancy Fees	1360		1250	
Directors Salary & NIC	2495		4800	
Wages & Salaries	8503		22434	
Rent & Rates	2475		6423	
Light, Heat & Power	50		286	
Insurances & Licences	3047		4563	
Telephones & Fax	1631		1776	
Postage, Stationery & Advertising	211		649	
Motor Running Expenses	4178		4488	
Travelling Expenses	455		803	
Bank Charges	567		572	
Legal & Professional Fees	937		-	
Management Charges & Consultancy Fees	914		906	
Pension Contributions	161		322	
Sundry Expenses	96		261	
Fines & Penalties	100		100	
Bad Debts Written Off	-		6016	
Lease Disposal Costs	2420		1530	
Depreciation	<u>3476</u>	<u>33076</u>	<u>4635</u>	<u>61814</u>
		8624		8651
<u>Interest Payable</u>				
Bank Interest Paid	370		390	
Hire Purchase Interest Paid	<u>533</u>	<u>903</u>	<u>3970</u>	<u>4360</u>
		7721		4291
<u>Other Income</u>				
Bank Interest Receivable	9		35	
Online Filing Incentive	250		250	
Grants Received	<u>-</u>	<u>259</u>	<u>1315</u>	<u>1600</u>
<u>Net Profit / (Loss) for the Period</u>		<u>£ 7980</u>		<u>£ 5891</u>