

STREAMLINE CUTTING UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2010



unw LLP
Chartered Accountants & Statutory Auditor
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

STREAMLINE CUTTING UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	P B Bernard S N Simpson G Campbell
Company secretary	S N Simpson
Registered office	Kingsway South Team Valley Trading Estate Gateshead Tyne and Wear NE11 0JL
Auditor	unw LLP Chartered Accountants & Statutory Auditor Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds TSB Bank Plc PO Box 1SL 102 Grey Street Newcastle upon Tyne NE99 1SL
Solicitors	Hay & Kilner 30 Cloth Market Newcastle upon Tyne NE1 1EE

STREAMLINE CUTTING UK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of specialist cutting services. On 30 June 2009 the trade and assets of the company were hived up into the immediate parent company Responsive Engineering Group Limited

The directors were very satisfied with the performance of the business in the year and with its growth in sales and profitability

DIRECTORS

The directors who served the company during the year were as follows

P B Bernard
S N Simpson
G Campbell

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

unw LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

STREAMLINE CUTTING UK LIMITED

THE DIRECTORS' REPORT *(continued)*

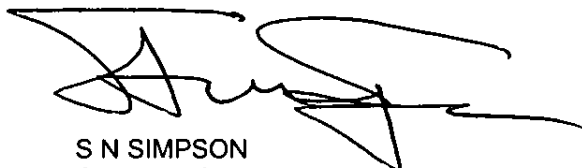
YEAR ENDED 31 MARCH 2010

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
Kingsway South
Team Valley Trading Estate
Gateshead
Tyne and Wear
NE11 0JL

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'S N Simpson', written over a horizontal line.

S N SIMPSON
Company Secretary

Approved by the directors on 22 July 2010

STREAMLINE CUTTING UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STREAMLINE CUTTING UK LIMITED

YEAR ENDED 31 MARCH 2010

We have audited the financial statements of Streamline Cutting UK Limited for the year ended 31 March 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STREAMLINE CUTTING UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STREAMLINE CUTTING UK LIMITED *(continued)*

YEAR ENDED 31 MARCH 2010

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Andrew Wilson BA FCA (Senior Statutory Auditor)
For and on behalf of
unw LLP
Chartered Accountants
& Statutory Auditor

Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

22 July 2010

STREAMLINE CUTTING UK LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
TURNOVER		612,692	2,543,615
Cost of sales		<u>359,027</u>	<u>1,480,149</u>
GROSS PROFIT		253,665	1,063,466
Administrative expenses		199,521	912,731
Other operating income	2	<u>(1,911)</u>	<u>(27,676)</u>
OPERATING PROFIT	3	56,055	178,411
Interest payable and similar charges		6,308	27,150
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		49,747	151,261
Tax on profit on ordinary activities	5	13,918	41,466
PROFIT FOR THE FINANCIAL YEAR		<u>35,829</u>	<u>109,795</u>

The notes on pages 8 to 14 form part of these financial statements.

STREAMLINE CUTTING UK LIMITED

BALANCE SHEET

31 MARCH 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	7	—	866,450
CURRENT ASSETS			
Stocks		—	136,419
Debtors	8	1,030,810	859,526
Cash at bank and in hand		—	136,163
		1,030,810	1,132,108
CREDITORS Amounts falling due within one year	9	—	579,622
NET CURRENT ASSETS		1,030,810	552,486
TOTAL ASSETS LESS CURRENT LIABILITIES		1,030,810	1,418,936
CREDITORS Amounts falling due after more than one year	10	—	313,651
PROVISIONS FOR LIABILITIES			
Deferred taxation	12	—	110,304
		1,030,810	994,981
CAPITAL AND RESERVES			
Called-up equity share capital	15	20,000	20,000
Profit and loss account	16	1,010,810	974,981
SHAREHOLDERS' FUNDS		1,030,810	994,981

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 22 July 2010, and are signed on their behalf by



P B Bernard
Director

Company Registration Number 02559808

The notes on pages 8 to 14 form part of these financial statements

STREAMLINE CUTTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Property Improvements	- 10 years Straight Line
Plant & Machinery	- 7 to 10 years Straight Line
Fixtures & Fittings	- 8 years Straight Line
Motor Vehicles	- 5 years Straight Line

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows

Raw Materials and goods for resale	- purchase cost on a first - in, first out basis
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

STREAMLINE CUTTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES *(continued)*

Pension costs

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OTHER OPERATING INCOME

	2010	2009
	£	£
Other operating income	<u>1,911</u>	<u>27,676</u>

STREAMLINE CUTTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Staff pension contributions	569	3,268
Depreciation of owned fixed assets	22,327	140,844
Depreciation of assets held under hire purchase agreements	18,964	82,874
Profit on disposal of fixed assets	-	(1,437)
Auditor's fees	-	3,450

The audit fee will be paid by the parent company as part of the group audit fee. The audit fee for the group is disclosed in the group accounts.

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Aggregate remuneration	12,490	50,936
Value of company pension contributions to money purchase schemes	476	1,840
	<u>12,966</u>	<u>52,776</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2010 No	2009 No
Money purchase schemes	-	1

5 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	17,955	62,465
Over/under provision in prior year	4,944	(417)
Total current tax	<u>22,899</u>	<u>62,048</u>
Deferred tax		
Origination and reversal of timing differences	(8,981)	(20,582)
Tax on profit on ordinary activities	<u>13,918</u>	<u>41,466</u>

STREAMLINE CUTTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

6 DIVIDENDS

Equity dividends

	2010 £	2009 £
Paid during the year		
Equity dividends on ordinary shares	<u>-</u>	<u>100,000</u>

7 TANGIBLE FIXED ASSETS

	Property Improvements £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 April 2009	82,806	1,929,740	112,369	32,333	2,157,248
Additions	-	817	1,560	-	2,377
Transferred on hive up	(82,806)	(1,930,557)	(113,929)	(32,333)	(2,159,625)
At 31 March 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPRECIATION					
At 1 April 2009	60,748	1,117,803	100,378	11,869	1,290,798
Charge for the year	843	37,688	1,143	1,617	41,291
Transferred on hive up	(61,591)	(1,155,491)	(101,521)	(13,486)	(1,332,089)
At 31 March 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE					
At 31 March 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2009	<u>22,058</u>	<u>811,937</u>	<u>11,991</u>	<u>20,464</u>	<u>866,450</u>

Hire purchase agreements

Included within the net book value of £Nil is £Nil (2009 - £561,813) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £18,964 (2009 - £82,874).

8 DEBTORS

	2010 £	2009 £
Trade debtors	-	449,740
Amounts owed by group undertakings	1,030,810	394,750
Prepayments and accrued income	-	15,036
	<u>1,030,810</u>	<u>859,526</u>

STREAMLINE CUTTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

9 CREDITORS. Amounts falling due within one year

	2010 £	2009 £
Trade creditors	-	294,040
Corporation tax	-	62,464
VAT	-	35,078
Hire purchase agreements	-	137,711
Other creditors	-	14,313
Accruals and deferred income	-	36,016
	-	<u>579,622</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2010 £	2009 £
Hire purchase agreements	-	<u>137,711</u>

10 CREDITORS Amounts falling due after more than one year

	2010 £	2009 £
Hire purchase agreements	-	<u>313,651</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2010 £	2009 £
Hire purchase agreements	-	<u>313,651</u>

11. 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. There were no outstanding or prepaid contributions at 31 March 2009.

STREAMLINE CUTTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

12 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2010 £	2009 £
Provision brought forward	110,304	130,886
Profit and loss account movement arising during the year	(8,981)	(20,582)
Transferred to parent on hive up	(101,323)	-
Provision carried forward	-	110,304

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2010 £	2009 £
Excess of taxation allowances over depreciation on fixed assets	-	110,304
	-	110,304

13 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2010 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2010 £	2009 £
Operating leases which expire		
Within 1 year	412	270
Within 2 to 5 years	-	2,227
	412	2,497

14 RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

STREAMLINE CUTTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

15 SHARE CAPITAL

Authorised share capital.

	2010	2009
	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid

	2010		2009	
	No	£	No	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

16 PROFIT AND LOSS ACCOUNT

	2010	2009
	£	£
Balance brought forward	974,981	965,186
Profit for the financial year	35,829	109,795
Equity dividends	—	(100,000)
Balance carried forward	<u>1,010,810</u>	<u>974,981</u>

17. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Responsive Engineering Group Limited. The ultimate parent undertaking and controlling party is Responsive Investments Limited. Responsive Investments Limited prepares consolidated accounts incorporating the company, copies of which are available from Companies House.