

Registration number 3893755

Precision Stitching Limited
Directors' report and financial statements
for the year ended 31 December 2005



Precision Stitching Limited

Company information

Directors	Ray Armstrong
Secretary	Allsion Armstrong
Company number	3893755
Registered office	1 Cranmer Street Long Eaton Nottingham NG10 1NJ
Accountants	Gregory Priestley & Stewart Alexandra House 123 Priestsic Road Sutton in Ashfield Nottinghamshire NG17 4EA
Business address	7 Beck Street Nottingham NG1 1EQ

Precision Stitching Limited

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Precision Stitching Limited

Directors' report for the year ended 31 December 2005

The directors present their report and the financial statements for the year ended 31 December 2005.

Principal activity

The principal activity of the company continued to be that of the manufacture of textile goods.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	31/12/05	01/01/05
Ray Armstrong	Ordinary shares	55	55
	Ordinary B shares	38	38
Allison Armstrong	Ordinary shares	45	45
	Ordinary B shares	22	22

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 18 July 2006 and signed on its behalf by



Ray Armstrong
Director

Precision Stitching Limited

**Accountants' Report to the Shareholders on the Unaudited Financial Statements
of Precision Stitching Limited**

We report on the financial statements for the year ended 31 December 2005 set out on pages 3 to 10.

Respective responsibilities of directors and accountants

As described on page 5 the company's directors are responsible for the preparation of financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that , fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).


Gregory Priestley & Stewart

**Alexandra House
123 Priestsic Road
Sutton in Ashfield
Nottinghamshire
NG17 4EA**

18 July 2006

Precision Stitching Limited

**Profit and loss account
for the year ended 31 December 2005**

		2005	2004
	Notes	£	£
Turnover	2	261,038	760,771
Cost of sales		(186,801)	(742,918)
Gross profit		<u>74,237</u>	<u>17,853</u>
Administrative expenses		(71,211)	(41,853)
Operating profit/(loss)	3	<u>3,026</u>	<u>(24,000)</u>
Interest payable and similar charges		(1,035)	(1,670)
Profit/(loss) on ordinary activities before taxation		<u>1,991</u>	<u>(25,670)</u>
Tax on profit/(loss) on ordinary activities		<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		<u>1,991</u>	<u>(25,670)</u>
Retained profit/(loss) for the year		<u>1,991</u>	<u>(25,670)</u>
Accumulated loss brought forward		<u>(81,989)</u>	<u>(56,319)</u>
Accumulated loss carried forward		<u><u>(79,998)</u></u>	<u><u>(81,989)</u></u>

The notes on pages 6 to 10 form an integral part of these financial statements.

Precision Stitching Limited

**Balance sheet
as at 31 December 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		292		389
Current assets					
Stocks		12,000		9,675	
Debtors	6	13,925		34,512	
Cash at bank and in hand		162		-	
		<u>26,087</u>		<u>44,187</u>	
Creditors: amounts falling due within one year	7	<u>(99,259)</u>		<u>(126,405)</u>	
Net current liabilities			<u>(73,172)</u>		<u>(82,218)</u>
Total assets less current liabilities			<u>(72,880)</u>		<u>(81,829)</u>
Creditors: amounts falling due after more than one year	8		<u>(6,958)</u>		<u>-</u>
Deficiency of assets			<u>(79,838)</u>		<u>(81,829)</u>
Capital and reserves					
Called up share capital	9		160		160
Profit and loss account			<u>(79,998)</u>		<u>(81,989)</u>
Shareholders' funds			<u>(79,838)</u>		<u>(81,829)</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 10 form an integral part of these financial statements.

Precision Stitching Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2005**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2005 and

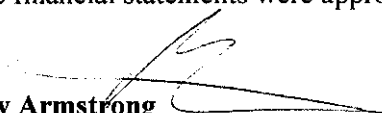
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies.

The financial statements were approved by the Board on 18 July 2006 and signed on its behalf by


Ray Armstrong
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

Precision Stitching Limited

Notes to the financial statements for the year ended 31 December 2005

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2. Changes in accounting policy

FRSSE 2005

The implementation of the Financial Reporting Standard for Smaller Entities (effective January 2005) has not resulted in any changes to the accounting treatment of items included in the company's financial statements.

1.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	25% Reducing balance
Motor vehicles	-	25 % Reducing balance

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Precision Stitching Limited

Notes to the financial statements for the year ended 31 December 2005

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1.7. 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:

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.

1.8. Going concern

The financial statements have been prepared on a going concern basis, this may not be appropriate because the balance sheet showed a deficit of £79,838 for the year ended 31 December 2005. The company is therefore dependant upon the support of its directors. The directors have stated that they will continue to support the company. It is the directors' opinion that the company will continue in operational existence for the foreseeable future.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit/(loss)

	2005	2004
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation and other amounts written off tangible assets	97	130

4. Pension costs

The company operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,347 (2004 - £1,857).

Precision Stitching Limited

Notes to the financial statements
for the year ended 31 December 2005

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5. Tangible fixed assets	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2005	436	650	1,086
At 31 December 2005	436	650	1,086
Depreciation			
At 1 January 2005	252	445	697
Charge for the year	46	51	97
At 31 December 2005	298	496	794
Net book values			
At 31 December 2005	138	154	292
At 31 December 2004	184	205	389

6. Debtors	2005 £	2004 £
Trade debtors	13,925	34,430
Prepayments and accrued income	-	82
	13,925	34,512

Precision Stitching Limited

Notes to the financial statements
for the year ended 31 December 2005

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7.	Creditors: amounts falling due within one year	2005 £	2004 £
	Bank overdraft	-	11,135
	Bank loan	4,650	7,831
	Trade creditors	30,195	54,690
	Other taxes and social security costs	6,690	7,680
	Directors' accounts	34,379	23,054
	Other creditors	18,169	16,315
	Accruals and deferred income	5,176	5,700
		<u>99,259</u>	<u>126,405</u>
8.	Creditors: amounts falling due after more than one year	2005 £	2004 £
	Bank loan	<u>6,958</u>	<u>-</u>
9.	Share capital	2005 £	2004 £
	Authorised		
	1,000 Ordinary shares of 1 each	1,000	1,000
	1,000 Ordinary B shares of 1 each	1,000	1,000
		<u>2,000</u>	<u>2,000</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of 1 each	100	100
	60 Ordinary B shares of 1 each	60	60
		<u>160</u>	<u>160</u>
	Equity Shares		
	100 Ordinary shares of 1 each	100	100
	60 Ordinary B shares of 1 each	60	60
		<u>160</u>	<u>160</u>

Precision Stitching Limited

**Notes to the financial statements
for the year ended 31 December 2005**

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10. Controlling interest

The control of the company lies with the directors by virtue of their holding of 100% of the ordinary issued share capital.