

Companies House

REGISTERED NUMBER: 5532138 (England and Wales)

**ABBREVIATED AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**  
**FOR**  
**MATERIALS TESTING & INSPECTION**  
**SERVICES LIMITED**

THURSDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 MARCH 2009**

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**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2009**

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<b>DIRECTORS:</b>	Mr GR Tomlinson Mrs C Tomlinson Mr CP Morris
<b>SECRETARY:</b>	Mr GR Tomlinson
<b>REGISTERED OFFICE:</b>	Building 38 Vanguard Road East Midlands Airport Castle Donington Derby DE74 2SA
<b>REGISTERED NUMBER:</b>	5532138 (England and Wales)
<b>AUDITORS:</b>	Mark J Rees Chartered Accountants and Registered Auditors Granville Hall Granville Road Leicester LE1 7RU
<b>BANKERS:</b>	Lloyds TSB plc Derby Road Long Eaton Nottinghamshire NG10 1LU

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2009**

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The directors present their report with the accounts of the company for the year ended 31 March 2009.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a holding company with a subsidiary company whose principal activity was that of non destructive testing services.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are shown in the annexed financial statements.

The company and its subsidiary trading company, NDT Services Limited, have continued to grow during the financial year with a substantial increase in turnover, in spite of the current difficult economic climate. This has produced another excellent financial result. This continued growth has been achieved by the group's ability to increase its customer demand, diversify its activities by acquiring additional businesses as the opportunity arises and through the skills and knowledge of the directors and senior employees.

The financial position of the group is thus strong to sustain it going forward. The group anticipates that it will achieve further growth in the foreseeable future, especially after obtaining a major contract with a customer which is expected to generate additional sales over the next 3 years.

The group intends to consolidate its activities within the next 2-3 years. To achieve this, they are planning to purchase new property which may cost in excess of £2 million.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2009.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2008 to the date of this report.

Mr GR Tomlinson

Mrs C Tomlinson

Mr CP Morris

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to 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 these 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 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.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2009**

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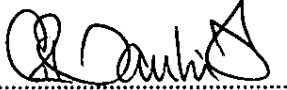
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Mark J Rees Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
Mr GR Tomlinson - Secretary

Date: 30 November 2009

**REPORT OF THE INDEPENDENT AUDITORS TO  
MATERIALS TESTING & INSPECTION  
SERVICES LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages five to sixteen, together with the financial statements of Materials Testing & Inspection Services Limited for the year ended 31 March 2009 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Mark J Rees Chartered Accountants  
and Registered Auditors  
Granville Hall  
Granville Road  
Leicester  
LE1 7RU

Date: 1/12/09

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
<b>GROSS PROFIT</b>		<b>1,316,724</b>	<b>1,178,900</b>
Distribution costs		8,938	6,169
Administrative expenses		<u>1,162,286</u>	<u>1,023,762</u>
		<b>1,171,224</b>	<b>1,029,931</b>
<b>OPERATING PROFIT</b>	3	<b>145,500</b>	<b>148,969</b>
Interest receivable and similar income		<u>185</u>	<u>490</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>145,685</b>	<b>149,459</b>
Tax on profit on ordinary activities	4	<u>31,371</u>	<u>29,901</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b><u>114,314</u></b>	<b><u>119,558</u></b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts


**ABBREVIATED BALANCE SHEET  
31 MARCH 2009**

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	5	32,343	46,966
Investments	6	1,994,132	1,994,132
		<u>2,026,475</u>	<u>2,041,098</u>
<b>CURRENT ASSETS</b>			
Debtors	7	657,422	750,100
Cash at bank		6,450	17,143
		<u>663,872</u>	<u>767,243</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	837,971	950,279
<b>NET CURRENT LIABILITIES</b>		<u>(174,099)</u>	<u>(183,036)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,852,376</u>	<u>1,858,062</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	720,000	840,000
<b>NET ASSETS</b>		<u><u>1,132,376</u></u>	<u><u>1,018,062</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	777,368	777,368
Profit and loss account	13	355,008	240,694
<b>SHAREHOLDERS' FUNDS</b>	16	<u><u>1,132,376</u></u>	<u><u>1,018,062</u></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 30 November 2009 and were signed on its behalf by:

  
Mr GR Tomlinson - Director

  
Mrs C Tomlinson - Director

The notes form part of these abbreviated accounts



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	1	207,196	(3,278)
Returns on investments and servicing of finance	2	185	490
Taxation		(29,901)	(28,482)
Capital expenditure	2	(9,204)	(49,875)
		168,276	(81,145)
Financing	2	(178,969)	92,986
(Decrease)/Increase in cash in the period		(10,693)	11,841
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(10,693)	11,841
Cash outflow from decrease in debt		120,000	120,000
Change in net debt resulting from cash flows		109,307	131,841
Movement in net debt in the period		109,307	131,841
Net debt at 1 April		(942,857)	(1,074,698)
Net debt at 31 March		(833,550)	(942,857)

The notes form part of these abbreviated accounts

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2009	2008
	£	£
Operating profit	145,500	148,969
Depreciation charges	15,080	2,909
Loss on disposal of fixed assets	8,747	-
Decrease/(Increase) in debtors	92,678	(282,221)
(Decrease)/Increase in creditors	(54,809)	127,065
<b>Net cash inflow/(outflow) from operating activities</b>	<b>207,196</b>	<b>(3,278)</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2009	2008
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	185	490
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>185</b>	<b>490</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(39,204)	(49,875)
Sale of tangible fixed assets	30,000	-
<b>Net cash outflow for capital expenditure</b>	<b>(9,204)</b>	<b>(49,875)</b>
<b>Financing</b>		
Capital repayments in year	(120,000)	(120,000)
Amount introduced by directors	22,499	212,986
Amount withdrawn by directors	(81,468)	-
<b>Net cash (outflow)/inflow from financing</b>	<b>(178,969)</b>	<b>92,986</b>

The notes form part of these abbreviated accounts

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.08 £	Cash flow £	At 31.3.09 £
Net cash:			
Cash at bank	17,143	(10,693)	6,450
	<u>17,143</u>	<u>(10,693)</u>	<u>6,450</u>
Debt:			
Debts falling due within one year	(120,000)	-	(120,000)
Debts falling due after one year	(840,000)	120,000	(720,000)
	<u>(960,000)</u>	<u>120,000</u>	<u>(840,000)</u>
Total	<u>(942,857)</u>	<u>109,307</u>	<u>(833,550)</u>

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

**Exemption from preparing consolidated financial statements**

The financial statements contain information about Materials Testing & Inspection Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles      - 35% on reducing balance

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Investments**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

**2. STAFF COSTS**

	2009 £	2008 £
Wages and salaries	923,881	864,860
Social security costs	118,262	113,177
Other pension costs	88,000	32,000
	<u>1,130,143</u>	<u>1,010,037</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Management	3	3
Administration	2	2
	<u>5</u>	<u>5</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2009 £	2008 £
Depreciation - owned assets	15,080	2,909
Loss on disposal of fixed assets	8,747	-
Auditors remuneration	3,300	2,275
	<u>          </u>	<u>          </u>
Directors' emoluments	936,499	878,903
Directors' pension contributions to money purchase schemes	88,000	32,000
	<u>          </u>	<u>          </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	1
	<u>          </u>	<u>          </u>

Information regarding the highest paid director is as follows:

	2009 £	2008 £
Emoluments etc	503,291	501,002
Pension contributions to money purchase schemes	56,000	-
	<u>          </u>	<u>          </u>

**4. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2009 £	2008 £
Current tax:		
UK corporation tax	31,371	29,901
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	31,371	29,901
	<u>          </u>	<u>          </u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

**4. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u><b>145,685</b></u>	<u><b>149,459</b></u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 20%)	<b>30,594</b>	<b>29,892</b>
Effects of:		
Expenses not tax deductible	<b>(53)</b>	<b>27</b>
Depreciation in excess of capital allowances	<u><b>830</b></u>	<u><b>(18)</b></u>
Current tax charge	<u><b>31,371</b></u>	<u><b>29,901</b></u>

**5. TANGIBLE FIXED ASSETS**

	<b>Motor vehicles £</b>
<b>COST</b>	
At 1 April 2008	<b>49,875</b>
Additions	<b>39,204</b>
Disposals	<u><b>(49,875)</b></u>
At 31 March 2009	<u><b>39,204</b></u>
<b>DEPRECIATION</b>	
At 1 April 2008	<b>2,909</b>
Charge for year	<b>15,080</b>
Eliminated on disposal	<u><b>(11,128)</b></u>
At 31 March 2009	<u><b>6,861</b></u>
<b>NET BOOK VALUE</b>	
At 31 March 2009	<u><b>32,343</b></u>
At 31 March 2008	<u><b>46,966</b></u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2008 and 31 March 2009	<u>1,994,132</u>
<b>NET BOOK VALUE</b>	
At 31 March 2009	<u>1,994,132</u>
At 31 March 2008	<u>1,994,132</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

**NDT Services Limited**

Nature of business: Non destructive testing services

	%		
	holding		
Class of shares:	100.00		
"A" Ordinary		2009	2008
		£	£
Aggregate capital and reserves		1,307,836	1,218,815
Profit for the year		<u>89,021</u>	<u>261,119</u>

**Non Destructive Testers (Midlands) Limited**

Nature of business: Dormant

	%		
	holding		
Class of shares:	100.00		
Ordinary		2009	2008
		£	£
Aggregate capital and reserves		<u>100</u>	<u>100</u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Amounts owed by group undertakings	655,502	748,515
Other debtors	400	400
Prepayments	1,520	1,185
	<u>657,422</u>	<u>750,100</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Other loans (see note 10)	120,000	120,000
Trade creditors	1,594	1,258
Taxation	31,371	29,901
Paye/Ni payable	41,498	75,050
VAT	35,616	109,107
Other creditors	28,224	15,635
Directors' current accounts	180,396	239,365
Accruals and deferred income	399,272	359,963
	<u>837,971</u>	<u>950,279</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2009	2008
	£	£
Other loans (see note 10)	<u>720,000</u>	<u>840,000</u>

**10. LOANS**

An analysis of the maturity of loans is given below:

	2009	2008
	£	£
Amounts falling due within one year or on demand:		
Loan < 1 Year	<u>120,000</u>	<u>120,000</u>
Amounts falling due between one and two years:		
Loan 1 - 2 Years	<u>120,000</u>	<u>120,000</u>
Amounts falling due between two and five years:		
Loan 2 - 5 Years	<u>360,000</u>	<u>360,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Loan > 5 Years	<u>240,000</u>	<u>360,000</u>

The loan is in respect of loan notes totalling £1,200,000 originally issued to former directors and shareholders of the company on 27 March 2006. It is repayable in annual instalments of £120,000 each on 30 September each year until 30 September 2015.



**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

**11. SECURED DEBTS**

The following secured debts are included within creditors:

	2009 £	2008 £
Loan	<u>840,000</u>	<u>960,000</u>

The loan is secured by a debenture dated 27 March 2006 on all assets and undertakings of the company and its subsidiary trading company, NDT Services Limited.

**12. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	2009 £	2008 £
575,156	'A' Ordinary	£1	575,156	575,156
202,212	'B' Ordinary	£1	202,212	202,212
222,632	'C' Ordinary	£1	222,632	222,632
			<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2009 £	2008 £
575,156	'A' Ordinary	£1	575,156	575,156
202,212	'B' Ordinary	£1	202,212	202,212
			<u>777,368</u>	<u>777,368</u>

**13. RESERVES**

	Profit and loss account £
At 1 April 2008	240,694
Profit for the year	<u>114,314</u>
At 31 March 2009	<u>355,008</u>

**14. PENSION COMMITMENTS**

The company operates defined contribution pension schemes for the benefit of certain directors. The assets of the schemes are administrated by trustees in funds independent from those of the company.

Total contributions paid during the year amounted to £88,000 (2008 : £32,000).

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

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**15. RELATED PARTY DISCLOSURES**

The company has made a management charge to its subsidiary company, NDT Services Limited of £1,316,724 (2008 : £1,178,900) during the year.

There was a balance owed to the company by NDT Services Limited of £655,502 (2008 : £748,515) at the year end.

Other creditors include balances owing to Mr and Mrs GR Tomlinson of £88,193 (2008 : £169,661) and to Mr CP Morris of £92,203 (2008 : £69,704), all directors of the company.

During the year, the company sold a motor vehicle to Mr and Mrs GR Tomlinson for proceeds of £30,000, based on a market valuation.

**16. ULTIMATE CONTROLLING PARTY**

The company is controlled by Mr GR Tomlinson by virtue of his directorship and majority shareholding.

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Profit for the financial year	114,314	119,558
Net addition to shareholders' funds	114,314	119,558
Opening shareholders' funds	1,018,062	898,504
Closing shareholders' funds	1,132,376	1,018,062