

**SCOTT-MONCRIEFF**

EDINBURGH AND GLASGOW

**CLYDEVIEW PRECISION ENGINEERING
& SUPPLIES LIMITED****Registered number: SC102708****Directors' Report and Financial Statements****For the year ended 31 December 2006**

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Financial Statements

For the year ended 31 December 2006

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CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Company Information

Directors

DM Rodger
J Rodger
CSW Kidd
GL Bell
DA Haig

Secretary

J Rodger

Registered office

197a Dumbarton Road
Clydebank
Glasgow
G81 4XJ

Registered number

SC102708

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Report of the directors

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activity

The principal activity and core business of the company continues to be precision engineering supplies

Review of business

The net profit after providing for taxation amounted to £78,415

Directors

The directors during the year were

DM Rodger
J Rodger
CSW Kidd
GL Bell
DA Haig

Statement of 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 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 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.

Small company exemptions

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

By order of the board



J Rodger
Secretary

11 September 2007

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Chartered Accountants' report to the directors on the unaudited accounts of Clydeview Precision Engineering & Supplies Limited

In accordance with our engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have prepared the accounts of the company on pages 4 to 11 from the accounting records and information and explanations supplied to us

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the accounts on behalf of the company's board of directors 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of accounts.

You have acknowledged on the balance sheet for the year ended 31 December 2006 your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.



Scott Moncrieff
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

11 September 2007

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Profit and Loss Account

For the year ended 31 December 2006

	Note	2006 £	2005 £
Turnover		5,259,533	4,908,977
Cost of sales		<u>(3,815,221)</u>	<u>(3,496,707)</u>
Gross profit		1,444,312	1,412,270
Distribution costs		(162,245)	(131,255)
Administrative expenses		(1,252,348)	(1,010,250)
Other operating income		<u>50,000</u>	<u>15,000</u>
Operating profit	2	79,719	285,765
Interest payable and similar charges		<u>(15,359)</u>	<u>(15,792)</u>
Profit on ordinary activities before taxation		64,360	269,973
Taxation	4	<u>14,055</u>	<u>(66,109)</u>
Profit on ordinary activities after taxation		<u><u>78,415</u></u>	<u><u>203,864</u></u>

The notes on pages 6 to 11 form part of these financial statements

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Balance Sheet

At 31 December 2006

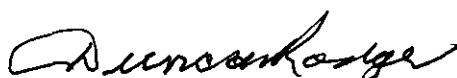
	Note	£	2006 £	£	2005 £
Fixed assets					
Tangible assets	6		55,695		533,721
Current assets					
Stocks		544,679		380,679	
Debtors	7	1,182,090		841,559	
Cash at bank and in hand		75,486		135,843	
			<u>1,802,255</u>	<u>1,358,081</u>	
Creditors amounts falling due within one year	8	1,570,629		<u>1,463,919</u>	
Net current assets/(liabilities)			231,626		(105,838)
Total assets less current liabilities			<u>287,321</u>		<u>427,883</u>
Creditors amounts falling due after more than one year	9		(8,720)		(12,906)
Provisions for liabilities	10				(17,875)
Accruals and deferred income	11		(34,400)		(49,400)
Net assets			<u>244,201</u>		<u>347,702</u>
Capital and reserves					
Called up share capital	12		238,000		238,000
Share premium	13		38,831		38,831
Profit and loss account	13		(32,630)		70,871
Shareholders' funds			<u>244,201</u>		<u>347,702</u>

For the year ended 31 December 2006 the company was entitled to exemption from audit under s249A(1) of the Companies Act 1985. The members have not required the company to obtain an audit of its accounts for the year under s249B(2). The directors acknowledge their responsibility for ensuring that the company keeps proper accounting records in accordance with s221 of the Act and for 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 financial year and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

The financial statements were authorised for issue by the Board of directors on 11 September 2007 and are signed on their behalf by.

DM Rodger
Director



The notes on pages 6 to 11 form part of these financial statements

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2006

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 January 2005)

Turnover

Turnover represents the sales value of goods supplied and services provided during the year, net of Value Added Tax

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation

Depreciation is provided to write off the cost of tangible fixed assets as follows

Freehold Properties 2% Straight Line

Plant & Machinery 10% Straight Line

Fixtures & Fittings 10% Straight Line

Motor Vehicles 20% Straight Line

Operating leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred

Finance leases

Assets held under finance leases are treated as tangible fixed assets, and initially recorded at the present value of the minimum lease payments at the inception of the lease. These assets are depreciated over their useful economic lives.

Obligations under finance leases are included within creditors, net of finance charges allocated to future periods.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are as follows:

(a) Raw materials purchase cost,

(b) Work in progress cost of direct materials and labour plus attributable overheads based on normal levels of activity.

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

Deferred tax

Deferred taxation is provided for at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods that differ from those in which they are included in the financial statements.

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2006

Pension costs

The company operates a defined contribution scheme in respect of its employees. The assets of the scheme are held separately from those of the company. The pension cost charge represents the amount of the contributions payable to the scheme in respect of the year.

Consolidation

The company forms part of a small sized group. The ultimate parent company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Government grants

Government grants in respect of capital expenditure are credited to the profit and loss account over the estimated useful life of the relevant assets. The grants shown in the balance sheet represent the total grants receivable to date less the amount so far credited to the profit and loss account.

Cash flow statement

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

2 Operating profit

	2006 £	2005 £
Operating profit is stated after charging		
Depreciation of tangible assets	68,828	110,376
Disposal of fixed assets	471	9,243
and after crediting		
Grants received	<u>15,000</u>	<u>15,000</u>

3 Directors' remuneration

	2006 £	2005 £
Directors' emoluments	131,356	126,720
Pension costs	<u>31,981</u>	<u>30,819</u>
	<u>163,337</u>	<u>157,539</u>

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2006

4 Taxation

	2006 £	2005 £
UK corporation tax current year	22,659	72,629
UK corporation tax adjustment to prior years	(18,839)	85
Deferred taxation	(17,875)	(6,605)
	<u>(14,055)</u>	<u>66,109</u>

5 Pension costs

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company.

The pension cost charge represents contributions payable by the company and amounted to £78,988 (2005 £78,915).

6 Tangible fixed assets

	Heritable property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2006	127,000	1,186,904	28,390	74,535	1,416,829
Additions		6,839	10,348	14,083	31,270
Hive up to holding company	(127,000)	(916,913)	(38,738)	(44,628)	(1,127,279)
Disposals				(10,572)	(10,572)
At 31 December 2006		<u>276,830</u>		<u>33,418</u>	<u>310,248</u>
Depreciation					
At 1 January 2006	24,220	802,731	4,160	51,997	883,108
Depreciation for the year	1,270	62,027	1,419	4,112	68,828
Hive up to holding company	(25,490)	(643,623)	(5,579)	(16,347)	(691,039)
Disposals				(6,344)	(6,344)
		<u>(221,135)</u>		<u>(33,418)</u>	<u>(254,553)</u>
Net book value					
At 31 December 2006		<u>55,695</u>			<u>55,695</u>
At 31 December 2005	<u>102,780</u>	<u>384,173</u>	<u>24,230</u>	<u>22,538</u>	<u>533,721</u>

Included within fixed assets are assets held under finance lease and hire purchase agreements with a net book value of £nil (2005 £31,438). Depreciation charged on these assets during the year was £ (2005 £7,561).

The assets hived up were transferred to the holding company, Clydeview Investments Limited, on 30 June 2006.

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2006

7 Debtors

	2006 £	2005 £
Trade debtors	588,495	636,365
Group balances	526,062	144,934
Other debtors	67,533	60,260
	<u>1,182,090</u>	<u>841,559</u>

8 Creditors. amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	594,528	508,878
Trade creditors	548,634	531,086
Corporation tax	89,761	130,792
Other taxation and social security	213,987	186,443
Amounts owed to group undertakings	500	2,474
Finance lease creditors	11,676	8,477
Other creditors	86,188	83,431
Accruals and deferred income	25,355	12,338
	<u>1,570,629</u>	<u>1,463,919</u>

The company has a bank overdraft facility which is secured over the company's assets and by a standard security and a floating charge

The Royal Bank of Scotland plc holds a standard security and floating charge over the business premises at 197 Dumbarton Road, Clydebank. There is also a standard security over the workshop and office at 197a Dumbarton Road, Clydebank and the workshop at Langbyres Road, Cleland with the same bank

An unlimited inter company guarantee exists between Clydeview Precision Engineering and Supplies Limited and its parent company, Clydeview Investments Limited and some of its fellow subsidiaries

A guarantee exists by the Secretary of State for Department of Trade & Industry in respect of 85% of the outstanding bank loan

Both J Rodger and DM Rodger have granted a joint and several guarantee for £50,000 as security in favour of the bank

9 Creditors. amounts falling due after more than one year

	2006 £	2005 £
Hire purchase and finance lease creditors	<u>8,720</u>	<u>12,906</u>
Amounts are due within the following periods		
Between one and two years	8,720	8,184
Between two and five years		4,722
	<u>8,720</u>	<u>12,906</u>

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2006

10 Provisions for liabilities

Total provisions for liabilities

	2006	2005
	£	£
Deferred tax	<u> </u>	<u>17,875</u>

Deferred tax provided in the accounts comprises

	2006	2005
	£	£
Accelerated capital allowances		31,061
Short term timing differences	<u> </u>	<u>(13,186)</u>
	<u> </u>	<u>17,875</u>

11 Accruals and deferred income

Deferred government grants

	2006	2005
	£	£
At 1 January 2006	49,400	64,400
Released in year	<u>(15,000)</u>	<u>(15,000)</u>
At 31 December 2006	<u>34,400</u>	<u>49,400</u>

12 Share capital

	2006	2005
	£	£
Authorised		
Equity		
500,000 Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>

	2006	2005
	£	£
Allotted, called up and fully paid		
Equity		
238,000 Ordinary Shares of £1 each	<u>238,000</u>	<u>238,000</u>

13 Reserves

	Share premium	Profit and loss account	Total
	£	£	£
At 1 January 2006	38,831	70,871	109,702
Profit for the year		78,415	78,415
Dividends		<u>(181,916)</u>	<u>(181,916)</u>
At 31 December 2006	<u>38,831</u>	<u>(32,630)</u>	<u>6,201</u>

CLYDEVIEW PRECISION ENGINEERING & SUPPLIES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2006

14 Related Parties

Clydeview Precision Engineering and Supplies Limited, Youmac Sheet Metal Limited, Clydeview Engineering Limited and Clydeview Investments Limited are related parties by virtue of common control

Clydeview Precision Engineering and Supplies Limited is a wholly owned subsidiary of Clydeview Investments Limited

During the year, the company charged Clydeview Engineering Limited £35,000 (2005 £nil) in respect of management services provided and was charged £207,667 (2005 £nil) by Clydeview Investments Limited for management services provided

The balances due to and from related companies were as follows

Youmac Sheet Metal Limited	(£500)
Clydeview Engineering Limited	£146,230
Clydeview Investments Limited	£379,832

Contained in Other debtors and Other Creditors are directors' loans. The maximum balance in the year and year end balances as follows

i)	CSW Kidd	£12,039 (£12,039 2005) due to the company
ii)	G Bell	£1,307 (£1,622 2005) due by the company
iii)	D A Haig	£4,017 (£7,490 2005) due by the company

15 Ultimate parent company

The ultimate parent company is Clydeview Investments Limited, a company registered in Scotland