

CNC MACHINE TOOLS LIMITED

Director's Report and Financial Statements

31 December 2003

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 period ended 31 December 2003.

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 year ended 31 December 2003 were:

P Lee
E 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 2003 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 [^]20-10-04

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 Period Ended 31 December 2003

		31/12/2003	31/12/2002
		£	£
	Note		
Turnover	2	700,827	523,147
Cost of Sales		(291,018)	(182,302)
Gross Profit		<u>409,809</u>	<u>340,845</u>
Administrative Expenses		(336,083)	(165,838)
Interest Payable and Similar Charges		(5,286)	(448)
	5	<u> </u>	<u> </u>
Profit on Ordinary Activities Before Taxation	4	68,440	174,559
Taxation	6	(15,442)	(32,557)
Profit on Ordinary Activities After Taxation		<u>53,000</u>	<u>142,002</u>
Dividends	7	(81,560)	(67,100)
Retained (loss)/profit carried forward	15	<u>(28,562)</u> =====	<u>74,902</u> =====

There are no recognised gains or losses other than those passing through the profit and loss account.

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

CNC MACHINE TOOLS LIMITED
Balance Sheet as at 31 December 2003

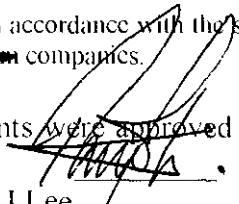
		31/12/2003	31/12/2002
		£	£
	Note		
Fixed Assets			
Intangible – Goodwill	8	12,960	14,400
Tangible	9	<u>84,003</u>	<u>8,836</u>
		96,963	23,236
Current Assets			
Bank		3,459	43,102
Debtors	10	250,370	116,230
Stock		2,500	2,500
		<u>256,329</u>	<u>161,832</u>
Creditors: Amounts Falling due Within One Year	11	(172,084)	(61,630)
Net Current Assets		<u>84,245</u>	<u>100,202</u>
Creditors: Amounts Falling due After One Year	12	(82,331)	--
Provisions for Liabilities and Charges	13	(4,001)	--
Total Assets less Current Liabilities		<u>94,876</u>	<u>123,438</u>
Called Up Share Capital	14	100	100
Profit and Loss Account	15	94,776	123,338
		<u>94,876</u>	<u>123,438</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 2003. 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 ~~medium~~ companies.

These financial statements were approved by the Board on 20.10.04 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 which are 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 annum
Goodwill	10% straightline per annum

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 an 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 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. In the case of ongoing maintenance contracts where advance payments are made by customers turnover includes the proportion of such payments which relates to specific accounting periods.

Cashflow Statement

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

2) Turnover

Turnover represents the amounts derived from the performance of the company's principal activity.

3) Staff Numbers and Costs

The average number of persons employed by the company, including directors, during the period was 10 (2002 - 5). The aggregate payroll costs of these persons was £169,941 (2002 - £72,844).

CNC MACHINE TOOLS LIMITED
Notes to the Accounts continued

4) Profit on ordinary Activities Before Taxation

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

	£ 31/12/2003	£ 31/12/2002
Director's remuneration	13,618	13,523
Goodwill amortisation	1,440	--
Depreciation - owned assets	3,378	2,945
assets held under hire purchase contracts	4,104	--
	=====	=====

5) Interest Payable & Similar Charges

Bank loans & overdrafts	1,946	448
Other loans	1,171	--
Hire purchase contracts	2,169	--
	-----	-----
	5,286	448
	=====	=====

6) Taxation

Comprises:

Corporation tax	10,475	32,432
Prior year adjustment	966	125
Deferred tax	4,001	--
	-----	-----
	15,442	32,557
	=====	=====

7) Dividends

Dividends paid	81,560	67,100
	=====	=====

8) Intangible Fixed Assets

	Goodwill
Cost/Valuation	£
At 1/1/2003 & 31/12/2003	14,400
	=====
Amortisation	
At 1/1/2003	--
Charge for Period	1,440

At 31/12/2003	1,440
	=====
Net Book Value	
At 31/12/2003	12,960
	=====
Net Book Value	
At 31/12/2002	14,400
	=====

CNC MACHINE TOOLS LIMITED
Notes to the Accounts continued

9) Tangible Fixed Assets

	Equipment £	Vehicles £	Total £
Cost/Valuation			
At 1/1/2003	13,012	--	13,012
Additions	4,675	77,974	82,649
At 31/12/2003	17,687	77,974	95,661
Depreciation			
At 1/1/2003	4,176	--	4,176
Charge for period	3,378	4,104	7,482
At 31/12/2003	7,554	4,104	11,658
Net Book Value			
At 31 December 2003	10,133	73,870	84,003
At 31 December 2002	8,836	--	8,836

The net book value of fixed assets of £84,003 includes an amount of £73,870 in respect of assets held under hire purchase contracts (2002 – Nil).

10) Debtors: Amounts Receivable Within One Year

	31/12/2003 £	31/12/2002 £
Trade Debtors	164,086	88,195
CNC Finance Limited	83,900	--
Director's current accounts	2,384	28,035
	250,370	116,230

11) Creditors: Amounts Falling Due Within One Year

Bank overdraft	35,609	--
Trade Creditors	41,938	14,030
RPD Eastern Limited	6,344	5,360
Corporation Tax	10,475	32,432
Other taxes & Social Security	5,436	7,982
Other creditors	37,500	--
Obligations under hire purchase contracts	19,357	--
Accruals & deferred income	15,425	1,826
	172,084	61,630

CNC MACHINE TOOLS LIMITED
Notes to the Accounts continued

Note 9) continued

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

12) Creditors: Amounts Falling Due After One Year

	31/12/2003	31/12/2002
	£	£
Obligations under hire purchase contracts	56,316	--
Other creditors	26,015	--
	<u>82,331</u>	<u>--</u>
	=====	=====

13) Provisions for Liabilities and Charges

Deferred tax

Balance carried forward at 1/1/2003	--
Charge for period	4,001
	<u>4,001</u>
	=====

14) Called Up Share Capital

	Authorised	Allotted	Allotted, Called Up & Fully Paid
	£	£	£
Ordinary shares of £1 each at 31/12/2003 & 2002	100	100	100
	=====	=====	=====

15) Reserves

	£
At 1/12/2002	123,338
Loss for period	(28,562)
	<u>94,776</u>
	=====

16) Related Party Transactions

At 31 December 2003 P Lee owed £1,067 to the company (2002 - £7,897) and E Clapham owed £1,317 to the company (2002- £20,138). These amounts were cleared following the year end by the introduction of loan capital to the business.

During the year a loan amounting to £83,900 was provided to CNC Finance Limited a company owned by E I Clapham and P J Lee to assist with this company's acquisition of machines for sale.

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