

STANBRIDGE PRECISION TURNED PARTS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007



REGISTRATION NO 1087437

STANBRIDGE PRECISION TURNED PARTS LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2007

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STANBRIDGE PRECISION TURNED PARTS LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

DIRECTORS P J Neagle (appointed 7 September 2007)
R J Knox (resigned 7 September 2007)

SECRETARY J C Bailey

REGISTERED OFFICE 20 Bilton Way, Dallow Road, Luton, Beds, LU1 1UU

The director presents his report and audited financial statements for the year ended 31 December 2007

RESULTS AND DIVIDENDS

During the year the directors recommended payment of dividends amounting to £236584 (2006 £268000)

The directors propose that the loss, after taxation and dividends, of £201473 (2006 loss £117189), be transferred to reserves

REVIEW OF BUSINESS

The company's principal activity during the year was precision engineering. The director considers the development of the business of the company and the state of affairs at the balance sheet date to be satisfactory

FUTURE DEVELOPMENTS

The company intends to continue its present management policies for the foreseeable future

FIXED ASSETS

Details of changes in fixed assets are given in note 8 to the financial statements

DIRECTORS' AND THEIR INTERESTS

The director and his interest in the ordinary shares of the company was as follows -

	2007 No	2006 No
P J Neagle	-	-
R J Knox (resigned 7 September 2007)	-	3000

AUDITORS

A resolution to reappoint Messrs Minney & Co, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting

STANBRIDGE PRECISION TURNED PARTS LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

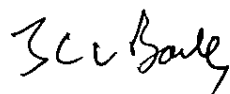
DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS -

Company Law requires the director 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 director is required to -

- * select suitable accounting policies and then apply them consistently,
- * make judgements and estimates that are reasonable and prudent,
- * comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements, and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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



J C BAILEY
SECRETARY

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STANBRIDGE PRECISION TURNED PARTS LIMITED

We have audited the financial statements of Stanbridge Precision Turned Parts Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Director's Responsibilities, the company directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and the International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Director's Report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatement within it.

BASIS OF AUDIT OPINION


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF STANBRIDGE PRECISION TURNED PARTS LIMITED

OPINION

- * In our opinion, the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2007 and of its profit for the year then ended,
- * The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- * The information given in the Directors' Report is consistent with the financial statements



MINNEY & CO
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITOR
DUNSTABLE
BEDS
LU6 1EX

24/10/08 Dated

STANBRIDGE PRECISION TURNED PARTS LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTES	2007 £	2006 £
Turnover	2	4596270	6476543
Cost of Sales		4198783	5771958
GROSS PROFIT		397487	704585
Distribution Costs		137093	195874
Administrative Expenses		246023	269921
		383116	465795
OPERATING PROFIT	3	14371	238790
Loss on Sale of Fixed Assets		(2156)	(8434)
Amounts Written Back from Associate Company Loan		61469	-
Interest Receivable and Similar Income		12	123
Interest Payable and Similar Charges	5	(28357)	(44027)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45339	186452
Tax on profit on ordinary activities	6	10228	35641
PROFIT FOR THE FINANCIAL YEAR		35111	150811
Dividends	7	236584	268000
LOSS ABSORBED FOR THE FINANCIAL YEAR		(201473)	(117189)
Retained profit brought forward		641657	758846
Retained profit earned forward		£440184	£641657

There are no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding period

STANBRIDGE PRECISION TURNED PARTS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2007

	NOTES	£	2007 £	2006 £
FIXED ASSETS				
Tangible Assets	8		882145	956108
CURRENT ASSETS				
Stocks	9	335308		431194
Debtors	10	935943		1011451
Cash at Bank and in Hand		1298		2471
		1272549		1445116
CREDITORS - Amounts Falling Due Within One Year	11	1461596		1590962
NET CURRENT LIABILITIES			(189047)	(145846)
TOTAL ASSETS LESS CURRENT LIABILITIES			693098	810262
CREDITORS - Amounts Falling Due After More Than One Year	12		101421	31405
PROVISION FOR LIABILITIES AND CHARGES				
Deferred Tax	14		148493	134200
			£443184	£644657
CAPITAL AND RESERVES			£	£
Called Up Share Capital	15		3000	3000
Profit and Loss Account			440184	641657
SHAREHOLDERS' FUNDS	16		£443184	£644657

Approved by the Board on

21/10/2008

and signed on its behalf by



P J NEAGLE - DIRECTOR

STANBRIDGE PRECISION TURNED PARTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTES	2007 £	2006 £
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating Profit		14371	238790
Depreciation charges		103136	113933
Decrease in stocks		95886	45538
Decrease in debtors		79573	255790
Associated Company Loan written back		61469	-
Increase/(Decrease) in creditors		354371	(124542)
Net cash inflow from operating activities		<u>£708806</u>	<u>£529509</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		<u>£ 708806</u>	<u>£ 529509</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		12	123
Interest paid		(28357)	(44027)
		<u>(28345)</u>	<u>(43904)</u>
TAXATION			
Corporation Tax paid		(38991)	(52755)
Corporation Tax Refunded		-	-
		<u>(38991)</u>	<u>(52755)</u>
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(38463)	(35326)
Receipts from sale of tangible fixed assets		41980	38500
		<u>3517</u>	<u>3174</u>
EQUITY DIVIDENDS PAID			
Ordinary dividends		(236584)	(268000)
FINANCING			
Repayment of borrowings		126976	-
Capital element of finance lease rental payments		(54368)	(85106)
		<u>72608</u>	<u>(85106)</u>
(DECREASE) IN CASH		<u>£481011</u>	<u>£82918</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
	20		
Increase in cash in the period		481011	82918
Cash movement from increasing debt		(107454)	13350
Net Debt at 1 January 2007		(588482)	(684750)
Net Debt at 31 December 2007		<u>£(214925)</u>	<u>£(588482)</u>

STANBRIDGE PRECISION TURNED PARTS LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

1 ACCOUNTING POLICIES

- (a) Accounting Convention
 The financial statements have been prepared under the historical cost convention
- (b) Depreciation
 Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off cost or valuation, less estimated residual value of each asset over its expected useful life, as follows -
- | | |
|------------------------------|----------------------|
| Leasehold Land and Buildings | over lease term |
| Motor Vehicles | 25% reducing balance |
| Plant and Machinery | 10% reducing balance |
| Fixtures and Fittings | 20% reducing balance |
- (c) Stocks
 Stocks are valued at the lower of cost and net realisable value. Cost includes materials, labour, sub-contract payments and production overheads
- (d) Deferred Taxation
 Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse
- (e) Foreign Currencies
 Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account
- (f) Leasing and Hire Purchase Commitments
 Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account on a straight line basis over the period of the lease. Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term
- (g) 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

2 TURNOVER

Turnover represents the invoiced amount of goods supplied by the company, stated net of value added tax

The turnover, which all arises within the United Kingdom, and pre-tax result is attributable to one activity, precision engineering

STANBRIDGE PRECISION TURNED PARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

3	OPERATING PROFIT	2007 £	2006 £
(a)	This is stated after charging		
	Director's remuneration (see (b) below)	56351	62777
	Depreciation of owned assets	10324	96963
	Depreciation of assets held under finance leases and hire purchase contracts	92812	16970
	Auditors' remuneration	4500	3000
	Operating lease rentals		
	Plant and machinery	35941	39056
	Land and buildings	117275	160774
	Motor vehicles	-	16382
		<u>56351</u>	<u>62777</u>
(b)	Director's remuneration	£	£
	Management emolument (including pension contributions)	4667	24583
	Benefits	21684	38194
	Compensation loss of office	30000	-
		<u>£56351</u>	<u>£62777</u>
	During the period the following number of directors	Number	Number
	Accrued benefits under money purchase pension schemes	1	1
		<u>1</u>	<u>1</u>
4	STAFF COSTS	2007 £	2006 £
	Wages and salaries	1216698	1595835
	Social security costs	113836	153941
	Other pension costs	50783	56962
		<u>£1381317</u>	<u>£1806738</u>
	The average weekly number of employees during the year was as follows -	Number	Number
	Directors	2	1
	Administration and Management	11	10
	Production and Sales	39	62
		<u>52</u>	<u>73</u>

STANBRIDGE PRECISION TURNED PARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

5	INTEREST PAYABLE AND SIMILAR CHARGES	2007 £	2006 £			
	Bank loans and overdrafts	18610	30811			
	Finance charges under hire purchase agreements and finance leases	9747	13216			
		<u>£28357</u>	<u>£44027</u>			
6	TAX ON PROFIT ON ORDINARY ACTIVITIES	£	£			
	Based on the profit for the year	-	38991			
	Corporation tax at 0% (2006 19%)	-	(3350)			
	Deferred taxation (see note 14)	14293	(35641)			
		<u>14293</u>	<u>35641</u>			
	Corporation tax over provided in previous years	(4065)	-			
		<u>£10228</u>	<u>£35641</u>			
7	DIVIDENDS	£	£			
	Ordinary Paid	<u>£236584</u>	<u>£268000</u>			
8	TANGIBLE FIXED ASSETS					
		LAND AND BUILDINGS £	MOTOR VEHICLES £	PLANT AND MACHINERY £	FIXTURES/ FITTINGS £	TOTAL £
	Cost					
	At 1 January 2007	138993	46368	2763992	224528	3173881
	Additions	-	-	65379	7930	73309
	Disposals	-	(46368)	(414000)	-	(460368)
	At 31 December 2007	<u>138993</u>	<u>-</u>	<u>2415371</u>	<u>232458</u>	<u>2786822</u>
	Depreciation					
	At 1 January 2007	138993	28846	1865917	184017	2217773
	Charge for the year	-	1825	92812	8499	103136
	On disposals	-	(30671)	(385561)	-	(416232)
	At 31 December 2007	<u>138993</u>	<u>-</u>	<u>1573168</u>	<u>192516</u>	<u>1904677</u>
	Net Book Value					
	At 31 December 2007	<u>£ -</u>	<u>£ -</u>	<u>£842203</u>	<u>£39942</u>	<u>£882145</u>
	At 31 December 2006	<u>£ -</u>	<u>£17522</u>	<u>£898075</u>	<u>£40511</u>	<u>£956108</u>

The net book value of plant and machinery of £842203 is in respect of assets held under hire purchase agreements and finance leases

STANBRIDGE PRECISION TURNED PARTS LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

9	STOCKS	2007 £	2006 £
	Raw materials and consumables	61816	92544
	Work in progress and finished goods	273492	338650
		<u>£335308</u>	<u>£431194</u>
10	DEBTORS	£	£
	Trade debtors	713593	944333
	Other debtors and Taxes	67208	19296
	Prepayments and accrued income	45948	47822
	Amount Due from associated company	109194	-
		<u>£935943</u>	<u>£1011451</u>
11	CREDITORS - Amounts Falling Due Within One Year	£	£
	Bank overdraft (see below)	36292	518476
	Trade creditors	684668	889807
	Director's current accounts	-	21
	Current corporation tax	-	38991
	Other taxes and social security costs	-	11525
	Obligations under hire purchase agreements and finance leases (see note 13)	78510	41072
	Accruals	19647	29601
	Amounts due to associated company	-	61469
	Other creditors	642479	-
		<u>£1461596</u>	<u>£1590962</u>
The bank overdraft is secured by a fixed and floating charge over all the current and future assets of the company			
12	CREDITORS - Amounts Falling Due After More Than One Year	£	£
	Obligations under hire purchase agreements and finance leases (see note 13)	<u>£101421</u>	<u>£31405</u>

STANBRIDGE PRECISION TURNED PARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 £	2006 £
13 OBLIGATIONS UNDER HIRE PURCHASE AND FINANCE LEASES		
Amounts payable		
Within one year	101694	47491
In the second to fifth years inclusive	138250	36071
	<u>239944</u>	<u>83562</u>
Less finance charges allocated to future period	(60013)	(11085)
	<u>£179931</u>	<u>£72477</u>
Analysed as follows	£	£
Current obligations	78510	41072
Non-current obligations	101421	31405
	<u>£179931</u>	<u>£72477</u>

14 PROVISIONS FOR LIABILITIES AND CHARGES

The movements in deferred taxation during the current and previous years are as follows

	2007 £	2006 £
At 1 January 2007	134200	137550
Movement for year (see note 6)	14293	(3350)
At 31 December 2007	<u>£148493</u>	<u>£134200</u>

Deferred taxation provided in the financial statements is as follows

	2007 £	2006 £
Capital allowances in advance of depreciation	<u>£148493</u>	<u>£134200</u>

15 SHARE CAPITAL	Authorised		Allotted, called up and fully paid	
	2007 No	2006 No	2007 £	2006 £
Ordinary shares of £1 each	<u>3000</u>	<u>3000</u>	<u>£3000</u>	<u>£3000</u>

STANBRIDGE PRECISION TURNED PARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

16	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2007 £	2006 £
	At 1 January 2007	644657	761846
	Profit for the year	35111	150811
	Dividends	(236584)	(268000)
	At 31 December 2007	<u>£443184</u>	<u>£644657</u>

17 PENSION CONTRIBUTIONS

The company operates an insured defined contribution pension scheme for its director and senior employees
The assets of the scheme are held separately from those of the company in an independently administered fund

18 OTHER FINANCIAL COMMITMENTS

At 31 December 2007, the company had annual commitments under non-cancellable operating leases as set out below -

	Land and Buildings	
	2007 £	2006 £
Operating leases which expire		
Within two to five years	133703	-
After five years	-	118300
	<u>£133703</u>	<u>£118300</u>

19 CAPITAL COMMITMENTS

	£	£
Capital expenditure contracted for but not provided for in the financial statements	£ -	£ -

20 CASH FLOW STATEMENT

	AT 01/01/07	CASH FLOWS	NEW FINANCE	AT 31/12/07
Analysis of Changes in Net Debt				
Cash at Bank	2471	(1173)	-	1298
Bank Overdraft	(518476)	482184	-	(36292)
	<u>(516005)</u>	<u>481011</u>	<u>-</u>	<u>(34994)</u>
Hire Purchase	(72477)	54368	(161822)	(179931)
	<u>£(588482)</u>	<u>£535379</u>	<u>£(161822)</u>	<u>£(214925)</u>

STANBRIDGE PRECISION TURNED PARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

21 RELATED PARTY TRANSACTIONS

Name of Connected Party	Description of Transaction During the year	Value of transactions During the year	
		2007 £	2006 £
LNB (UK) Limited	Management Charges	14681	-
R J Knox	Sale of motor car	11000	-
		<u>£25681</u>	<u>£ -</u>

During the year the company paid management charges to LNB (UK) Limited a company in which Mr P J Neagle is a director and shareholder

Mr R J Knox resigned as a director on 7 September 2007 and purchased his company vehicle at its market valuation of £11000

22 PARENT UNDERTAKINGS AND ULTIMATE CONTROLLING PARTY

The ultimate parent company is Raycott Limited a company incorporated in England and Wales Mr P J Neagle is the ultimate controlling party of this company