

**Shutdown Maintenance Services Limited**

**Report and Financial Statements**

**Year Ended**

**31 March 2005**



**Shutdown Maintenance Services Limited**

**Annual report and financial statements for the year ended 31 March 2005**

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**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, Park House, 102-108 Above Bar, Southampton, SO14 7NH

# **Shutdown Maintenance Services Limited**

## **Report of the directors for the year ended 31 March 2005**

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The directors present their report together with the audited financial statements for the year ended 31 March 2005.

### **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 has continued to be the application of anti-corrosion finishes to metal for industry.

Although the directors are pleased to note an improvement in the company's level of business and consider the year end financial position to be satisfactory, they are continuing to take action to improve the company's performance.

### **Directors**

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	<b>Ordinary shares of £1 each</b>	
	<b>31 March 2005</b>	<b>1 April 2004</b>
T W Godfray	5,000	5,000
P Lowe	2,500	2,500

### **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 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 2005 (*Continued*)**


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**Auditors**

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the board**

T W Godfray

  
Secretary

27/7/05

## **Shutdown Maintenance Services Limited**

### **Report of the independent auditors**

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#### **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 2005 on pages 5 to 14 which have been prepared under the accounting policies set out on pages 7 to 8.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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.

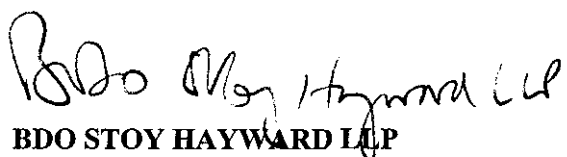
**Shutdown Maintenance Services Limited**

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors*  
Southampton

25 August 2006

**Shutdown Maintenance Services Limited****Profit and loss account for the year ended 31 March 2005**

	Note	2005 £	2004 £
<b>Turnover</b>	2	1,543,436	1,387,721
Cost of sales		1,179,249	1,029,049
		<hr/>	<hr/>
<b>Gross profit</b>		364,187	358,672
Administrative expenses		323,072	328,815
		<hr/>	<hr/>
		41,115	29,857
Other operating income		14,335	12,000
		<hr/>	<hr/>
<b>Operating profit</b>	3	55,450	41,857
Interest payable and similar charges	6	(4,691)	(7,659)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		50,759	34,198
Taxation on profit on ordinary activities	7	4,301	3,084
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		46,458	31,114
Retained profit brought forward		145,241	114,127
		<hr/>	<hr/>
<b>Retained profit carried forward</b>		191,699	145,241
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

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

The notes on pages 7 to 14 form part of these financial statements.

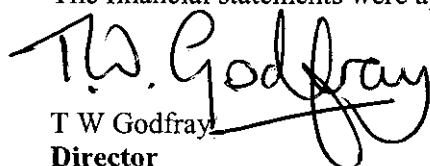
# Shutdown Maintenance Services Limited

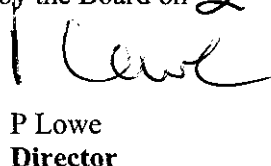
## Balance sheet at 31 March 2005

	Note	2005 £	2005 £	2004 £	2004 £
<b>Fixed assets</b>					
Tangible assets	8		193,448		188,232
Fixed asset investments	9		145,000		145,000
			<u>338,448</u>		<u>333,232</u>
<b>Current assets</b>					
Stocks	10	85,464		27,964	
Debtors	11	238,473		268,334	
Cash at bank and in hand		97		1,534	
		<u>324,034</u>		<u>297,832</u>	
<b>Creditors: amounts falling due within one year</b>	12	220,560		218,142	
		<u>220,560</u>		<u>218,142</u>	
<b>Net current assets</b>			103,474		79,690
<b>Total assets less current liabilities</b>			441,922		412,922
<b>Creditors: amounts falling due after more than one year</b>	13		132,723		150,181
			<u>132,723</u>		<u>150,181</u>
			309,199		262,741
<b>Capital and reserves</b>					
Called up share capital	14		27,500		27,500
Revaluation reserve			67,500		67,500
Capital redemption reserve			22,500		22,500
Profit and loss account			191,699		145,241
			<u>309,199</u>		<u>262,741</u>
<b>Equity shareholders' funds</b>			309,199		262,741

The financial statements were approved by the Board on

27 July 2005

  
T W Godfray  
Director

  
P Lowe  
Director

The notes on pages 7 to 14 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%
Computer equipment	- 33.3%

*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.

*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.

*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.

# Shutdown Maintenance Services Limited

## Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

### 1 Accounting policies (continued)

#### *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.

### 2 Turnover

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

### 3 Operating profit

	2005 £	2004 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	7,184	13,944
Audit services	6,250	5,750
Rent receivable	(14,335)	(12,000)
	<u>          </u>	<u>          </u>

### 4 Employees

Staff costs (including directors) consist of:

	2005 £	2004 £
Wages and salaries	639,884	549,329
Social security costs	64,360	52,466
Other pension costs	4,646	4,845
	<u>          </u>	<u>          </u>
	708,890	606,640
	<u>          </u>	<u>          </u>

# Shutdown Maintenance Services Limited

## Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

### 4 Employees (continued)

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

	2005 Number	2004 Number
Management	5	5
Production	20	20
	<u>25</u>	<u>25</u>

### 5 Directors' remuneration

	2005 £	2004 £
Directors' emoluments	63,471	65,407
Company contributions to money purchase pension schemes	1,135	1,135
	<u>64,606</u>	<u>66,542</u>

There was 1 director in the company's defined contribution pension scheme during the year (2004: 1).

During the year, the company paid £19,768 (2004: £16,076) to Mandate 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

	2005 £	2004 £
Bank loans and overdrafts	4,691	7,659
	<u>4,691</u>	<u>7,659</u>

## Shutdown Maintenance Services Limited

### Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

#### 7 Taxation on profit on ordinary activities

	2005 £	2004 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	4,301	3,600
Adjustment in respect of previous periods	-	(516)
	<hr/>	<hr/>
Total current tax	4,301	3,084
	<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:

	2005 £	2004 £
Profit on ordinary activities before tax	50,759	34,198
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 - 30%)	15,228	10,259
Effect of:		
Expenses not deductible for tax purposes	1,402	2,676
Capital allowances for period in excess of depreciation	(2,235)	(401)
Utilisation of tax losses	(10,049)	(9,267)
Adjustment to tax charge in respect of previous periods	-	(138)
Other timing differences	(45)	(45)
	<hr/>	<hr/>
Current tax charge for period	4,301	3,084
	<hr/>	<hr/>

#### *Factors that may affect future tax charges*

At 31 March 2005, the company had a deferred tax asset comprising fixed asset timing differences and corporation tax losses to carry forward amounting to £15,796. The full utilisation of these losses in the foreseeable future is uncertain and so the deferred tax asset has not been recognised in the accounts.

# Shutdown Maintenance Services Limited

## Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

### 8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost or valuation</i>					
At 1 April 2004	206,138	315,795	15,966	5,947	543,846
Additions	-	12,400	-	-	12,400
Disposals	-	(13,295)	-	(5,947)	(19,242)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	206,138	314,900	15,966	-	537,004
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 April 2004	19,456	314,245	15,966	5,947	355,614
Provided for the year	3,924	3,260	-	-	7,184
Disposals	-	(13,295)	-	(5,947)	(19,242)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	23,380	304,210	15,966	-	343,556
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 March 2005	182,758	10,690	-	-	193,448
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	186,682	1,550	-	-	188,232
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included in freehold property is freehold land valued at £109,370 (2004: £109,370) which is not depreciated.

### 9 Fixed asset investments

	Investment property £
<i>Cost or valuation</i>	
At 1 April 2004 and 31 March 2005	145,000
	<hr/>

The investment property is stated at directors' valuation made on 31 March 2005 based on a valuation made by a chartered surveyor on 11 September 2002. 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 2005 (Continued)****10 Stocks**

	2005 £	2004 £
Raw materials and consumables	5,464	5,464
Work in progress	80,000	22,500
	<u>85,464</u>	<u>27,964</u>

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

**11 Debtors**

	2005 £	2004 £
Trade debtors	233,966	267,027
Prepayments and accrued income	4,507	1,307
	<u>238,473</u>	<u>268,334</u>

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

**12 Creditors: amounts falling due within one year**

	2005 £	2004 £
Bank loans and overdrafts	78,680	33,708
Trade creditors	65,950	66,415
Corporation tax	4,301	3,600
Other taxation and social security	44,229	45,664
Other creditors	1,605	16,840
Accruals and deferred income	25,795	51,915
	<u>220,560</u>	<u>218,142</u>

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

# Shutdown Maintenance Services Limited

## Notes forming part of the financial statements for the year ended 31 March 2005 (Continued)

### 13 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Bank loan	32,723	50,181
Loan notes	100,000	100,000
	<u>132,723</u>	<u>150,181</u>

#### Maturity of debt:

	Loans and overdrafts 2005 £	Loans and overdrafts 2004 £
In one year or less, or on demand	78,680	33,708
In more than one year but not more than two years	18,733	17,610
In more than two years but not more than five years	113,990	132,571
	<u>132,723</u>	<u>150,181</u>

The bank loan is secured by a legal charge over the company's freehold and investment properties.

The bank loan is repayable in instalments before 8 December 2008. Interest is charged at 2% above Lloyds TSB Bank Plc's base rate.

The Loan notes are redeemable on 1 May 2007. No redemption shall be made if the company is utilising any bank overdraft facilities at that date. The loan notes are not guaranteed and are non-interest bearing.

**14 Share capital**

	2005	Authorised 2004	Allotted, called up and fully paid 2005	2004
	£	£	£	£
<i>Equity share capital</i>				
Ordinary shares of £1 each	50,000	50,000	27,500	27,500

**15 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 £4,646 (2004: £4,845). There were no outstanding contributions at the year end.

**16 Related party disclosures**

*Controlling parties*

The company is controlled by Falcon Holdings Limited.

*Related party transactions and balances*

At 31 March 2005, £77,270 (2004: £77,270) of loan notes were held by Falcon Holdings Limited and £22,730 (2004: £22,730) of loan notes were held by T W Godfray, a director.

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

**17 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.