

REYNOLDS ENGINEERING (WINTERBOURNE) LIMITEDCOMPANY INFORMATION

DIRECTORS:- J.W. REYNOLDS
K.A. REYNOLDS

SECRETARY:- D.E GREEN

REGISTERED OFFICE:- HICKS COMMON ROAD
WINTERBOURNE
BRISTOL
BS17 1EJ

COMPANY NUMBER:- 01025650 (ENGLAND & WALES)

REPORTING ACCOUNTANT:- J. BRAIN FCA
CHARTERED ACCOUNTANT
8 WHITEGATES
SHOPPING CENTRE
FLAXPITS LANE
WINTERBOURNE
BRISTOL
BS36 1JX



A36
COMPANIES HOUSE

AAUP2ZCH

0454
14/10/04

REYNOLDS ENGINEERING (WINTERBOURNE) LTD

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31st December 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company traded as engineering contractors throughout the year and the directors consider the state of affairs of the company to be satisfactory.

RESULTS AND DIVIDENDS

The profit for the year after tax amounted to £41,198. The Directors have paid a Dividend of £32,020 and retained profits of £9,178 have been transferred to reserves.

FIXED ASSETS

Movement in fixed assets are shown in note 6 to the accounts.

DIRECTORS

The directors of the company during the year and their beneficial interest in the share capital of the company was:-

	<u>Ordinary Shares of £1 each</u>	
	<u>£</u> <u>2003</u>	<u>£</u> <u>2002</u>
K.A. Reynolds	-	-
J. W. Reynolds	1,600	1,600

This Report was approved by the Board on 4th October 2004 and signed on its behalf.

J.W. REYNOLDS *J.W. Reynolds* DIRECTOR

REYNOLDS ENGINEERING (WINTERBOURNE) LTD

Accountant's Report to the Shareholders of Reynolds Engineering (Winterbourne) Ltd.

I have examined, without carrying out an audit, the accounts for the year ended 31st December 2003 set out on pages 3 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 4, the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is my responsibility to examine the accounts and based on my examination to report my opinion, as set out below, to the shareholders.

BASIS OF OPINION

I conducted my examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report.

The examination was not an audit conducted with Auditing Standards. Accordingly, I do not express an audit opinion on the accounts. Therefore my examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

OPINION

In my opinion:-

- (a) The accounts 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 accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249(4) of the Act; and
 - (ii) The company satisfied the conditions for the exemption from an audit of the accounts for the year specified in Section 249A(1) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

J. BRAIN FCA
CHARTERED ACCOUNTANT
8 WHITEGATES
SHOPPING CENTRE
FLAXPITS LANE
WINTERBOURNE
BRISTOL
BS36 1JX



4TH OCTOBER 2004

REYNOLDS ENGINEERING (WINTERBOURNE) LTDFOR THE YEAR ENDED 31ST
DECEMBER 2003PROFIT & LOSS ACCOUNT

	<u>NOTES</u>	<u>2003</u>	<u>2002</u>
Turnover	1.2	264,599	230,500
Net Operating Expenses		215,773	211,773
Operating Profit	3.4	48,826	18,727
Bank Interest Receivable		2,708	1,805
Profit on Ordinary Activities Before Taxation		51,534	20,532
Taxation	5	10,336	2,113
Profit on Ordinary Activities After Taxation		41,198	18,419
Dividend Paid		32,020	25,024
Retained Profit (Loss) for the Year		9,178	(6,605)
Retained Profit Brought Forward		198,058	204,663
Retained Profit Carried Forward		207,236	198,058

There were no recognised gains and losses for 2003 or 2002 other than those included in the profit and loss account.

The notes on Pages 5 to 9 form part of the accounts.

REYNOLDS ENGINEERING (WINTERBOURNE) LTD

AS AT 31ST DECEMBER 2003

BALANCE SHEET

	<u>NOTES</u>	<u>2003</u>	<u>2002</u>
<u>Tangible Fixed Assets</u>	6	<u>57,097</u>	<u>71,022</u>
<u>Current Assets</u>			
Stock & Work In Progress		2,914	8,959
Debtors	7	38,832	66,354
Cash at Bank and In Hand		<u>174,763</u>	<u>98,908</u>
		<u>216,509</u>	<u>174,221</u>
<u>Creditors: amounts falling due within one year</u>	8	<u>54,260</u>	<u>34,428</u>
<u>Net Current Assets</u>		<u>162,249</u>	<u>139,793</u>
<u>Total Assets less Current Liabilities</u>		<u>219,346</u>	<u>210,815</u>
<u>Provisions for Liabilities and Charges</u>			
<u>Deferred Taxation</u>	9	<u>(4,910)</u>	<u>(5,557)</u>
<u>Net Assets</u>		<u>214,436</u>	<u>205,258</u>
<u>Capital & Reserves</u>			
Called Up Share Capital	10	1,601	1,601
Capital Redemption Reserve		5,599	5,999
Profit & Loss Account		<u>207,236</u>	<u>198,058</u>
<u>Shareholders' Funds - All Equity</u>	13	<u>214,436</u>	<u>205,258</u>

The Directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued notice requiring an audit in accordance with Section 249B(2) of the Companies Act 1985. The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December 2003 and of its profit for the year then ended, in accordance with requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act relating to small companies.

The accounts were approved by the Board on 4th October 2004 and signed on its behalf.

J.W. REYNOLDS *J. W. Reynolds* DIRECTOR

The notes on pages 5 to 9 form part of these accounts.

NOTES TO THE ACCOUNTS1. ACCOUNTING POLICIES1.1 Basis of Preparation of Accounts

The accounts are prepared under the Historical Cost Convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant and Equipment	20% Reducing Balance Basis
Computer Equipment	40% Reducing Balance Basis

The leasehold building is being written off over the remaining period of the lease.

1.4 Operating Lease

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 account as incurred.

1.5 Stocks and Work in Progress

Stocks and work in progress are valued at the lower cost and net realisable value after making due allowance for obsolete and slow moving stocks.

1.6 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

REYNOLDS ENGINEERING (WINTERBOURNE) LTDFOR THE YEAR ENDED 31ST
DECEMBER 2003NOTES TO THE ACCOUNTS2. TURNOVER

	<u>2003</u>	<u>2002</u>
Engineering Work performed in the U.K.	<u>264,599</u>	<u>230,500</u>

The whole of the turnover before taxation is attributable to the one principal activity of the company. No turnover was exported.

3. OPERATING PROFIT

	<u>2003</u>	<u>2002</u>
The operating profit is stated after charging:-		
Staff Costs (Note 4)	108,536	96,738
Depreciation of Tangible Fixed Assets owned by the company.	14,347	18,315
Operating Lease Rentals - Property	10,750	10,000
	<u>133,633</u>	<u>125,053</u>

4. DIRECTORS AND EMPLOYEES

	<u>2003</u>	<u>2002</u>
--	-------------	-------------

Employees:-

The average number of persons employed by the company was:-

7	7
---	---

Aggregate payroll costs of these persons was

	<u>2003</u>	<u>2002</u>
Wages and Salaries	79,722	81,671
Social Security Costs	6,940	6,136
Pension Contributions	21,874	8,931
	<u>108,536</u>	<u>96,738</u>
Directors Remuneration including pension contributions	<u>51,087</u>	<u>31,114</u>

REYNOLDS ENGINEERING (WINTERBOURNE) LTD

FOR THE YEAR ENDED 31ST
DECEMBER 2003

NOTES TO THE ACCOUNTS

5. TAXATION

U.K. Current Year Taxation

	<u>2003</u>	<u>2002</u>
U.K. Corporation Tax @ 19% (2002 13.3%)	10,702	3,146
Transfer to (from) deferred Taxation	(647)	(1,033)

U.K. Previous Year Taxation

Adjustment	281	-
	<u>10,336</u>	<u>2,113</u>

6. TANGIBLE FIXED ASSETS

	<u>Short L/Hold Buildings</u>	<u>Plant & Equip.</u>	<u>Computer Equip.</u>	<u>Motor Vehicle</u>	<u>Total</u>
<u>Cost:-</u>					
At 1st January 2003	11,601	247,229	4,603	1,500	264,933
Additions	-	-	1,558	-	1,558
Disposals	-	(2,000)	(4,603)	-	(6,603)
At 31st December 2003	<u>11,601</u>	<u>245,229</u>	<u>1,558</u>	<u>1,500</u>	<u>259,888</u>
<u>Depreciation:-</u>					
At 1st January 2003	11,494	178,353	3,938	125	193,910
On Disposals	-	(1,528)	(3,938)	-	(5,466)
Charge for Year	107	13,744	152	344	14,347
At 31st December 2003	<u>11,601</u>	<u>190,569</u>	<u>152</u>	<u>469</u>	<u>202,791</u>
<u>Net Book Values</u>					
As at 31st December 2003	<u>-</u>	<u>54,660</u>	<u>1,406</u>	<u>1,031</u>	<u>57,097</u>
At 31st December 2002	<u>107</u>	<u>68,876</u>	<u>664</u>	<u>1,375</u>	<u>71,022</u>

7. DEBTORS

Amounts falling due within one year

	<u>2003</u>	<u>2002</u>
Trade Debtors	36,528	64,148
Prepayments	2,304	2,206
	<u>38,832</u>	<u>66,354</u>

REYNOLDS ENGINEERING (WINTERBOURNE) LTDFOR THE YEAR ENDED 31ST
DECEMBER 2003NOTES TO THE ACCOUNTS8. CREDITORS

	<u>2003</u>	<u>2002</u>
Amounts falling due within one year		
Trade Creditors	8,247	3,876
Corporation Tax	10,702	3,146
Other Taxation and Social Security	14,731	14,333
Accruals	20,580	13,073
	<u>54,260</u>	<u>34,428</u>

9. DEFERRED TAXATION

	<u>2003</u>	<u>2002</u>
At 1st January 2003	5,557	6,590
Transfer to the Profit & Loss Account	(647)	(1,033)
As at 31st December 2003	<u>4,910</u>	<u>5,557</u>

Deferred taxation in the accounts relates to the tax effect at 19% of timing differences relating to the excess of tax allowances over depreciation.

The company has provided for its full potential liability.

10. CALLED UP SHARE CAPITAL

	<u>2003</u>	<u>2002</u>
Authorised:		
Ordinary Shares of £1 each	<u>7,500</u>	<u>7,500</u>
Allotted, called up and fully paid:		
Ordinary Shares of £1 each	<u>1,601</u>	<u>1,601</u>

11. TRANSACTIONS INVOLVING DIRECTORS

During the year, the company paid rent of £10,750 to Mr J.W. Reynolds (2002 £10,000)
Mr J.W. Reynolds is a director of the company and a major shareholder.

NOTES TO THE ACCOUNTS12. OPERATING LEASES

At 31st December 2002, the company had annual commitments under non-cancellable operating leases for land and buildings as set out below:-

	<u>2003</u>	<u>2002</u>
Operating leases expiring in over 5 years	13,000	10,000

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>Share Capital</u>	<u>Capital Redem'n Reserve</u>	<u>Profit & Loss A/C</u>	<u>2003 Total</u>
	£	£	£	
At 1st January 2003	1,601	5,599	198,058	205,258
Profit for Year	-	-	9,178	9,178
At 31st December 2003	<u>1,601</u>	<u>5,599</u>	<u>207,236</u>	<u>214,436</u>

14. RELATED PARTIES

The company has been controlled throughout the year by J.W. Reynolds. Transactions with directors are disclosed in note 11 to the accounts.