

**Main Tool Company Limited**

Abbreviated accounts  
Registered number SC40330  
30 April 2008

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## KPMG LLP

191 West George Street  
Glasgow  
G2 2LJ  
United Kingdom

### **Independent auditors' report to Main Tool Company Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 8 together with the financial statements of Main Tool Company Limited for the year ended 30 April 2008 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in such a 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, for our work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that section and to report our opinion to you.

#### **Basis of opinion**

We conducted our work in accordance with Bulletin 2007/3 *The special auditor's report on abbreviated accounts in the United Kingdom* issued by the Auditing Practices Board. In accordance with that bulletin we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with that section.

KPMG LLP  
Chartered Accountants  
Registered Auditor

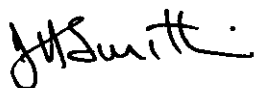
23 September 2008

**Balance sheet**  
*as at 30 April 2008*

	Note	2008	2007
		£	£
<b>Fixed assets</b>			
Tangible assets	2	561,514	459,254
<b>Current assets</b>			
Stocks		316,560	444,687
Debtors		930,509	890,573
Cash at bank and in hand		324,663	491,397
		<u>1,571,732</u>	<u>1,826,657</u>
<b>Creditors, amounts falling due within one year</b>		<u>(712,608)</u>	<u>(844,160)</u>
<b>Net current assets</b>		<u>859,124</u>	<u>982,497</u>
<b>Total assets less current liabilities</b>		<u>1,420,638</u>	<u>1,441,751</u>
Provisions for liabilities and charges		(17,470)	(15,724)
<b>Net assets excluding pension liability</b>		<u>1,403,168</u>	<u>1,426,027</u>
Pension liability	4	(69,840)	(189,360)
<b>Net assets</b>		<u>1,333,328</u>	<u>1,236,667</u>
<b>Capital and reserves</b>			
Called up share capital	3	18,600	18,600
Share premium account		1,000	1,000
Capital redemption reserve		12,200	12,200
Other reserves		1,269	1,269
Profit and loss account		1,300,259	1,203,598
<b>Shareholders' funds</b>		<u>1,333,328</u>	<u>1,236,667</u>

These accounts are prepared in accordance with the special provision of Part VII of the Companies Act 1095 relating to small companies

These financial statements were approved by the board of directors on 11 September 2008 and were signed on its behalf by



**J Smith**  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have, subject to the note below, been applied consistently in dealing with items which are considered material in relation to the company's financial statements

The amendment to FRS 17 'Retirement benefits' has been adopted in these financial statements for the first time and the disclosures it requires have been presented for both the current and comparative period. The amendment to FRS 17 also requires that quoted securities are valued at their current bid price rather than their mid market value, this has had no effect on the prior year figures

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows

Freehold buildings	50 years
Plant and machinery	4 – 8 years
Fixtures, fittings, tools and equipment	4 – 10 years

No depreciation is provided on freehold land

#### *Pensions – defined benefit pension scheme*

The Company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses

#### *Pensions – defined contribution pension schemes*

The Company contributes to defined contribution pension schemes on behalf of certain employees. The assets of these schemes are held separately from those of the Company in an independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, the weighted average purchase price is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes direct labour cost and an appropriate proportion of attributable overheads

#### *Taxation*

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

## Notes (continued)

### 1 Accounting policies (continued)

#### *Lease arrangements*

Rentals under operating leases are charged to profit as they fall due under the terms of the agreements

#### *Dividends on shares presented within shareholders' funds*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year

### 2 Tangible fixed assets

	Total £
<i>Cost</i>	
At beginning of year	3,865,349
Additions	262,763
Disposals	(26,290)
	<hr/>
At end of year	4,101,822
	<hr/>
<i>Depreciation</i>	
At beginning of year	3,406,095
Charge for year	160,503
On disposals	(26,290)
	<hr/>
At end of year	3,540,308
	<hr/>
<i>Net book value</i>	
At 30 April 2008	561,514
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At 30 April 2007	459,254
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The gross book value of tangible fixed assets includes £168,171 (2007 £168,171) of depreciable assets

## Notes (continued)

### 3 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
30,000 Ordinary shares of £1 each	30,000	30,000
30,000 'A' Ordinary shares of £1 each	30,000	30,000
	<hr/>	<hr/>
	60,000	60,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
17,800 Ordinary shares of £1 each	17,800	17,800
800 'A' Ordinary shares of £1 each	800	800
	<hr/>	<hr/>
	18,600	18,600
	<hr/>	<hr/>

### 4 Pension scheme

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown

	2008 £	2007 £
Present value of funded defined benefit obligations	(1,140,000)	(1,231,000)
Fair value of plan assets	1,043,000	968,000
	<hr/>	<hr/>
	(97,000)	(263,000)
Deficit	(97,000)	(263,000)
Related deferred tax asset	27,160	73,640
	<hr/>	<hr/>
Net liability	(69,840)	(189,360)
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#### *Movements in present value of defined benefit obligation*

	2008 £	2007 £
At 1 May	1,231,000	1,261,000
Current service cost	56,000	51,000
Interest cost	69,000	60,000
Actuarial (gains)/losses	(116,000)	142,000
Benefits paid	(108,000)	(289,000)
Charges paid	(4,000)	(6,000)
Contributions by employees	12,000	12,000
	<hr/>	<hr/>
At 30 April	1,140,000	1,231,000
	<hr/>	<hr/>

## Notes (continued)

### 4 Pension scheme (continued)

#### Movements in fair value of plan assets

	2008 £	2007 £
At 1 May	968,000	1,056,000
Expected return on plan assets	60,000	55,000
Actuarial gains/(losses)	(95,000)	31,000
Contributions by employer	210,000	109,000
Contributions by members	12,000	12,000
Benefits paid	(108,000)	(289,000)
Charges paid	(4,000)	(6,000)
	<hr/>	<hr/>
At 31 December	1,043,000	968,000
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#### Expense recognised in the profit and loss account

	2008 £	2007 £
Current service cost	(56,000)	(51,000)
Interest on defined benefit pension plan obligation	(69,000)	(60,000)
Expected return on defined benefit pension plan assets	60,000	55,000
	<hr/>	<hr/>
Total	(65,000)	(56,000)
	<hr/>	<hr/>

The expense is recognised in the following line items in the profit and loss account

	2008 £	2007 £
Cost of sales		
Distribution expenses		
Administrative expenses	(56,000)	(51,000)
Other interest receivable and similar income		
Interest payable and similar charges	(9,000)	(5,000)
	<hr/>	<hr/>
	(65,000)	(56,000)
	<hr/>	<hr/>

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is £21,000 (2007 £111,000)

Cumulative actuarial gains/losses reported in the statement of total recognised gains and losses for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £(288,000) (2007 £(309,000))



## Notes (continued)

### 4 Pension schemes (continued)

The fair value of the plan assets and the return on those assets were as follows

	2008 Fair value £	2007 Fair value £
Equities		502,000
Government debt	520,000	241,000
Corporate bonds	523,000	214,000
Other		11,000
	<hr/>	<hr/>
	1,043,000	968,000
	<hr/>	<hr/>

The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows

	2008	2007
Discount rate	6.6%	5.5%
Expected rate of return on plan assets	4.6% to 6.6%	4.8% to 8.2%
Future salary increases	4.0%	4.5%
Rate of increase in pensions in payment	3.3%	3.0%
Rate of increase of pensions in deferment	3.7%	3.2%
Inflation assumption	3.7%	3.2%
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The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows

Current pensioner aged 65-87 years (male), 90 years (female)

Future retiree upon reaching 65-89 years (male), 92 years (female)

## Notes (continued)

### 4 Pension schemes (continued)

#### History of plans

The history of the plans for the current and prior periods is as follows

##### Balance sheet

	2008 £000	2007 £000	2006 £000	2005 £000	2004 £000
Present value of scheme liabilities	(1,140)	(1,231)	(1,261)	(1,182)	(1,487)
Fair value of scheme assets	1,043	968	1,056	940	1,247
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Deficit/surplus	(97)	(263)	(205)	(242)	(240)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

##### Experience adjustments

	2008 £000	2007 £000	2006 £000	2005 £000	2004 £000
Experience adjustments on scheme liabilities	(95)	31	81	7	25
Experience adjustments on scheme assets	(56)	(69)	(14)	61	28
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company expects to contribute approximately £42,000 to its defined benefit plans in the next financial year