

NEWTON FABRICATIONS LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Company Registration No SC127801 (Scotland)

NEWTON FABRICATIONS LIMITED

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NEWTON FABRICATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activities of the company in the year under review are structural steelwork, general fabrications and cladding

Although turnover levels decreased in the period this related solely to our cladding activity where the business focused on achieving strong cost control on our site activities. Structural steel sales remain robust with the main limiting factor being the production space available. As a result, the Board have implemented the strategic plan to move the business to larger, more modern premises during 2008 whilst also investing in the latest manufacturing equipment and systems available. Although higher interest rates and economic uncertainty have dampened demand in construction related projects nationally, order levels remain robust at the start of 2008 in both Cladding and Structural Steel and enquiry levels are increasing in line with an improving geographical spread of clients who recognise the strength of our "building envelope solution" package.

Margins improved in the year as the benefits of our packaged approach and continued investment in our procedures and systems led to greater efficiencies. This resulted in the business achieving ISO9001 on 10th March 2008. Clients also benefited from our integrated approach with improved contract lead times and utilisation of management resource.

Achieving Final Account agreement is an area that has always proved difficult in the construction sector. However, the business has robust systems in place and strong client relationships which has resulted in the ageing of valuation debt reducing significantly over the last two years.

On 1st January 2008 a new subsidiary Newton Metal Services Limited commenced trading which primarily focuses in the manufacture and installation of architectural metal work products. The Board are confident that this business will add to the package of services on offer to its client base.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final ordinary dividend.

Directors

The following directors have held office since 1 January 2007

D Corson B Acc ,C A

S Watson

D Kirkwood FCIOB, MRICS, ACI Arb

T McEwing

(Resigned 30 November 2007)

G Martin

(Appointed 1 June 2007)

J McWilliams

(Appointed 1 June 2007)

W McCann

(Appointed 3 December 2007)

NEWTON FABRICATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' interests

As at 31st December 2007, the entire share capital of the company was held by Newton Holdings (Ayr) Ltd, a company incorporated in Scotland

The directors interest in the share capital of the ultimate parent company are disclosed in that company's accounts

**Ordinary shares of £1 each
31 December 2007 1 January 2007**

D Corson B Acc,C A
S Watson
D Kirkwood FCIOB, MRICS, ACI Arb
T McEwing
G Martin
J McWilliams
W McCann

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that William Duncan & Co be reappointed as auditors of the company will be put to the Annual General Meeting

NEWTON FABRICATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

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 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

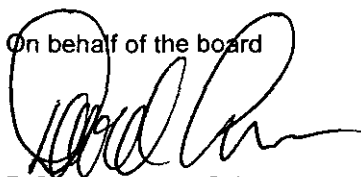
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



D Corson B Acc, C A

Director

31 March 2008

NEWTON FABRICATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO NEWTON FABRICATIONS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985 UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 21, together with the financial statements of NEWTON FABRICATIONS LIMITED for the year ended 31 December 2007 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 audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

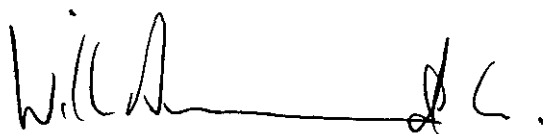
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 audit 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 to be delivered 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.



William Duncan & Co

31 March 2008

Chartered Accountants
Registered Auditor

30 Miller Road
Ayr
KA7 2AY

NEWTON FABRICATIONS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Gross profit		1,208,461	1,157,460
Distribution costs		(189,799)	(233,481)
Administrative expenses		(553,363)	(544,067)
Liquidated companies bad debts			(122,517)
Operating profit		465,299	257,395
Interest payable and similar charges	4	(85,060)	(72,347)
Profit on ordinary activities before taxation		380,239	185,048
Tax on profit on ordinary activities	5	(49,737)	4,364
Profit for the year		330,502	189,412

The profit and loss account has been prepared on the basis that all operations are continuing operations

NEWTON FABRICATIONS LIMITED

ABBREVIATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Profit for the financial year		330,502	189,412
Unrealised (deficit)/surplus on revaluation of properties			98,813
Total recognised gains and losses relating to the year		330,502	288,225
Prior year adjustment	16		(225,564)
Total gains and losses recognised since last financial statements		330,502	62,661

Note of historical cost profits and losses

	2007 £	2006 £
Reported profit on ordinary activities before taxation	380,239	185,048
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	6,340	5,393
Historical cost profit on ordinary activities before taxation	386,579	190,441
Historical cost profit for the year retained after taxation, extraordinary items and dividends	78,842	19,805

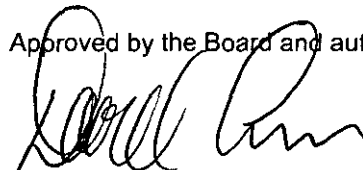
NEWTON FABRICATIONS LIMITED


ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	7	1,895,287		1,508,649	
Investments	8	50,000			
		<u>1,945,287</u>		<u>1,508,649</u>	
Current assets					
Stocks	9	71,083		67,913	
Debtors	10	3,005,850		3,377,272	
Cash at bank and in hand		31		201	
		<u>3,076,964</u>		<u>3,445,386</u>	
Creditors' amounts falling due within one year	11	<u>(2,692,710)</u>		<u>(2,914,262)</u>	
Net current assets		<u>384,254</u>		<u>531,124</u>	
Total assets less current liabilities		<u>2,329,541</u>		<u>2,039,773</u>	
Creditors' amounts falling due after more than one year	12	(710,153)		(543,732)	
Provisions for liabilities	13				
Deferred tax liability		(149,685)		(98,840)	
		<u>1,469,703</u>		<u>1,397,201</u>	
Capital and reserves					
Called up share capital	15	120,000		120,000	
Revaluation reserve	16	468,388		477,947	
Profit and loss account	16	881,315		799,254	
Shareholders' funds	17	<u>1,469,703</u>		<u>1,397,201</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

Approved by the Board and authorised for issue on 31 March 2008


Mr D Corson B Acc, C A
Director


Mr D Kirkwood FCIQB, MRICS, ACI Arb
Director

NEWTON FABRICATIONS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	£	2007 £	£	2006 £
Net cash inflow/(outflow) from operating activities		783,976		(1,223)
Returns on investments and servicing of finance				
Interest paid	(85,060)		(72,347)	
Net cash outflow for returns on investments and servicing of finance		(85,060)		(72,347)
Taxation		6,394		(62,053)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(527,864)		(83,515)	
Payments to acquire investments	(50,000)			
Receipts from sales of tangible assets	14,051		(71,173)	
Net cash outflow for capital expenditure		(563,813)		(154,688)
Equity dividends paid		(258,000)		(175,000)
Net cash outflow before management of liquid resources and financing		(116,503)		(465,311)
Financing				
New long term bank loan			550,000	
Repayment of long term bank loan	(55,000)		(115,833)	
Repayment of other long term loans			(449,791)	
Capital element of hire purchase contracts	275,236		(36,916)	
Net cash inflow/(outflow) from financing		220,236		(52,540)
Increase/(decrease) in cash in the year		103,733		(517,851)

NEWTON FABRICATIONS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2007	2006
		£	£
	Operating profit	465,299	379,912
	Depreciation of tangible assets	124,246	133,670
	Loss on disposal of tangible assets	2,929	
	(Increase)/decrease in stocks	(3,170)	5,900
	Decrease/(increase) in debtors	371,422	(500,889)
	Decrease in creditors within one year	(176,750)	(19,816)
	Net cash inflow/(outflow) from operating activities	783,976	(1,223)

2	Analysis of net debt	1 January 2007	Cash flow	Other non cash changes	31 December 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	201	(170)		31
	Bank overdrafts	(762,494)	103,903		(658,591)
		<u>(762,293)</u>	<u>103,733</u>		<u>(658,560)</u>
	Bank deposits				
	Debt				
	Finance leases	(181,822)	(275,236)		(457,058)
	Debts falling due within one year	(55,000)			(55,000)
	Debts falling due after one year	(449,167)	55,000		(394,167)
		<u>(685,989)</u>	<u>(220,236)</u>		<u>(906,225)</u>
	Net debt	(1,448,282)	(116,503)		(1,564,785)

3	Reconciliation of net cash flow to movement in net debt	2007	2006
		£	£
	Increase/(decrease) in cash in the year	103,733	(517,851)
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(220,236)	52,540
	Movement in net debt in the year	(116,503)	(465,311)
	Opening net debt	(1,448,282)	(982,971)
	Closing net debt	(1,564,785)	(1,448,282)

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	2% on cost
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	20% reducing balance

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account

No depreciation is provided in respect of freehold land

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Stock

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of work in progress, cost comprises direct material, direct labour and appropriate proportion of manufacturing overheads

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.8 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.9 Pensions

The company operates 2 defined contribution pension schemes. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

2 Turnover

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

3 Operating profit

	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of tangible assets	124,246	133,670
Loss on disposal of tangible assets	2,929	
Auditors' remuneration	5,000	4,500

4 Interest payable

	2007 £	2006 £
On bank loans and overdrafts	72,584	58,963
Hire purchase interest	12,476	13,384
	85,060	72,347

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

5	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	5,286	
	Adjustment for prior years	(6,394)	
		<hr/>	<hr/>
	Current tax charge	(1,108)	
	Deferred tax		
	Deferred tax charge/credit current year	50,845	(4,364)
		<hr/>	<hr/>
		49,737	(4,364)
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	380,239	185,048
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2006 19.00%)	72,245	35,159
		<hr/>	<hr/>
	Effects of		
	Non deductible expenses	2,974	2,791
	Depreciation add back	23,607	25,397
	Capital allowances	(56,751)	(24,079)
	Adjustments to previous periods	(6,394)	(14,188)
	Other tax adjustments	(36,789)	(25,080)
		<hr/>	<hr/>
		(73,353)	(35,159)
		<hr/>	<hr/>
	Current tax charge	(1,108)	
		<hr/>	<hr/>
6	Dividends	2007	2006
		£	£
	Ordinary interim paid	258,000	175,000
		<hr/>	<hr/>

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

7 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2007	875,000	1,228,899	83,556	151,817	2,339,272
Additions		453,224	649	73,991	527,864
Disposals				(33,803)	(33,803)
At 31 December 2007	875,000	1,682,123	84,205	192,005	2,833,333
Depreciation					
At 1 January 2007		705,864	48,007	76,752	830,623
On disposals				(16,823)	(16,823)
Charge for the year	12,500	87,289	8,644	15,813	124,246
At 31 December 2007	12,500	793,153	56,651	75,742	938,046
Net book value					
At 31 December 2007	862,500	888,970	27,554	116,263	1,895,287
At 31 December 2006	875,000	523,035	35,549	75,065	1,508,649

Comparable historical cost for the land and buildings included at valuation

	£
Cost	
At 1 January 2007 & at 31 December 2007	480,596
Depreciation based on cost	
At 1 January 2007	98,741
Charge for the year	9,158
At 31 December 2007	107,899
Net book value	
At 31 December 2007	372,697
At 31 December 2006	381,855

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

7 Tangible fixed assets

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2007	587,161	67,016	654,177
At 31 December 2006	224,307	70,020	294,327
Depreciation charge for the year			
At 31 December 2007	33,646		33,646
At 31 December 2006	39,584	14,520	54,104

The freehold land and buildings at York Street, Ayr, were revalued at their open market value for existing use on 19 March 2007 by J&E Shepherd, Chartered Surveyors. Included in the valuation of freehold property is £225,000 (2006 £225,000) which represents the estimate of the value of freehold land which is not depreciated.

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 January 2007	
Additions	50,000
At 31 December 2007	50,000
Net book value	
At 31 December 2007	50,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Newton Metal Services Ltd	Scotland	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2007 £	Profit for the year 2007 £
	Principal activity		
Newton Metal Services Ltd	Dormant	50,000	

The subsidiary above was incorporated during the year and began trading on 1st January 2008, when the metal services division from the company's fellow subsidiary, Newton Security Doors was transferred here

9 Stocks	2007 £	2006 £
Raw materials and consumables	71,083	67,913

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

10 Debtors	2007	2006
	£	£
Trade debtors	2,863,892	3,175,025
Amounts owed by parent and fellow subsidiary undertakings	6,207	76,977
Other debtors	34,960	23,500
Prepayments and accrued income	100,791	101,770
	<u>3,005,850</u>	<u>3,377,272</u>

11 Creditors: amounts falling due within one year	2007	2006
	£	£
Bank loans and overdrafts	713,591	817,494
Net obligations under hire purchase contracts	141,072	87,257
Trade creditors	1,270,039	1,512,615
Amounts owed to parent and fellow subsidiary undertakings	48,054	113,711
Corporation tax	5,286	
Other taxes and social security costs	152,809	227,498
Other creditors	269,473	4,903
Accruals and deferred income	92,386	150,784
	<u>2,692,710</u>	<u>2,914,262</u>

The bank term loans are secured by a standard security over the property at 9 York Street, Ayr and a bond and floating charge over the whole assets of the company. In addition there is a cross corporate guarantee with Newton Structures Limited, Newton Security Doors Limited and Newton Holdings (Ayr) Limited.

The hire purchase creditor is secured on the assets concerned.

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

12 Creditors amounts falling due after more than one year	2007 £	2006 £
Bank loans	394,167	449,167
Net obligations under hire purchase contracts	315,986	94,565
	<u>710,153</u>	<u>543,732</u>
Analysis of loans		
Not wholly repayable within five years by instalments		
Bank of Scotland loan repaid at £55,000 p a with interest charged at 1.5% over base	174,167	229,167
Wholly repayable within five years	275,000	275,000
	<u>449,167</u>	<u>504,167</u>
Included in current liabilities	(55,000)	(55,000)
	<u>394,167</u>	<u>449,167</u>
Instalments not due within five years	<u>174,167</u>	<u>229,167</u>
Loan maturity analysis		
In more than one year but not more than two years	55,000	55,000
In more than two years but not more than five years	165,000	165,000
In more than five years	174,167	229,167
	<u>55,000</u>	<u>229,167</u>
<p>The bank term loans are secured by a standard security over the property at 9 York Street, Ayr and a bond and floating charge over the whole assets of the company. In addition there is a cross corporate guarantee with Newton Structures Limited, Newton Security Doors Limited and Newton Holdings (Ayr) Limited.</p> <p>The hire purchase creditor is secured on the assets concerned.</p>		
Net obligations under hire purchase contracts		
Repayable within one year	141,072	87,257
Repayable between one and five years	315,986	94,565
	<u>457,058</u>	<u>181,822</u>
Included in liabilities falling due within one year	(141,072)	(87,257)
	<u>315,986</u>	<u>94,565</u>

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2007	98,840
Profit and loss account	50,845
	<hr/>
Balance at 31 December 2007	149,685
	<hr/>

The deferred tax liability is made up as follows

	2007 £	2006 £
Accelerated capital allowances	149,685	98,840
	<hr/>	<hr/>

The revaluation of properties does not constitute a timing difference and the potential amount of deferred tax on this has therefore not been quantified

14 Pension costs

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	29,071	24,885
	<hr/>	<hr/>

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

15 Share capital	2007	2006
	£	£
Authorised		
120,000 Ordinary 'A' shares of £1 each	120,000	120,000
1 Ordinary 'B' shares of £1 each	1	1
1 Ordinary 'C' shares of £1 each	1	1
	<u>120,002</u>	<u>120,002</u>
 Allotted, called up and fully paid		
120,000 Ordinary 'A' shares of £1 each	<u>120,000</u>	<u>120,000</u>
 16 Statement of movements on reserves	 Revaluation reserve	 Profit and loss account
	£	£
Balance at 1 January 2007	477,947	799,254
Profit for the year		330,502
Transfer from revaluation reserve to profit and loss account	(9,559)	9,559
Dividends paid		(258,000)
	<u>468,388</u>	<u>881,315</u>
Balance at 31 December 2007		
 17 Reconciliation of movements in shareholders' funds	 2007	 2006
	£	£
Profit for the financial year	330,502	189,412
Dividends	(258,000)	(175,000)
	<u>72,502</u>	<u>14,412</u>
Other recognised gains and losses		98,813
	<u>72,502</u>	<u>113,225</u>
Net addition to shareholders' funds	1,397,201	1,283,976
Opening shareholders' funds		
	<u>1,469,703</u>	<u>1,397,201</u>
Closing shareholders' funds		

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

18 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non cancellable operating leases in the year to 31 December 2008

	2007 £	Other 2006 £
Operating leases which expire		
Within one year	19,810	11,251
Between two and five years	56,866	32,008
	<u>76,676</u>	<u>43,259</u>

19 Capital commitments

At 31 December 2007 the company had capital commitments as follows

	2007 £	2006 £
Contracted for but not provided in the financial statements	<u>170,000</u>	<u></u>

20 Directors' emoluments

	2007 £	2006 £
Emoluments for qualifying services	191,629	163,242
Company pension contributions to money purchase schemes	10,324	7,116
	<u>201,953</u>	<u>170,358</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2006 2)

NEWTON FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Number of employees Production	84	85
Number of employees Technical	10	9
Number of employees Administration	4	5
Number of employees Selling	3	3
	<u>101</u>	<u>102</u>

Employment costs

	2007 £	2006 £
Wages and salaries	2,591,619	2,564,241
Social security costs	262,101	258,285
Other pension costs	29,071	24,885
	<u>2,882,791</u>	<u>2,847,411</u>

22 Ultimate parent company

As at 31st December 2006, the ultimate parent company was Newton Structures Limited, a company registered in Scotland

Mr D Corson is a Director of Newton Structures Limited and is in ultimate control of the company

23 Related party transactions

The company has had the following related party transactions with its parent company, ultimate parent company and its fellow subsidiary

Newton Structures Limited (ultimate parent) Management charges paid of £150,000, dividends paid of £258,000 and recharging of overheads to Newton Structures of £35,988 At the balance sheet date £nil was due from Newton Structures and £33,329 was due to Newton Structures

Newton Holdings (Ayr) Limited (parent) No transactions in the year or balances outstanding at the end of year

Newton Security Doors Limited Sales to Newton Security Doors of £9,849 and purchases of £72,950 There was rent received of £24,000 and recharging of overheads to Newton Security Doors Limited of £16,803 and recharges from Newton Security Doors of £37,800 At the balance sheet date £6,207 was outstanding from Newton Security Doors and £14,725 was outstanding to Newton Security Doors