

645674

**GLUCK ENGINEERING COMPANY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**NORMAN ALEXANDER & CO**  
Chartered Accountants  
5th Floor  
Grosvenor Gardens House  
35/37 Grosvenor Gardens  
London SW1W 0BS

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**GLUCK ENGINEERING COMPANY LIMITED**

**ACCOUNTS**

**31 DECEMBER 2004**

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GLUCK ENGINEERING COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS

R S Gluck  
Mrs E C Gluck

SECRETARY

Mrs E C Gluck

REGISTERED OFFICE

130/136 Gordon Road  
Nunhead  
London  
SE15 3RJ

ACCOUNTANTS

Norman Alexander & Co  
Chartered Accountants  
5th Floor  
Grosvenor Gardens House  
35/37 Grosvenor Gardens  
London  
SW1W 0BS

BANKERS

HSBC PLC  
Camberwell Green Branch  
23 Denmark Hill  
London  
SE5 8RP

HISTORY

The company was incorporated in England on 28 December 1959  
Company number 645674

GLUCK ENGINEERING COMPANY LIMITEDREPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company is the manufacture of specialist mechanisms for clocks and precision components and specialist machine removal work.

REVIEW OF THE BUSINESS

The results for the year are set out in the attached accounts.

Turnover for the year increased from £869,645 to £955,696 and gross profit increased to £219,810 from £141,533. Administration expenses increased from £176,453 to £182,699. Selling and distribution costs increased to £59,094 from £50,858 due to increased advertising, exhibition and HP charges.

The directors do not recommend the payment of a dividend (2003 - Nil).

FUTURE DEVELOPMENTS

The company intends to continue trading in the same area of activity.

PROPERTY VALUE

Long term leasehold property was revalued at 31 December 2001 and the directors believe that the book value equates to the market value.

DIRECTORS

The directors and their interests in the company's shares were as follows:-

	<u>Ordinary Shares of £1 Each</u>	
	<u>2004</u>	<u>2003</u>
R S Gluck	27,000	27,000
Mrs E C Gluck	-	-

BY ORDER OF THE BOARD



MRS E C GLUCK  
Secretary

21 April 2005

**GLUCK ENGINEERING COMPANY LIMITED**

**STATEMENT OF DIRECTORS RESPONSIBILITIES**

We are required under company law to prepare accounts 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 these accounts we are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

BY ORDER OF THE BOARD

  
**R. GLUCK**  
Director

21 April 2005

**GLUCK ENGINEERING COMPANY LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2004****2003****NOTES**

Turnover	2	955,696	869,645
Cost of sales		<u>735,886</u>	<u>728,092</u>
<b><u>GROSS PROFIT</u></b>		219,810	141,553
Administration expenses		182,699	176,453
Selling and distribution costs		<u>59,094</u>	<u>50,858</u>
<b><u>OPERATING PROFIT/(LOSS)</u></b>		(21,983)	(85,758)
Interest received		<u>200</u>	<u>-</u>
<b><u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>	3	(21,783)	(85,758)
Corporation tax - charge for the year @ 0%/19%		<u>-</u>	<u>-</u>
<b><u>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u></b>		(21,783)	(85,758)
Retained profit brought forward		<u>434,378</u>	<u>520,136</u>
<b><u>RETAINED PROFIT CARRIED TO BALANCE SHEET</u></b>		<u>£412,595</u>	<u>£434,378</u>

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 10 form part of these accounts

**GLUCK ENGINEERING COMPANY LIMITED****BALANCE SHEET**  
**NOTES****31 DECEMBER 2004****2003****FIXED ASSETS**

Tangible assets	5	1,040,220	1,048,749
Intangible assets	6	<u>29,800</u>	<u>39,731</u>
		1,070,020	1,088,480

**CURRENT ASSETS**

Stocks	7	124,800	128,900
Debtors	8	97,826	110,469
Cash at bank and in hand		<u>36,006</u>	<u>913</u>
		258,632	240,282
Creditors : amounts falling due within one year	9	<u>262,876</u>	<u>280,027</u>
		(4,244)	(39,745)

**TOTAL ASSETS LESS CURRENT LIABILITIES**

1,065,776

1,048,735

Creditors : amounts falling due after more  
than one year

11

69,40330,579**TOTAL NET ASSETS**£ 996,373£ 1,018,156**CAPITAL AND RESERVES**

Share capital	12	30,000	30,000
Revaluation reserve	13	553,778	553,778
Profit and Loss Account		<u>412,595</u>	<u>434,378</u>

**SHAREHOLDERS' FUNDS**

14

£ 996,373£ 1,018,156

In the director's opinion the company was entitled under subsection 1 of section 249A of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31 December 2004. No member of the company has requested an audit for the current financial year pursuant to subsection 2 of section 249B of the Act.

The directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the 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.

Approved by the Board on 21 April 2005  
and signed on their behalf by:

..... )  
MRS E C GLUCK )

) DIRECTORS

..... )  
R S GLUCK )

The notes on pages 6 - 10 form part of these accounts

**GLUCK ENGINEERING COMPANY LIMITED****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2004****1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention with the exception of the revalued leasehold property and in accordance with applicable accounting standards.

**Turnover**

Turnover represents invoiced sales of goods and services on ordinary activities, excluding value added tax and trade discounts.

**Depreciation**

Depreciation is provided to write off each asset over its expected useful life at the following annual rates:-

Long term leasehold property	over the lease term
Plant and machinery	10% x cost
Fixtures and fittings	25% x WDV
Motor vehicles	25% x WDV
Trade Mark	25% x WDV

Plant and machinery is used over a long time period and the directors write off the cost over 10 years rather than 25% x WDV.

**Stocks**

Stock and work in progress is valued at the lower of cost, production cost and net realisable value, after allowing for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Research and Development**

Expenditure on research and development is written off in the year in which it occurred.

**Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**Cash Flow Statement**

The company has taken advantage of the exemptions applicable to small companies and not produced a cash flow statement.

**Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the scheme. There were no outstanding commitments at the year end.

**2. ANALYSIS OF TURNOVER AND PROFIT**

The turnover and profit is attributable to the principal activities of the company.



**GLUCK ENGINEERING COMPANY LIMITED****NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2004****3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit/loss on ordinary activities is stated after charging:-	<b>2004</b>	<b>2003</b>
HP charges	8,622	6,977
Staff costs	347,487	338,346
Depreciation	97,672	100,937
(Profit)/loss on sale of fixed assets	<u>(360)</u>	<u>27,950</u>

**4. DIRECTORS AND EMPLOYEES**

Staff costs:-		
Wages and salaries	250,087	248,009
Directors' emoluments	49,200	49,200
Social security costs	34,962	29,761
Pension contributions to a defined contribution pension scheme	13,238	11,376
Benefits in kind	<u>-</u>	<u>-</u>
	<b>£347,487</b>	<b>£338,346</b>

The average monthly number of persons employed by the company, including directors, was:-

**14**                      **14**

**5. TANGIBLE FIXED ASSETS**

	<b>Total</b>	<b>Long Term Leasehold Property</b>	<b>Plant and Machinery</b>	<b>Fixtures and Fittings</b>	<b>Motor Vehicles</b>
Cost brought forward	1,757,876	755,178	913,400	9,200	80,098
Additions at cost	87,050	-	87,050	-	-
Disposals	<u>(12,109)</u>	<u>-</u>	<u>(12,109)</u>	<u>-</u>	<u>-</u>
<b>Cost at 31.12.04</b>	<b>£1,832,817</b>	<b>£755,178</b>	<b>988,341</b>	<b>9,200</b>	<b>80,098</b>
Depreciation b/f	709,127	4,800	677,039	7,264	20,024
Written back on disposals	<u>(4,270)</u>	<u>-</u>	<u>(4,270)</u>	<u>-</u>	<u>-</u>
Charge for the year	<u>87,740</u>	<u>480</u>	<u>71,756</u>	<u>484</u>	<u>15,020</u>
<b>Depreciation at 31.12.04</b>	<b>£792,597</b>	<b>5,280</b>	<b>744,525</b>	<b>7,748</b>	<b>35,044</b>
<b>WDV at 31.12.04</b>	<b>£1,040,220</b>	<b>749,898</b>	<b>243,816</b>	<b>1,452</b>	<b>45,054</b>
<b>WDV at 31.12.03</b>	<b>£1,048,749</b>	<b>750,378</b>	<b>236,361</b>	<b>1,936</b>	<b>60,074</b>

Long term leasehold property was revalued at 31 December 2001 by Hickie Homon, Chartered Surveyors, Broughton House, 6-8 Sackville Street, London W15 3DE; the open market value of the long leasehold interest with vacant possession was £750,000, an increase of £553,778 which has been credited to a revaluation reserve account on the balance sheet.

**GLUCK ENGINEERING COMPANY LIMITED****NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2004**

Included in tangible fixed assets were the following assets acquired on hire purchase. HP liabilities are secured on the fixed assets being purchased.

	<u>Total</u>	<u>Plant &amp; Machinery</u>	<u>Motor Vehicles</u>
Cost brought forward	773,029	717,179	55,850
Additions	76,000	76,000	-
Disposals	-	-	-
<b><u>Cost at 31 December 2004</u></b>	<b><u>£849,029</u></b>	<b><u>793,179</u></b>	<b><u>55,850</u></b>
Depreciation brought forward	578,059	564,097	13,962
Written back on disposal	-	-	-
Charge for the year	89,790	79,318	10,472
<b><u>Depreciation at 31 December 2004</u></b>	<b><u>£667,849</u></b>	<b><u>643,415</u></b>	<b><u>24,434</u></b>
<b><u>WDV at 31 December 2004</u></b>	<b><u>£181,180</u></b>	<b><u>149,764</u></b>	<b><u>31,416</u></b>
<b><u>WDV at 31 December 2003</u></b>	<b><u>£194,970</u></b>	<b><u>153,082</u></b>	<b><u>41,888</u></b>

  

<b>6. <u>INTANGIBLE FIXED ASSETS</u></b>	<b><u>L'Eppee Trade Mark</u></b>
Brought forward at cost	52,976
Addition in year	-
<b><u>Cost at 31 December 2004</u></b>	<b><u>£52,976</u></b>
Depreciation brought forward	13,244
Charge for the year	9,932
<b><u>Depreciation at 31 December 2004</u></b>	<b><u>£23,176</u></b>
<b><u>WDV at 31.12.04</u></b>	<b><u>£29,800</u></b>
<b><u>WDV at 31.12.03</u></b>	<b><u>£39,731</u></b>

  

<b>7. <u>STOCKS</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
Raw materials and consumables	120,600	123,600
Work in progress	4,200	5,300
	<b><u>£124,800</u></b>	<b><u>£128,900</u></b>

  

<b>8. <u>DEBTORS - due within one year</u></b>		
Trade debtors	86,057	94,783
Prepayments	11,769	15,686
	<b><u>£97,826</u></b>	<b><u>£110,469</u></b>

GLUCK ENGINEERING COMPANY LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2004

<b>9. <u>CREDITORS : amounts falling due within one year</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
Bank overdraft	-	14,354
Trade creditors	84,225	86,306
Sundry creditors	2,582	-
Directors loan account	108,504	130,714
PAYE/NI	9,741	9,118
VAT	9,861	4,347
HP liabilities	37,704	24,307
Accrued expenses	<u>10,259</u>	<u>10,881</u>
	<b><u>£262,876</u></b>	<b><u>£280,027</u></b>

The company has a bank overdraft facility of £75,000 secured by a first mortgage on the leasehold property 130 - 136 Gordon Road Nunhead London SE15 3RP.

<b>10. <u>CORPORATION TAX</u></b>		
Profit/(Loss) on ordinary activities before taxation	(21,783)	(85,758)
<u>Less: Depreciation</u>	<u>97,672</u>	<u>100,937</u>
(Profit)/loss on disposal of fixed assets	(360)	27,950
Entertainment	<u>382</u>	<u>218</u>
	75,911	43,347
<u>Less Capital allowances</u>	<u>70,943</u>	<u>58,039</u>
<u>Adjusted profit/(loss)</u>	<b><u>£ 4,968</u></b>	<b><u>£ (14,692)</u></b>

<b>11. <u>CREDITORS : amounts falling due after more than one year</u></b>		
HP liability - repayable within two to five years	<u>£69,403</u>	<u>£30,579</u>

<b>12. <u>SHARE CAPITAL</u></b>		
Authorised, Issued and fully paid: 30,000 ordinary shares of £1 each	<u>£30,000</u>	<u>£30,000</u>

<b>13. <u>REVALUATION RESERVE</u></b>		
Balance at 1 January 2004	553,778	553,778
Revaluation during the year	<u>-</u>	<u>-</u>
<b><u>Balance at 31 December 2004</u></b>	<b><u>£553,778</u></b>	<b><u>£553,778</u></b>

GLUCK ENGINEERING COMPANY LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 20042003**14. SHAREHOLDERS' FUNDS**

Profit/(loss) for the year	(21,783)	(85,758)
Dividends	<u>-</u>	<u>-</u>
	(21,783)	(85,758)
Opening shareholders' funds	<u>1,018,156</u>	<u>1,103,914</u>
<b><u>Closing Shareholders' Funds</u></b>	<b><u>£996,373</u></b>	<b><u>£1,018,156</u></b>

**15. CONTINGENT LIABILITIES**

The company entered into a contract in July 2003 to sell the leasehold property to a property development company for £700,000 within two years from the contract date subject to appropriate consent from the local authorities being obtained. Negotiations are still ongoing but no sale has yet been agreed.

**16. CAPITAL COMMITMENTS**

There were no material capital commitments at 31 December 2004 (2003 Nil).

**17. POST BALANCE SHEET EVENTS**

There were no material post balance sheet events at 21 April 2005 which affected the accounts to 31 December 2004 (2003 Nil).