

12/9/07

NEWTON HOLDINGS (AYR) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Company Registration No SC158105 (Scotland)

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NEWTON HOLDINGS (AYR) LIMITED

COMPANY INFORMATION

Directors	Mr D Corson B Acc ,C A Mr D Kirkwood FCIOB, MRICS, ACIArb
Secretary	Mr D Corson B Acc ,C A
Company number	SC158105
Registered office	9 York Street AYR KA8 8AN
Auditors	William Duncan & Co 30 Miller Road Ayr KA7 2AY
Business address	9 York Street AYR KA8 8AN
Bankers	Bank of Scotland 123 High Street Ayr KA7 1QP
Solicitors	Wright, Johnston & Mackenzie 302 St Vincent Place Glasgow G2 5RZ

NEWTON HOLDINGS (AYR) LIMITED

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NEWTON HOLDINGS (AYR) 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 was to provide advice and support to its subsidiary companies and to consider the future strategy for the group

The company did not trade during the year. The transactions were merely administration of the bank account for transferring subsidiary dividends to the ultimate parent company

Results and dividends

The results for the year are set out on page 5

The directors recommend that no final dividend be paid

Directors

The following directors have held office since 1 January 2007

Mr D Corson B Acc, C A

Mr D Kirkwood FCIOB, MRICS, ACI Arb

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 December 2007	1 January 2007
Mr D Corson B Acc, C A		
Mr D Kirkwood FCIOB, MRICS, ACI Arb		

Newton Holdings (Ayr) Limited owns 100% of the share capital of both the subsidiaries, Newton Fabrications Limited and Newton Security Doors Limited

As at 31st December 2007, the entire share capital of the company was held by 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

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 HOLDINGS (AYR) 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

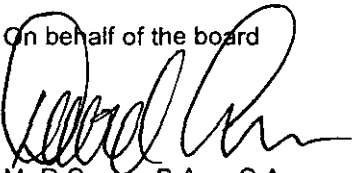
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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



Mr D Corson B Acc, C A

Director

31 March 2008

NEWTON HOLDINGS (AYR) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NEWTON HOLDINGS (AYR) LIMITED

We have audited the financial statements of NEWTON HOLDINGS (AYR) LIMITED for the year ended 31 December 2007 set out on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

NEWTON HOLDINGS (AYR) LIMITED

INDEPENDENT AUDITORS' REPORT

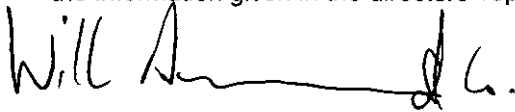
TO THE SHAREHOLDERS OF NEWTON HOLDINGS (AYR) LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the directors' report is consistent with the financial statements



William Duncan & Co

31 March 2008

Chartered Accountants

Registered Auditor

30 Miller Road

Ayr

KA7 2AY

NEWTON HOLDINGS (AYR) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2		21,500
Administrative expenses		(24)	(11,946)
Operating (loss)/profit	3	(24)	9,554
Investment income	4	456,000	304,000
Other interest receivable and similar income		174	1,062
Interest payable and similar charges	5		(834)
Profit on ordinary activities before taxation		456,150	313,782
Tax on profit on ordinary activities	6		
Profit on ordinary activities after taxation		456,150	313,782
Dividends	7	(456,000)	(325,000)
Retained profit/(loss) for the year	12	150	(11,218)

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

There are no recognised gains and losses other than those passing through the profit and loss account

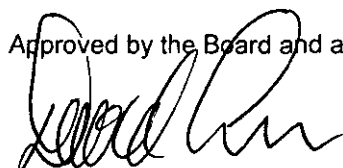
NEWTON HOLDINGS (AYR) LIMITED

BALANCE SHEET

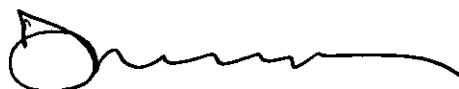
AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Investments	8	618,636		618,636	
Current assets					
Cash at bank and in hand		546		21,396	
Creditors amounts falling due within one year	9			(21,000)	
Net current assets			546		396
Total assets less current liabilities			619,182		619,032
Capital and reserves					
Called up share capital	11	400,000		400,000	
Other reserves	12	100,000		100,000	
Profit and loss account	12	119,182		119,032	
Shareholders' funds	13		619,182		619,032

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 HOLDINGS (AYR) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	£	2007 £	£	2006 £
Net cash (outflow)/inflow from operating activities		(21,024)		121,540
Returns on investments and servicing of finance				
Interest received	174		1,062	
Interest paid			(834)	
Dividends received	456,000		304,000	
Net cash inflow for returns on investments and servicing of finance		456,174		304,228
Taxation				(22,656)
Capital expenditure				
Receipts from sales of tangible assets			40,704	
Net cash (outflow)/inflow for capital expenditure				40,704
Equity dividends paid		(456,000)		(325,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(20,850)		118,816
Financing				
Repayment of long term bank loan			(175,000)	
Capital element of hire purchase contracts			(36,503)	
Net cash outflow from financing				(211,503)
Decrease in cash in the year		(20,850)		(92,687)

NEWTON HOLDINGS (AYR) LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2007	2006		
		£	£		
	Operating (loss)/profit	(24)	9,554		
	Depreciation of tangible assets		690		
	(Increase)/decrease in debtors		172,224		
	Decrease in creditors within one year	(21,000)	(60,928)		
	Net cash (outflow)/inflow from operating activities	(21,024)	121,540		
2	Analysis of net funds	1 January 2007	Cash flow	Other non cash changes	31 December 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	21,396	(20,850)		546
	Bank deposits				
	Net funds	21,396	(20,850)		546
3	Reconciliation of net cash flow to movement in net funds	2007	2006		
		£	£		
	Decrease in cash in the year	(20,850)	(92,687)		
	Cash (inflow)/outflow from (increase)/decrease in debt		211,503		
	Movement in net funds in the year	(20,850)	118,816		
	Opening net funds/(debt)	21,396	(97,420)		
	Closing net funds	546	21,396		

NEWTON HOLDINGS (AYR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT 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 less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	20% reducing balance

1.4 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.

1.5 Investments

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

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 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.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover

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

NEWTON HOLDINGS (AYR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

3	Operating (loss)/profit	2007	2006
		£	£
	Operating (loss)/profit is stated after charging		
	Depreciation of tangible assets		690
		<u> </u>	<u> </u>
4	Investment income	2007	2006
		£	£
	Income from shares in group undertakings	456,000	304,000
	Bank interest	174	1,062
		<u> </u>	<u> </u>
		456,174	305,062
		<u> </u>	<u> </u>
5	Interest payable	2007	2006
		£	£
	On bank loans and overdrafts		696
	Hire purchase interest		138
		<u> </u>	<u> </u>
			834
		<u> </u>	<u> </u>

NEWTON HOLDINGS (AYR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

6	Taxation	2007	2006
	Current tax charge		
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	456,150	313,782
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2006: 19.00%)	86,669	59,619
	Effects of		
	Non deductible expenses		81
	Depreciation add back		131
	Capital allowances	(51)	151
	Tax losses utilised	22	
	Dividends and distributions received		(1,520)
	Other tax adjustments	(86,640)	(58,462)
		(86,669)	(59,619)
	Current tax charge		
7	Dividends	2007	2006
		£	£
	Ordinary interim paid	456,000	325,000

NEWTON HOLDINGS (AYR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2007 & at 31 December 2007	618,636

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 Fabrications Limited	Scotland	Ordinary	100 00
Newton Security Doors Limited	Scotland	Ordinary	100 00
Newton Metal Services Limited	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 £	Retained profit for the year 2007 £
	Principal activity		
Newton Fabrications Limited	Structural Steel and cladding	1,469,703	330,502
Newton Security Doors Limited	Steel & aluminium security doors	760,436	56,250
Newton Metal Services Limited	Dormant	50,000	

9 Creditors amounts falling due within one year

	2007 £	2006 £
Amounts owed to parent undertaking		21,000

10 Pension costs

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year		743

NEWTON HOLDINGS (AYR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

11 Share capital	2007	2006
	£	£
Authorised		
540,000 Ordinary shares of £1 each	540,000	540,000
Allotted, called up and fully paid		
400,000 Ordinary shares of £1 each	400,000	400,000
12 Statement of movements on reserves		
	Other reserves (see below)	Profit and loss account
	£	£
Balance at 1 January 2007	100,000	119,032
Profit for the year		456,150
Dividends paid		(456,000)
Balance at 31 December 2007	100,000	119,182
Other reserves		
Capital redemption reserve		
Balance at 1 January 2007 & at 31 December 2007	100,000	
13 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the financial year	456,150	313,782
Dividends	(456,000)	(325,000)
Net addition to/(depletion in) shareholders' funds	150	(11,218)
Opening shareholders' funds	619,032	630,250
Closing shareholders' funds	619,182	619,032

14 Contingent liabilities

There is a group bond and floating charge over the whole of the company's assets

NEWTON HOLDINGS (AYR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

15 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services		9,376
Company pension contributions to money purchase schemes		743
		<u>10,119</u>

16 Employees

Number of employees

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

	2007 Number	2006 Number
Administration	<u>2</u>	<u>2</u>

Employment costs

	2007 £	2006 £
Wages and salaries		7,667
Social security costs		877
Other pension costs		743
		<u>9,287</u>

17 Control

The ultimate parent company is 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

NEWTON HOLDINGS (AYR) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

		2007		2006
	£	£	£	£
Turnover				
Sales				21,500
Administrative expenses		(24)		(11,946)
Operating (loss)/profit		(24)		9,554
Other interest receivable and similar income				
Bank interest received		174		1,062
Income from investments				
Inter group dividends received		456,000		304,000
Interest payable				
Bank interest on loans < 5 yrs paid			696	
Hire purchase interest paid			138	
				(834)
Profit before taxation	45615000 00 %	456,150	1459 45%	313,782

NEWTON HOLDINGS (AYR) LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	£	£
Administrative expenses		
Directors' remuneration		7,667
Employer's N I contributions		877
Directors' pension costs defined contrib		743
Insurance		(643)
Printing, postage and stationery		40
Telephone		156
Motor running expenses		1,022
Legal and prof fees allowable		677
Accountancy		330
Bank charges	24	178
Sundry expenses allowable		209
Depreciation		690
	<hr/>	<hr/>
	24	11,946
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