

E REID & SON (SCOTLAND) LTD
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2006

COMPANY NO. SCO 160969



E REID & SON (SCOTLAND) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2006

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

PRINCIPAL ACTIVITIES

The principal activity was that of motor vehicle engineers.

DIRECTORS

The directors who served during the year and their beneficial interests in the companies issued ordinary share capital were

	NUMBER OF SHARES
ERIC REID	2

CLOSE COMPANY

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 principles and apply them consistently;
- make judgments 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 for taking reasonable steps for the prevention of fraud and other irregularities

This report was approved by the board on 10 September 2007 taking advantage of special exemption available to small companies conferred by Part II of Schedule 8 of the Companies Act 1985

By order of the board



Eric Reid - Director

E REID & SON (SCOTLAND) LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2006

	2006 £	2005 £
TURNOVER	593,076	514,784
Cost of Sales	<u>370,247</u>	<u>335,489</u>
GROSS PROFIT	222,829	179,295
Administration Expenses	<u>162,936</u>	<u>133,136</u>
OPERATING PROFIT	59,893	46,159
Interest Payable	<u>6,193</u>	<u>4,216</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	53,700	41,943
Tax on profit on ordinary activities	<u>10,203</u>	<u>6,069</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	<u>43,497</u>	<u>35,874</u>

The company has no recognized gains or losses other than the loss above and therefore no separate statement of total gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation stated above and its historical cost equivalent

E REID & SON (SCOTLAND) LTD

BALANCE SHEET AS AT 31 OCTOBER 2006

	Note	2006	2005
TANGIBLE ASSETS	6	<u>96,659</u>	<u>89,534</u>
CURRENT ASSETS			
CASH AT BANK		29,153	22,843
STOCK	7	33,655	17,440
TRADE DEBTORS	8	<u>69,694</u>	<u>61,616</u>
		<u>131,502</u>	101,899
CREDITORS: amounts falling due within one year	9	<u>(36,854)</u>	(43,623)
NET CURRENT ASSETS/(LIABILITIES)		94,648	58,276
		<u>191,307</u>	<u>147,810</u>
CAPITAL & RESERVES			
CALLED UP SHARE CAPITAL		2	2
PROFIT & LOSS ACCOUNT		<u>191,305</u>	<u>147,808</u>
		<u>191,307</u>	<u>147,810</u>

advantage has been taken of the audit exemptions for small companies conferred by section 249A(1) of the Companies Act 1985 on the grounds:

- a) that for the year ended 31 October 2004 the company was entitled to the exemption from a statutory audit under section 249A(1) on the Companies Act 1985; and
- b) that no notice has been deposited under section 249B(2) of the Companies Act 1985 in relation to the financial statements for the financial year.

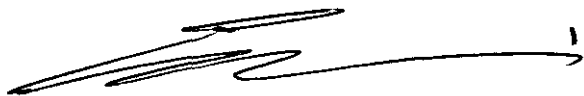
E REID & SON (SCOTLAND) LTD

**BALANCE SHEET
AS AT 31 OCTOBER 2006**

The directors acknowledge their responsibilities for.

- a) ensuring that the company keep proper accounting records which comply with section 221 of the Companies Act 1985, and
- b) preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 October 2006 and of its profit and loss for the year then ended in accordance with the requirement of section 226 of the Companies Act 1985 relating to financial statements, so far as applicable to the company.
- c) preparing the accounts in accordance with the special provisions in part VII of the Companies Act 1985 relating to small companies

The financial statements on pages 3-9 were approved by the board of directors on 10 September 2007 and signed on its behalf by:



Eric Reid
Director

E REID & SON (SCOTLAND) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2006

1 ACCOUNTING POLICIES

Basis of preparation of accounts

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

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company

Depreciation

Depreciation is provided on all fixtures and fittings, at rates calculated to write off the cost, less their estimated residual value, over their expected useful lives on the following basis:

Motor Vehicles	25% reducing balance
Fixture and Fittings	15% reducing balance
Plant and Equipment	15% reducing balance

No depreciation is provided on property as the directors consider the property has an estimated useful life in excess of fifty years and the present market value to exceed the book value as shown in the financial statements

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalized as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss accounts as incurred.

Stocks

Stocks are valued at the lower cost and net realizable value after making due allowance for obsolete and slow moving stock.

Going concern

The financial statements have been prepared on the going concern basis. This assumes the continued support of the company's directors.

E REID & SON (SCOTLAND) LTD

**NOTES TO FINANCIAL STATEMENTS
AS AT 31 OCTOBER 2006**

2 TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax

In the opinion of the directors none of the company's turnover was attributable to markets outside the UK

3 OPERATING COSTS

The operating profit is stated after charging:

	2006 £	2005 £
Depreciation of tangible fixed assets - owned	<u>15,958</u>	<u>13,747</u>

4 DIRECTOR REMUNERATION

2006 £	2005 £
<u>19,760</u>	<u>19,760</u>

5 INTEREST PAYABLE

	2006	2005
Interest payable	<u>6,193</u>	<u>4,216</u>

E REID & SON (SCOTLAND) LTD

**NOTES TO FINANCIAL STATEMENTS
AS AT 31 OCTOBER 2006**

6 TANGIBLE FIXED ASSETS

	MOTOR VEHICLES	PLANT & EQUIPMENT	FIXTURES & FITTINGS	TOTAL
Cost				
As at 1 November 2005	63,874	91,864	1,000	156,738
Purchased in year	<u>23,083</u>	-	-	<u>23,083</u>
As at 31 October 2006	<u>86,957</u>	<u>91,864</u>	<u>1,000</u>	<u>179,821</u>
Depreciation				
As at 1 November 2005	28,888	37,682	634	67,204
Charge for year	8,746	7,157	55	15,958
	<u>37,634</u>	<u>44,839</u>	<u>689</u>	<u>83,162</u>
Net Book Values				
31 October 2006	<u>49,323</u>	<u>47,025</u>	<u>366</u>	<u>96,659</u>
31 October 2005	<u>34,986</u>	<u>54,182</u>	<u>506</u>	<u>93,517</u>

7 STOCKS

	2006 £	2005 £
Stocks	<u>33,655</u>	<u>17,440</u>

8 DEBTORS

	2006 £	2005 £
Trade debtors	<u>68,694</u>	<u>61,616</u>

E REID & SON (SCOTLAND) LTD

**NOTES TO FINANCIAL STATEMENTS
AS AT 31 OCTOBER 2006**

9 CREDITORS: amounts falling due within one year

	2006 £	2005 £
Trade creditors	22,603	22,279
Taxation & VAT	4,048	9,502
Corporation tax	<u>10,203</u>	<u>3,672</u>
	<u>36,854</u>	<u>43,623</u>

E REID & SON (SCOTLAND) LTD

**NOTES TO FINANCIAL STATEMENTS
AS AT 31 OCTOBER 2006**

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2006 £	2005 £
Profit for the period	43,497	35,874
Opening shareholders funds	<u>147,810</u>	<u>111,936</u>
	<u>191,307</u>	<u>147,810</u>
 Representing a net addition to shareholders funds		
Opening balance	147,810	111,936
Profit for year	<u>43,497</u>	<u>35,874</u>
 Closing balance	<u>191,307</u>	<u>147,810</u>

12 CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised Equity shares		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid Equity shares		
Ordinary shares of £1 each, fully paid	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

13 PROFIT & LOSS ACCOUNT

	2006 £	2005 £
Balance at 31 October 2006	191,305	<u>147,808</u>

E REID & SON (SCOTLAND) LTD

**TRADING & PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2006**

	2006 £	2005 £
SALES	593,076	514,784
LESS.		
Materials	191,024	149,932
Labour	130,622	122,887
Sub contractors	<u>48,601</u>	<u>62,670</u>
	<u>370,247</u>	<u>335,489</u>
GROSS PROFIT	<u>222,829</u>	<u>179,295</u>
EXPENSES.		
Directors remuneration	19,760	19,760
Rents Rates and insurance	48,218	42,264
Heat and light	8,479	4,984
Telephone	5,174	2,283
Repairs and renewals	6,128	839
Overalls	1,422	26
Motor expenses	6,272	2,254
Printing and advertising	5,107	9,741
Hire purchase interest	2,987	1,372
Bank charges	1,481	832
Factoring fees	8,672	8,460
Factoring interest	3,206	2,844
Leasing	19,340	20,671
Professional fees	6,951	3,600
Depreciation	15,958	13,747
Sundry	3,708	1,425
Bad Debt written off	6,266	2,250
	<u>169,129</u>	<u>137,352</u>
NET PROFIT	<u>£ 53,700</u>	<u>£ 41,943</u>