

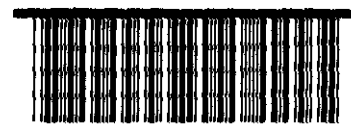
New Circuit Engineering Limited

Company Number SC096213

Directors Report and Accounts

For The Year Ended

31st October 2004



SCT 8RA75EQ9 0150
COMPANIES HOUSE 20/04/06

New Circuit Engineering Limited

Directors

Mr J Kirkwood
Mrs J Hamilton
Mr T McArdle

Secretary

Mr A Murray

Registered Office

117 Ruchill Street
Maryhill
Glasgow
G20 2QN

Reporting Accountants

Jackson & Co
4th Floor
166 Buchanan Street
Glasgow
G1 2LW

Bankers

Bank of Scotland
174 Byres Road
Glasgow
G12 8SW

Solicitors

Thomas McFarlane
International & Domestic Law Practice
2 Roman Road
Glasgow
G61 2SW

New Circuit Engineering Limited
Report of the Directors

The Directors have pleasure in presenting their Report and Accounts for the year ended 31st October 2004.

Activities

The Company's principal activity is the manufacture of electrical switchboard and control panels and the manufacture of steel enclosures.

State of Affairs

The state of the Company's affairs are as set out on pages 6 to 18.

Fixed Assets

Information relating to changes in fixed assets is given in note 9 to the accounts.

Close Company

The Company is a close company within the provisions of the Income and Corporation Taxes Act.

Future Developments

During the year, the Company has maintained its export market.

The home market is on a downward spiral and margins are very tight.

The Company's profitability is tight due to the market downturn.

In conjunction with the above the Company is reviewing its product range and looking at engineering costs in the manufacturing process.

New Circuit Engineering Limited
Report of the Directors (Continued)

Directors

The Directors of the Company who acted throughout the period and their interests in the Ordinary Shares of the Company are as follows:-

	<u>2004</u>	<u>2003</u>
Mr J Kirkwood	4499	4499
Mrs J Hamilton	-	-
Mr T McArdle	1500	1500

Donations

The company made charitable contributions during the year amounting to £ 800 (£868 in 2003).

Auditors

The directors have decided to take advantage of the provisions of section 249A(1) of the Companies Act 1985 and therefore an audit has not been carried out for the period under review.

Small Company Rules

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. It was approved by the board on 18/4/06 and signed on its behalf.

By Order of the Board



Mr A Murray
Company Secretary

117 Ruchill Street
Maryhill
Glasgow
G20 2QN

Date...18/4/06.....

**New Circuit Engineering Limited
Directors' Responsibilities & Report of the Auditors**

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 or loss of the Company for that period.

In preparing those financial statements, the Directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent and 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.

Chartered Accountants' Report to the Board of Directors
on the Unaudited Accounts of New Circuit Engineering Limited

In accordance with our engagement letter dated 2nd July 2002, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account and Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements for the year ended 31st October 2004 that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Jackson & Co
166 Buchanan Street
Glasgow
G1 2LW

Jackson & Co

Date...18/4/2006...

New Circuit Engineering Limited
Profit and Loss Account
For The Year Ended
31st October 2004

			<u>2003</u>
	Note	£	£
Turnover	(2)	4321799	2270233
Less: Cost of Sales		<u>3334635</u>	<u>1556253</u>
Gross Profit		987164	713980
Less: Distribution Costs		126767	81807
Administration Expenses		<u>588848</u>	<u>573050</u>
		<u>715615</u>	<u>654857</u>
Profit on Ordinary Activities Before Interest	(3)	271549	59123
Interest Receivable		748	2940
Interest Payable and Similar Charges	(20)	<u>8021</u>	<u>5704</u>
		<u>7273</u>	<u>2764</u>
Profit on Ordinary Activities Before Taxation		264276	56359
Less: Taxation	(4)	<u>48720</u>	<u>10426</u>
Profit on Ordinary Activities After Taxation		215556	45933
Less: Dividend Paid		<u>200000</u>	—
		15556	45933
Add: Retained Reserves Brought Forward		<u>564291</u>	<u>518358</u>
Retained Profits transferred to Reserves		£ <u>579847</u>	£ <u>564291</u>

There are no recognised gains and losses in the year other than the profit for the year.
The turnover generated relates to continuing operations.

The notes on pages 9 to 18 form an integral part of these accounts.

New Circuit Engineering Limited
Balance Sheet
As At
31st October 2004

				<u>2003</u>
	Note	£	£	£
<u>Fixed Assets</u>				
Tangible Fixed Assets	(9)		292803	297299
<u>Current Assets</u>				
Stocks	(7)	180164		201154
Loose Tools	(13)	5000		5000
Debtors	(6)	680978		633159
Cash at Bank and in Hand		<u>222879</u>		<u>720</u>
			1089021	840033
Creditors: Amounts Falling Due Within One Year	(8)	<u>784659</u>		<u>539223</u>
Net Current Assets			<u>304362</u>	<u>300810</u>
Total Assets Less Current Liabilities			597165	598109
Creditors: Amounts Falling Due After More Than One Year(12, 14 & 15)			-	<u>16500</u>
			597164	581609
<u>Provisions for Liabilities and Charges</u>				
Deferred Taxation	(10)		<u>11318</u>	<u>11318</u>
Net Assets			£ <u>585847</u>	£ <u>570291</u>

The notes on pages 9 to 18 form an integral part of these accounts.

New Circuit Engineering Limited
Balance Sheet (Continued)
As At
31st October 2004

	Note	Authorised	Issued	2003
Capital and Reserves				
Called up Share Capital	(16)	£ 10000	6000	6000
Profit and Loss Account			579847	564291
Shareholders' Funds	(17)		£ 585847	£ 570291

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 18/11/06 and signed on its behalf.

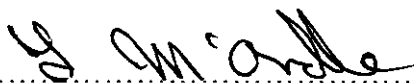
The directors have:-

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under section 249A(1);
- b) confirmed that the members have not required the company to obtain an audit of its accounts for the year in accordance with section 249B(2) of the Companies Act 1985;
- c) acknowledged their responsibilities for:

ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; preparing accounts which give a true and fair view of the company and of its profit for the period to 31/10/2004 in accordance with the requirements of Section 226A of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

Approved by the Board on 18/04/2006 Date

Director  Mr J Kirkwood

Director  Mr T McArdle

The notes on pages 9 to 18 form an integral part of these accounts.

New Circuit Engineering Limited
Notes to the Accounts
For The Year Ended
31st October 2004

1. Accounting Policies

a) Accounting Convention

The financial statements have been prepared under the historical cost convention.

b) Depreciation

Depreciation is provided to write off the value of Motor Vehicles, Plant and Machinery and Office Equipment over their useful lives at 25% on the reducing balance basis. Property is not depreciated.

FRS 11 requires a review of asset impairment i.e. depreciation or amortisation in respect of freehold or leasehold properties. In the opinion of the directors the property has not depreciated in value. This is a departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated. In the opinion of the directors this departure is necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards, as properties are included in the financial statements at their open market value. See note 9.

c) Stock and Work in Progress

Stock and Work in Progress are valued at the lower of cost or net realisable value and are in accordance with SSAP 9.

d) FRS1

The Company has not prepared a cash statement as required by FRS1 as the Company believes itself exempt from doing so.

e) Pension

The Company operates a defined contribution scheme for the employees, the assets of the scheme being held separately from the assets of the Company. The pension cost charge represents contributions payable to the scheme.

Payments to the pension scheme were made on behalf of directors and participating employees in the year. Payments made on behalf of the directors were as follows, John Kirkwood £1,020 (£1,020 in 2003) and Tom McArdle £2,235 (£48,685 in 2003).

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

f) Deferred Taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2.	<u>Turnover</u>		<u>2003</u>
		£	£
	External sales	4321799	2215079
	Other income	-	55154
		<hr/>	<hr/>
		£ 4321799	2270233
		<hr/>	<hr/>
		£	£
	United Kingdom	1866279	2270233
	Worldwide	2455520	-
		<hr/>	<hr/>
		£ 4321799	2270233
		<hr/>	<hr/>
3.	Profits are stated after charging and crediting the following:-		<u>2003</u>
		£	£
	Directors Emoluments	58105	57116
	Audit Fee	-	4000
	Plant Hire	-	2157
	Depreciation	41682	44631
	Loss on Disposal	1183	1113
	Bank Interest paid and received	1504	(2698)
		<hr/>	<hr/>

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

4. Taxation

Taxation is calculated at appropriate U.K. rates as follows:-

		<u>2003</u>
	£	£
U.K. Corporation tax for 2004 accounts at 19%	£ 48720	£ 10426
	<u>£ 48720</u>	<u>£ 10426</u>

The tax assessed for the period is higher than the standard rate of UK taxation applicable to the company of 19% (2003 – 19%). The differences are explained below:

	£	£
Profit on ordinary activities before tax	<u>264276</u>	<u>56359</u>
Profit on ordinary activities multiplied by standard rate of tax of 19%	50212	10708
Expenses not deductible for tax purposes		832
Income deducted for tax purposes	976	(559)
Depreciation for period in excess of capital allowances	(2468)	(555)
	<u>£ 48720</u>	<u>10426</u>
Current tax charge for the period	<u>£ 48720</u>	<u>10426</u>

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

5. <u>Employee Costs</u>		<u>2003</u>
	£	£
Wages and salaries	926540	735036
Social Security Costs	383705	311843
Defined Contribution Pension Scheme	3255	52277
	<hr/>	<hr/>
	£ 1313500	£ 1099156
	<hr/> <hr/>	<hr/> <hr/>

The average number of employees during the year was as follows:-

		<u>2003</u>
Fitters	48	38
Design	14	14
Administration	5	5
	<hr/>	<hr/>
	67	57
	<hr/> <hr/>	<hr/> <hr/>

6. <u>Debtors</u>		<u>2003</u>
	£	£
Trade debtors	637810	586309
Sundry debtors	37550	41768
Prepayments	5618	3285
Loan	-	950
Directors Loan	-	847
	<hr/>	<hr/>
	£ 680978	£ 633159
	<hr/> <hr/>	<hr/> <hr/>

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

7. <u>Stocks & Work in Progress</u>		<u>2003</u>
	£	£
Raw materials and consumables	43225	56500
Work in progress	136939	144654
	<hr/>	<hr/>
	£ 180164	£ 201154
	<hr/>	<hr/>

Work in progress represents labour costs and materials incurred but not invoiced at 31st October 2004.

8. <u>Creditors: Amounts Falling Due Within One Year</u>		<u>2003</u>
	£	£
Trade creditors	486757	313940
Sundry creditors	59552	14929
Accruals	37228	41546
VAT	16448	52908
PAYE Liability	34676	28434
Corporation Tax	58789	19949
H.P. Creditors	37125	48122
Director's Loans	54084	-
Bank Overdraft	-	19395
	<hr/>	<hr/>
	£ 784659	£ 539223
	<hr/>	<hr/>

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

9. Fixed Assets

	Balance <u>At 31/10/03</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>At 31/10/04</u>
<u>Cost</u>	£	£	£	£
Property	161705	-	-	161705
Office Equipment	80623	5526	24438	61711
Motor Vehicles	69867	-	7500	62367
Plant & Equipment	446186	35295	67217	414264
	<u>£ 758381</u>	<u>£ 40821</u>	<u>£ 99155</u>	<u>£ 700047</u>
<u>Aggregate Depreciation</u>				
Property	-	-	-	-
Office Equipment	59041	11122	24438	45725
Motor Vehicles	43459	6416	6749	43126
Plant & Equipment	358582	24146	64335	318393
	<u>£ 461082</u>	<u>£ 41684</u>	<u>£ 95522</u>	<u>£ 407244</u>
Net Book Values	<u>£ 297299</u>			<u>£ 292803</u>

The property was valued on 24th July 2003 by an independent valuer. This was a walk through valuation aimed at arriving at an open market valuation only. The valuation figure given by the surveyor was £ 250,000.

This exceeds the value of the property on the balance sheet. However the directors decided not to adjust the value of the property due to the fact that the valuation was carried out on a walk through basis only. It also justifies the directors' decision not to depreciate the property.

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

10. <u>Deferred Taxation</u>	<u>2003</u>	
	£	£
Balance at 1 November 2003	11318	11318
Charge for the year	-	-
	<hr/>	<hr/>
Balance at 31 st October 2004	£ 11318	£ 11318
	<hr/> <hr/>	<hr/> <hr/>

The provision for deferred taxation is made up of accelerated capital allowances.

The company has applied FRS19 "Deferred Taxation" for the first time in these financial statements. As a result, the accounting policy for deferred taxation has been changed and full provision has been made for timing differences arising from accelerated capital allowances, as opposed to the partial provision basis previously used. The application of the new policy has not resulted in any material change to figures reported in previous financial statements and therefore no prior year adjustment has been made. The effect of the change in policy on the current year's profit is not material.

11. Bank Overdraft

The bank overdraft is secured by a bond and floating charge over the Company's assets in favour of the Bank of Scotland. Interest is charged at 2.5% per annum over the bank's base rate.

12. Creditors: Amounts Falling Due
After More Than One Year

	<u>2003</u>	
	£	£
H P Creditors	NIL	16500
	<hr/>	<hr/>
	£ NIL	£ 16500
	<hr/> <hr/>	<hr/> <hr/>

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

13. Loose Tools

The Directors do not consider that loose tools should be a capitalised item, due to the fact that their individual value is under £400 and also their short life span (less than one year). The same value of £ 5,000 is maintained as in the directors' opinion, the value of loose tools is unlikely to vary from this figure.

		<u>2003</u>
	£	£
14. <u>H P Creditors</u>		
Total H P liability at 31 st October 2004 but due within the next 12 months	37909	49276
Total H P liability at 31 st October 2004 but due in more than 12 months	-	16500
	<hr/>	<hr/>
	£ 37909	£ 65776
	<hr/>	<hr/>
H P Interest due within the next 12 months	784	1154
H P Interest due Between 1 and 5 years	-	-
	<hr/>	<hr/>
	£ 784	£ 1154
	<hr/>	<hr/>
H P capital liability at 31 st October 2004	£ 37125	£ 64622
	<hr/>	<hr/>
HP Loan 1 by monthly repayment Repayable by May 2005	37125	49500
HP Loan 2 by monthly repayment Repayable by May 2004	-	2431
HP Loan 3 by monthly repayment Repayable by May 2005	-	5062
HP Loan 4 by monthly repayment Repayable by May 2004	-	7629
	<hr/>	<hr/>
	£ 37125	£ 64622
	<hr/>	<hr/>

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

15. <u>Directors Loans</u>	£	<u>2003</u> £
The loans by the directors can be analysed as follows:-		
John Kirkwood	4084	(847)
Thomas McArdle	50000	-
	<hr/>	<hr/>
	£ 54084	£ (847)
	<hr/>	<hr/>
16. <u>Share Capital</u>	£	<u>2003</u> £
Authorised		
10,000 Ordinary Shares of £1 each	10000	10000
	<hr/>	<hr/>
Allotted, Called Up and Fully Paid		
6,000 Ordinary Shares of £1 each	6000	6000
	<hr/>	<hr/>
17. <u>Reconciliation of movement in Shareholders' Funds</u>		<u>2003</u>
	£	£
Shareholders' Funds at 31/10/03	570291	579512
Grant Reserve	-	(55154)
Profit for the year	15556	45933
	<hr/>	<hr/>
Shareholders' Funds at 31/10/04	£ 585847	£ 570291
	<hr/>	<hr/>

New Circuit Engineering Limited
Notes to the Accounts (Continued)
For The Year Ended
31st October 2004

18. Pension

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £ 3,255 (£ 52,277 in 2003).

19. <u>Interest Payable and Similar Charges</u>	£	£
Bank Loans and Overdrafts	2252	242
Bank Charges	2606	631
Hire Purchase Contracts	3163	4831
	<hr/>	<hr/>
	£ 8021	£ 5704
	<hr/>	<hr/>

20. Reporting Financial Performance FRS 3

During the year the company did not undertake any new activities or cease any existing operations. The Profit and Loss Account reflects only items from continuing operations.