

CNC MACHINE TOOLS LIMITED

Director's Report and Financial Statements

31 December 2005

Registered Number 4088102



CNC MACHINE TOOLS LIMITED

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CNC MACHINE TOOLS LIMITED

Director's Report

The directors present their annual report with the financial statements for the year ended 31 December 2005.

Principal Activity

The principal activity of the company during the period under review was the provision of services to the engineering industry.

Business Review

The results of the company are as shown in the annexed financial statements.

Directors

The directors holding office during the period ended 31 December 2005 were:

P J Lee
E I Clapham

CNC Machine Tools Limited is a wholly owned subsidiary of RPD Eastern Limited. The beneficial interests of the directors holding office on 31 December 2005 in the issued £1 ordinary share capital of RPD Eastern Limited are shown in the accounts for that company.

On Behalf of the Board



E I Clapham
Company Director

Date 18-Sep-2006

CNC MACHINE TOOLS LIMITED

Statement of Director's Responsibilities

Company law requires directors to prepare for each financial period financial statements which give a true and fair view of the state of affairs of the company and of the profit or loss for the period. In preparing these financial statements, the directors are required to:

Select suitable accounting policies

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.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

CNC MACHINE TOOLS LIMITED
Profit and Loss Account
For the Year Ended 31 December 2005

		31/12/2005	31/12/2004
		£	£
Turnover	Note 1	1,042,775	862,782
Cost of Sales		(413,681)	(312,661)
Gross Profit		<u>629,094</u>	<u>550,121</u>
Administrative Expenses		(488,913)	(414,799)
Interest Payable and Similar Charges	3	(14,267)	(14,285)
Profit on Ordinary Activities Before Taxation		<u>125,914</u>	<u>121,037</u>
Taxation	4	(22,542)	(25,253)
Profit on Ordinary Activities After Taxation	2	<u>103,372</u>	<u>95,784</u>
Dividends		(69,400)	(62,002)
Retained Profit Carried Forward	12	<u><u>33,972</u></u>	<u><u>33,782</u></u>

The notes on pages 5 to 8 form part of these financial statements.

CNC MACHINE TOOLS LIMITED
Balance Sheet as at 31 December 2005

		31/12/2005	31/12/2004
		£	£
Fixed Assets	Note		
Intangible	5	10,080	11,520
Tangible	6	81,192	43,110
		<u>91,272</u>	<u>54,630</u>
Current Assets			
Bank		43,946	26,987
Debtors	7	318,673	318,224
Stock		2,750	2,500
		<u>365,369</u>	<u>347,711</u>
Creditors: Amounts Falling due Within One Year	8	(205,683)	(211,121)
Net Current Assets		<u>159,686</u>	<u>136,590</u>
Creditors: Amounts Falling due After One Year	9	(81,716)	(57,098)
Provisions for Liabilities and Charge	10	(6,582)	(5,464)
Total Assets less Current Liabilities		<u>162,660</u>	<u>128,658</u>
Called Up Share Capital	11	100	100
Profit and Loss Account	12	162,560	128,558
		<u>162,660</u>	<u>128,658</u>

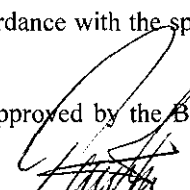
The notes on pages 5 to 8 form part of these financial statements.

In the director's opinion the company was entitled under section 249(A)1 of the Companies Act 1985 to exemption from the audit of its accounts for the period ended 31 December 2005. The directors confirm that no notice has been deposited under section 249(B)2 of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, 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.

These financial statements were approved by the Board on 18-Sep-2006 and were signed on its behalf by X


P J Lee, Director

CNC MACHINE TOOLS LIMITED

Notes to the Accounts

1) Accounting Policies

The following accounting policies have been applied consistently in dealing with items considered material in relation to the company's financial statements.

Basis of Preparation

The financial statements have been prepared under historical cost accounting rules in accordance with the Financial Reporting Standard for Smaller Entities.

Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:

Equipment	25% reducing balance per annum
Vehicles	25% reducing balance per annum
Goodwill	10% straightline per year

Taxation

The charge for taxation is based on the profit for the period and takes account, at current tax rates, material amounts of taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for material amounts of such deferred taxation only to the extent that it is probable that no actual liability will crystallise in the foreseeable future.

Leasing & Hire Purchase Commitments

Assets held under finance leases, which are those lease where substantially all the risks and rewards of ownership of an asset have passed to the company, and hire purchase contracts are recorded in the balance sheet as fixed assets. Depreciation is provided on these assets over their estimated useful lives.

Future obligations under finance leases and hire purchase contracts are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the profit and loss account as interest, and the capital element, which reduces the outstanding obligations.

Rentals paid under operating leases are charged to income on a straightline basis over the lease term.

Turnover

Turnover represents the invoiced value of goods/services provided, net of Value Added Tax, derived from the performance of the company's principal activity. In the case of ongoing maintenance contracts where advance payments are made by customers turnover includes the proportion of such payments which relates to the specific accounting period.

Cashflow Statement

Exemption has been taken from preparing a cashflow statement on the grounds that the company qualifies as a small company.

CNC MACHINE TOOLS LIMITED
Notes to the Accounts continued

2) Profit on Ordinary Activities Before Taxation

The profit on ordinary activities before taxation is stated after charging:

	2005	2004
	£	£
Director's remuneration	42,456	18,616
Goodwill amortisation	1,440	1,440
Depreciation (owned tangible fixed assets)	9,465	5,870
Depreciation (assets held under hire purchase contracts)	6,357	8,500
Loss on asset disposal	2,161	14,986
	<u>=====</u>	<u>=====</u>

3) Interest Payable and Similar Charges

Bank loans and overdrafts	4,124	3,774
Other loans	6,953	5,966
Hire purchase contracts	3,190	4,535
	<u>=====</u>	<u>=====</u>
	14,267	14,285
	<u>=====</u>	<u>=====</u>

4) Taxation

Corporation tax	- current year	21,227	23,860
	- prior year adjustment	197	(70)
Deferred tax		1,118	1,463
		<u>=====</u>	<u>=====</u>
		22,542	25,253
		<u>=====</u>	<u>=====</u>

5) Intangible Fixed Assets

	Goodwill
	£
Cost/Valuation	
At 01/01/2005 & 31/12/2005	14,400
	<u>=====</u>
Amortisation	
At 01/01/1005	2,880
Charge for period	1,440
	<u>=====</u>
At 31/12/2005	4,320
	<u>=====</u>
Net Book Value at 31 December 2005	10,080
	<u>=====</u>
Net Book Value at 31 December 2004	11,520
	<u>=====</u>

CNC MACHINE TOOLS LIMITED

Notes to the Accounts continued

6) Tangible Fixed Assets

	Equipment	Vehicles	Total
Cost	£	£	£
At 01/01/2005	22,537	44,249	66,786
Additions	26,623	56,985	83,508
Disposals	--	(37,957)	(37,957)
At 31/12/2005	49,160	63,277	112,437
Depreciation			
At 01/01/2005	11,300	12,376	23,676
Eliminated on disposal	--	(8,253)	(8,253)
Charge for year	9,465	6,357	15,822
At 31/12/2005	20,765	10,480	31,245
Net Book Value at 31 December 2005	28,395	52,797	81,192
Net Book Value at 31 December 2004	11,237	31,873	43,110

The net book value of fixed assets of £81,192 (2004 - £43,110) includes an amount of £48,015 (2004 - £25,497) in respect of assets held under hire purchase contracts.

7) Debtors: Amounts Receivable Within One Year

	2005	2004
	£	£
Trade debtors	309,772	214,349
CNC Finance Limited	--	103,875
Other debtors	8,901	--
	318,673	318,224

8) Creditors: Amounts Falling Due Within One Year

	2005	2004
	£	£
Bank overdraft	--	2,831
Bank loan	8,760	8,760
Sales financing	29,994	--
Trade creditors	83,430	92,648
RPD Eastern Limited	9,723	6,041
CNC Finance Limited	3,138	--
Corporation tax	21,227	23,860
Other taxes & social security	6,830	9,938
Other creditors	1,233	26,014
Director's loan accounts	14,398	23,215
Obligations under hire purchase contracts	12,955	7,147
Accruals & deferred income	13,995	10,667
	205,683	211,121

CNC MACHINE TOOLS LIMITED**Notes to the Accounts continued***Note 8) continued*

E Clapham & P Lee, directors of the company, have given a joint and several personal guarantee of £25,000 for the bank overdraft.

9) Creditors: Amounts Falling Due After One Year

	2005	2004
	£	£
Bank loan	35,620	34,669
Obligations under hire purchase contracts	46,096	22,429
	<u>81,716</u>	<u>57,098</u>

10) Provisions for Liabilities and Charges*Deferred Tax*

Balance brought forward at 01/01/2005	5,464
Credit for year	1,118
	<u>6,582</u>

11) Called Up Share Capital

	Authorised	Allotted	Allotted, Called Up & Fully Paid
	£	£	£
Ordinary shares of £1 each at 31/12/2004 & 2005	100	100	100

12) Reserves

	£
Balance brought forward at 01/01/2005	128,588
Retained profit for period	33,972
	<u>162,560</u>

13) Related Party Transactions

The ultimate parent company of CNC Machine Tools Limited is RPD Eastern Limited.