

Company No. 1348516.

Shutdown Maintenance Services Limited

Report and Financial Statements

Year Ended

31 March 2008

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BDO Stoy Hayward
Chartered Accountants

Shutdown Maintenance Services Limited

Annual report and financial statements for the year ended 31 March 2008

Contents

Page:

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Statement of total recognised gains and losses
7	Balance sheet
8	Notes forming part of the financial statements

Directors

T W Godfray
P Lowe

Secretary and registered office

T W Godfray, Kingsnorth Industrial Estate, Hoo, Rochester, Kent, ME3 9ND

Company number

1348516

Auditors

BDO Stoy Hayward LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton,
SO14 3TL

Shutdown Maintenance Services Limited

Report of the directors for the year ended 31 March 2008

The directors present their report together with the audited financial statements for the year ended 31 March 2008

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year

The directors do not recommend the payment of a dividend

Principal activities, review of business and future developments

The company's principal activity continues to be the application of anti-corrosion finishes to metal for industry

The directors consider the performance for the year to be satisfactory. Accreditation for Link-up, the rail industry supplier qualification scheme, should assist us in acquiring work in the future and help us to achieve a reasonable turnover in the next financial year

Directors

The directors of the company during the year were

T W Godfray
P Lowe

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 year. 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

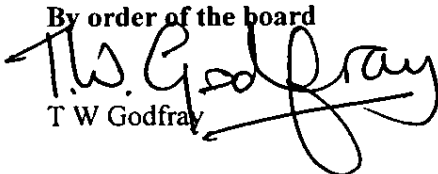
Shutdown Maintenance Services Limited

Report of the directors for the year ended 31 March 2008 (Continued)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

By order of the board


T W Godfray

Secretary

Date 12/7/08

Shutdown Maintenance Services Limited

Independent auditor's report

To the shareholders of Shutdown Maintenance Services Limited

We have audited the financial statements of Shutdown Maintenance Services Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 directors 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.

Shutdown Maintenance Services Limited

Independent auditor's report (*Continued*)

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 as at 31 March 2008 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



BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Southampton

Date **4 August 2008**

Shutdown Maintenance Services Limited**Profit and loss account for the year ended 31 March 2008**

	Note	2008 £	2007 £
Turnover	2	2,126,984	1,544,552
Cost of sales		1,685,136	1,147,066
Gross profit		441,848	397,486
Administrative expenses		332,641	311,185
		109,207	86,301
Other operating income		14,250	14,250
Operating profit	3	123,457	100,551
Other interest receivable and similar income		3,197	-
Interest payable and similar charges	6	(834)	(3,408)
Profit on ordinary activities before taxation		125,820	97,143
Taxation on profit on ordinary activities	7	39,089	14,472
Profit on ordinary activities after taxation	14	86,731	82,671

All amounts relate to continuing activities

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year

The notes on pages 8 to 15 form part of these financial statements

Shutdown Maintenance Services Limited

Statement of total recognised gains and losses for the year ended 31 March 2008

	2008	2007
	£	£
Profit for the financial year	86,731	82,671
Unrealised surplus on revaluation of investment properties	50,000	-
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	136,731	82,671
	<hr/>	<hr/>

The notes on pages 8 to 15 form part of these financial statements

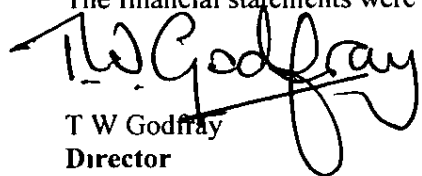
Shutdown Maintenance Services Limited

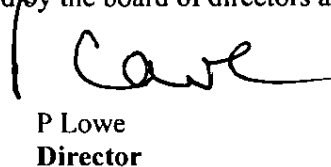
Balance sheet at 31 March 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	8		207,546		189,044
Fixed asset investments	9		195,000		145,000
			<u>402,546</u>		<u>334,044</u>
Current assets					
Stocks	10	68,464		187,964	
Debtors	11	353,105		252,096	
Cash at bank and in hand		76,087		788	
		<u>497,656</u>		<u>440,848</u>	
Creditors: amounts falling due within one year	12	364,589		376,010	
		<u>497,656</u>		<u>440,848</u>	
Net current assets			133,067		64,838
Total assets less current liabilities			<u>535,613</u>		<u>398,882</u>
Capital and reserves					
Called up share capital	13		27,500		27,500
Revaluation reserve	14		117,500		67,500
Capital redemption reserve	14		22,500		22,500
Profit and loss account	14		368,113		281,382
			<u>535,613</u>		<u>398,882</u>
Shareholders' funds	15		535,613		398,882

The financial statements were approved by the board of directors and authorised for issue on

14/7/08


T W Godfray
Director


P Lowe
Director

The notes on pages 8 to 15 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates

Freehold property	- 4%
Plant and machinery	- 20%
Fixtures and fittings	- 33 3%

Investment properties

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Shutdown Maintenance Services Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

1 Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2008 £	2007 £
This is arrived at after charging		
Depreciation of tangible fixed assets	15,881	9,804
Audit services	7,500	7,100
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of

	2008 £	2007 £
Wages and salaries	817,783	657,120
Social security costs	85,652	66,997
Other pension costs	3,790	2,752
	<u>907,225</u>	<u>726,869</u>

The average number of employees (including directors) during the year was as follows

	2008 Number	2007 Number
Management	4	4
Production	25	18
	<u>29</u>	<u>22</u>

5 Directors' remuneration

	2008 £	2007 £
Directors' emoluments	73,293	67,908
Company contributions to money purchase pension schemes	2,663	749
	<u>75,956</u>	<u>68,657</u>

There was 1 director in the company's defined contribution pension scheme during the year (2007 - 1)

During the year, the company paid £21,800 (2007 £22,700) to FC Services Limited, a company controlled by T W Godfray, in respect of accountancy services provided by that company. This amount is not included above.

6 Interest payable and similar charges

	2008 £	2007 £
Bank loans and overdrafts	834	3,408
	<u>834</u>	<u>3,408</u>

Shutdown Maintenance Services Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

7 Taxation on profit on ordinary activities

	2008 £	2007 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	37,445	19,569
Adjustment in respect of previous periods	(4)	(496)
	<hr/>	<hr/>
Total current tax	37,441	19,073
<i>Deferred tax</i>		
Origination and reversal of timing differences	1,648	(4,601)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	39,089	14,472
	<hr/>	<hr/>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	125,820	97,143
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2007 - 30%)	37,746	29,143
Effect of		
Expenses not deductible for tax purposes	1,136	1,264
Capital allowances for period in excess of depreciation	(1,392)	(615)
Utilisation of tax losses	-	(10,178)
Adjustment to tax charge in respect of previous periods	(4)	(496)
Other timing differences	(45)	(45)
	<hr/>	<hr/>
Current tax charge for period	37,441	19,073
	<hr/>	<hr/>

Shutdown Maintenance Services Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 April 2007	206,138	303,800	15,966	525,904
Additions	-	37,600	-	37,600
Disposals	-	(6,500)	-	(6,500)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	206,138	334,900	15,966	557,004
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2007	30,924	289,970	15,966	336,860
Provided for the year	3,924	11,957	-	15,881
Disposals	-	(3,283)	-	(3,283)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	34,848	298,644	15,966	349,458
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2008	171,290	36,256	-	207,546
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2007	175,214	13,830	-	189,044
	<hr/>	<hr/>	<hr/>	<hr/>

Included in freehold property is freehold land held at cost of £109,370 (2007 £109,370) which is not depreciated

9 Fixed asset investments

	Investment property £
<i>Cost or valuation</i>	
At 1 April 2007	145,000
Revaluations	50,000
	<hr/>
At 31 March 2008	195,000
	<hr/>

The investment property is stated at directors' valuation made on 31 March 2008 based on a valuation made by a chartered surveyor on 27 February 2008. The historical cost of the property is £77,500

Shutdown Maintenance Services Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

10 Stocks

	2008 £	2007 £
Raw materials and consumables	5,464	5,464
Work in progress	63,000	182,500
	<u>68,464</u>	<u>187,964</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

11 Debtors

	2008 £	2007 £
Trade debtors	347,666	247,495
Prepayments and accrued income	2,486	-
Deferred taxation	2,953	4,601
	<u>353,105</u>	<u>252,096</u>

All amounts shown under debtors fall due for payment within one year

		Deferred taxation £
At 1 April 2007		4,601
Charged to profit and loss account		(1,648)
		<u>2,953</u>
At 31 March 2008		<u>2,953</u>
<i>Deferred taxation</i>		
	2008 £	2007 £
Accelerated capital allowances	1,525	3,026
Sundry timing differences	1,428	1,575
	<u>2,953</u>	<u>4,601</u>

Shutdown Maintenance Services Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

12 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loan and overdrafts (secured)	-	16,973
Loan notes	-	100,000
Trade creditors	216,276	143,591
Corporation tax	19,445	18,645
Other taxation and social security	77,560	49,548
Other creditors	20,540	18,270
Accruals and deferred income	30,768	28,983
	<u>364,589</u>	<u>376,010</u>

The bank loan and the overdraft are secured by a legal charge over the company's freehold and investment properties and an unlimited debenture

13 Share capital

	2008 £	Authorised 2007 £	Allotted, called up and fully paid 2008 £	2007 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>27,500</u>	<u>27,500</u>

14 Reserves

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 April 2007	67,500	22,500	281,382
Revaluation surplus	50,000	-	-
Profit for the year	-	-	86,731
	<u>117,500</u>	<u>22,500</u>	<u>368,113</u>
At 31 March 2008			

Shutdown Maintenance Services Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the year	86,731	82,671
Other net recognised gains and losses relating to the year	50,000	-
	<hr/>	<hr/>
Net additions to shareholders' funds	136,731	82,671
Opening shareholders' funds	398,882	316,211
	<hr/>	<hr/>
Closing shareholders' funds	535,613	398,882
	<hr/>	<hr/>

16 Pensions

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 charge represents contributions payable by the company to the fund and amounted to £3,790 (2007 £2,752). There were no outstanding contributions at the year end.

17 Related party disclosures

Controlling parties

The company is controlled by Falcon Holdings Limited.

Related party transactions and balances

At 31 March 2007, £77,270 of loan notes were held by Falcon Holdings Limited and £22,730 of loan notes were held by T W Godfray, a director. These were all repaid during the year.

The only transactions undertaken with related parties during either the current or comparative years are those disclosed in note 5 above.

18 Ultimate parent company and parent undertaking of larger group

The company's immediate parent company is Falcon Holdings Limited, a company registered in Belize, which is also considered to be the ultimate parent company. The address of Falcon Holdings is PO Box 1764, 60 Market Square, Belize City, Belize, Central America.