

CNC MACHINE TOOLS LIMITED
Director's Report and Financial Statements
31 December 2006
Registered Number 4088102



CNC MACHINE TOOLS LIMITED

Contents

	Page
Director's Report	1
Statement of Director's Responsibilities	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Accounts	5-8

CNC MACHINE TOOLS LIMITED

Director's Report

The directors present their annual report with the financial statements for the period ended 31 December 2006

Principal Activity

The principal activity of the company in 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

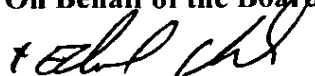
Directors

The directors holding office during the period ended 31 December 2006 were

P Lee
E Clapham

CNC Machine Tools Limited is a wholly owned subsidiary of RPD Eastern Limited. The beneficial interest of the directors holding office on 31 December 2006 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 Clapham
Company Director

Date ^{*}25-09-2007

CNC MACHINE TOOLS LIMITED

Statement of Director's Responsibilities

Company law requires directors to prepare for each financial year 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 2006

		31/12/2006	31/12/2005
		£	£
	Note		
Turnover	1	974,795	1,042,775
Cost of Sales		(336,080)	(413,681)
Gross Profit		<u>638,715</u>	<u>629,094</u>
Administrative Expenses		(548,981)	(488,913)
Interest Payable and Similar Charges	3	(23,548)	(14,267)
Profit on Ordinary Activities Before Taxation	2	<u>66,186</u>	<u>125,914</u>
Taxation	4	(16,750)	(22,542)
Profit on Ordinary Activities After Taxation		<u>49,436</u>	<u>103,372</u>
Dividends		(84,030)	(69,400)
Retained (Loss)/Profit Carried Forward	12	<u><u>(34,594)</u></u>	<u><u>33,972</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 2006

		31/12/2006		31/12/2005	
		£	£	£	£
	Note				
Fixed Assets					
Intangible	5		8,640		10,080
Tangible	6		158,950		81,192
			<u>167,590</u>		<u>91,272</u>
Current Assets					
Bank			2,487		43,946
Debtors	7		316,019		318,673
Stock			3,050		2,750
			<u>321,556</u>		<u>365,369</u>
Creditors: Amounts Falling due Within One Year	8		(272,332)		(205,683)
Net Current Assets			<u>49,224</u>		<u>159,686</u>
Creditors: Amounts Falling due After One Year	9		(84,293)		(81,716)
Provisions for Liabilities and Charges	10		(4,455)		(6,582)
Total Assets less Current Liabilities			<u>128,066</u>		<u>162,660</u>
Called Up Share Capital	11		100		100
Profit and Loss Account	12		127,966		162,560
			<u>128,066</u>		<u>162,660</u>

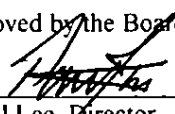
The notes on pages 5 to 8 form part of these financial statements

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 2006. 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 28-09-2007 and were signed on its behalf by


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 in accordance with applicable accounting standards and under the historical cost accounting rules

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 year
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 leases 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 sold/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

	2006	2005
	£	£
Director's remuneration	43,839	42,456
Goodwill amortisation	1,440	1,440
Depreciation (owned tangible fixed assets)	10,567	9,465
Depreciation (assets held under hire purchase contracts and finance leases)	5,892	6,357
Loss on asset disposal	5,331	2,161
	<u> </u>	<u> </u>

3) Interest Payable & Similar Charges

Bank loans and overdrafts	6,861	4,124
Other loans	8,521	6,953
Hire purchase contracts	8,166	3,190
	<u> </u>	<u> </u>
	<u>23,548</u>	<u>14,267</u>

4) Taxation

Corporation Tax - current year at 19%	18,805	21,227
- prior year adjustment	72	197
Deferred Tax	(2,127)	1,118
	<u> </u>	<u> </u>
	<u>16,750</u>	<u>22,542</u>

5) Intangible Fixed Assets

	Goodwill
	£
Cost/Valuation	
At 1/1/2006 & 31/12/2006	<u>14,400</u>
Amortisation	
At 1/1/2006	4,320
Charge for period	1,440
	<u> </u>
At 31/12/2006	<u>5,760</u>
Net Book Value at 31 December 2006	<u>8,640</u>
Net Book Value at 31 December 2005	<u>10,080</u>

CNC MACHINE TOOLS LIMITED

Notes to the Accounts continued

6) Tangible Fixed Assets

	Equipment	Vehicles	Leasehold Property	Total
Cost	£	£	£	£
At 1/1/2006	49,160	63,277	--	112,437
Additions	10,601	77,000	48,614	136,215
Disposals	--	(46,782)	--	(46,782)
At 31/12/2006	59,761	93,495	48,614	201,870
Depreciation				
At 1/1/2006	20,765	10,480	--	31,245
Eliminated on disposal	--	(4,784)	--	(4,784)
Charge for year	9,176	7,283	--	16,459
At 31/12/2006	29,941	12,979	--	42,920
Net Book Value at 31 December 2006	29,820	80,516	48,614	158,950
Net Book Value at 31 December 2005	28,395	52,797	--	81,192

The net book value of fixed assets of £158,950 (2005 - £81,192) includes an amount of £76,342 (2005 - £48,015) in respect of assets held under hire purchase contracts and finance leases

7) Debtors: Amounts Receivable Within One Year

	31/12/2006 £	31/12/2005 £
Trade debtors	270,826	309,772
Other Debtors	1,700	--
Director's current accounts	11,567	8,901
Prepayments	31,926	--
	<u>316,019</u>	<u>318,673</u>

8) Creditors: Amounts Falling Due Within One Year

	£	£
Bank overdraft	53,595	--
Bank loan	27,032	8,760
Sales financing	8,546	29,994
Trade creditors	93,550	83,430
RPD Eastern Limited	9,693	9,723
CNC Finance Limited	3,138	3,138
Corporation tax	18,805	21,227
Other taxes & Social Security	22,121	6,830
Other creditors	--	1,233
Director's Loan Account	--	14,398
Obligations under hire purchase contracts & finance leases	20,851	12,955
Accruals & deferred income	15,001	13,995
	<u>272,332</u>	<u>205,683</u>

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

	31/12/2006	31/12/2005
	£	£
Bank loan	26,459	35,620
Obligations under hire purchase contracts & finance leases	57,834	46,096
	<u>84,293</u>	<u>81,716</u>

10) Provisions for Liabilities and Charges

Deferred Tax

Balance brought forward at 1/01/2006	6,582
Credit for year	(2,127)
	<u>4,455</u>
Balance carried forward at 31/12/2006	

11) Called Up Share Capital

	Authorised	Allotted	Allotted, Called Up & Fully Paid
	£	£	£
Ordinary shares of £1 each at 31/12/2006 and 2005	100	100	100

12) Reserves

	£
Balance brought forward at 1/1/2005	162,560
Retained loss for period	(34,594)
	<u>127,966</u>
Balance carried forward at 31/12/2006	

13) Related Party Transactions

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