

for
Signature

RHEMO PRODUCTS LIMITED

(Company Number: 3340407)

REPORT AND ACCOUNTS

31ST MARCH 2006



RHEMO PRODUCTS LIMITED

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REPORT AND FINANCIAL STATEMENTS

31ST MARCH 2006

COMPANY INFORMATION

Directors

Mr. R. C. Newell (Chairman)
Mrs B. A. Newell
Mrs L. Colborne
Mr. P. A. Orsborn

Company Secretary

Mrs B. A. Newell

Registered Office

Dunlop House,
23a Spencer Road,
New Milton,
Hants.
BH25 6BZ

Accountants

Hope Jones,
Dunlop House,
23a Spencer Road,
New Milton,
Hants.
BH25 6BZ

Company Number: 3340407

REPORT OF THE DIRECTORS

The Directors present their Annual Report and the Accounts for the year ended 31st March 2006.

Activities of the Company

The principal activity of the company is Manufacturing. There has been no significant change in this activity during the year. The company made a profit in the year of £32097 (2005 profit £83535) before taxation. A dividend of £40000 was paid in the year.

Directors

The Directors who served during the year and their interests in the share capital of the company as recorded in the Register of Directors Interests were:-

	<u>31.3.06</u>	<u>31.3.05</u>
Mr. R. C. Newell	45	45
Mrs B. A. Newell	45	45
Mrs L. Colborne	10	10
Mr. P. A. Orsborn (Appointed 27.1.06)	-	-

Mr. P. A. Orsborn resigned as a Director on 3rd July 2006. There have been no other changes in these interests up to 14th August 2006.

Political and Charitable Contributions

The company did not make any contributions during the year.

This report which has 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 (effective January 2005) was approved by the Board on 14th August 2006.

By Order of the Board

Mrs B. A. Newell
Secretary



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
Turnover	2	431449	485086
Cost of Sales		<u>307904</u>	<u>321236</u>
<u>Gross Profit</u>		123545	163850
Distribution Costs		-8759	-6425
Administration Expenses		<u>-83711</u>	<u>-74827</u>
<u>Operating Profit</u>	3	31075	82598
Interest Receivable		<u>1022</u>	<u>937</u>
<u>Profit on ordinary activities before Taxation</u>		32097	83535
Taxation	4	<u>6098</u>	<u>15872</u>
<u>Profit on ordinary activities after Taxation</u>		<u><u>£25,999</u></u>	<u><u>£67,663</u></u>

The Notes on pages 5 to 7 form part of these Accounts.

BALANCE SHEET AT 31ST MARCH 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
<u>Fixed Assets</u>			
Tangible Assets	5	54793	46271
<u>Current Assets</u>			
Stock	6	61539	42527
Debtors and Prepayments	7	74052	46439
Cash at Bank		<u>15585</u>	<u>92500</u>
		151176	181466
<u>Less Current Liabilities</u>			
Creditors: Amounts falling due within one year	8	<u>72035</u>	<u>80174</u>
<u>Net Current Assets</u>		<u>79141</u>	<u>101292</u>
<u>Total Assets less Current Liabilities</u>		133934	147563
Creditors: Amount due after one year	9	<u>4020</u>	<u>3648</u>
<u>Net Assets</u>		<u><u>£129,914</u></u>	<u><u>£143,915</u></u>
<u>Capital and Reserves</u>			
Called up Share Capital	10	100	100
Reserves - Profit and Loss Account	12	<u>129814</u>	<u>143815</u>
<u>Shareholders Funds</u>		<u><u>£129,914</u></u>	<u><u>£143,915</u></u>

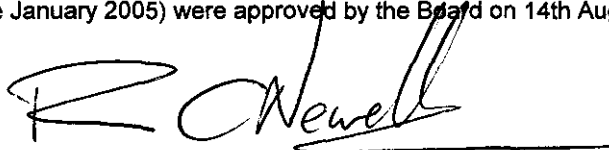
The Notes on pages 5 to 7 form part of these Accounts.

The Directors confirm that for the year ended 31st March 2006 the company was entitled to exemption from audit under Section 249A(1) 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 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 March 2006 and of its result for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirement of the Act relating to Accounts, so far as applicable to the company.

These Accounts which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and with the financial reporting standard for smaller entities (effective January 2005) were approved by the Board on 14th August 2006 and signed on its behalf.

R. C. Newell
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006**1. Accounting Policies****a. Basis of Accounting**

The Accounts have been prepared in accordance with applicable accounting standards under the historical cost accounting rules and in accordance with the financial reporting standard for smaller entities (effective January 2005).

b. Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by the reducing balance method as follows:-

Plant	20%
Motor Vehicle	20%

c. Stocks and Work in Progress

These are valued at the lower of cost and net realisable value. In respect of work in progress, cost includes all direct costs and an appropriate proportion of overheads.

d. Deferred Taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. In accordance with FRS19, deferred tax is not recognised on revaluation gains. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

Turnover represents amounts invoiced by the company in respect of work done during the year excluding value added tax.

3. Operating Profit**2006****2005**

Operating Profit is stated after crediting or charging the following:-

Depreciation and other amounts written off Fixed Assets	13699	11568
Directors Emoluments	18546	24996

4. Taxation**2006****2005**

Based on profit for the year:

Corporation Tax at small companies rate of 19%	5726	15138
Deferred Taxation relating to accelerated capital allowances at 19%	372	734
	<u>£6,098</u>	<u>£15,872</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006
(CONTINUED)

5. Tangible Assets

	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost:			
At 1st April 2005	126991		126991
Additions	6118	16103	22221
At 31st March 2006	133109	16103	149212
Depreciation:			
At 1st April 2005	80720		80720
Charged in year	10478	3221	13699
At 31st March 2006	91198	3221	94419
Net Book Value:			
At 31st March 2006	£41,911	£12,882	£54,793
31st March 2005	£46,271	£0	£46,271

6. Stocks and Work in Progress

	<u>2006</u>	<u>2005</u>
Stock	16867	18410
Work in Progress	44672	24117
	<u>£61,539</u>	<u>£42,527</u>

7. Debtors: Amounts due within one year

	<u>2006</u>	<u>2005</u>
Trade Debtors	69921	43033
Prepayments	3948	2205
Other Debtors	183	1202
	<u>£74,052</u>	<u>£46,440</u>

There are no Debtors falling due after more than one year.

8. Creditors: Amounts falling due within one year

	<u>2006</u>	<u>2005</u>
Trade Creditors	8532	24733
Taxation and Social Security	17287	11736
Accruals	12124	13681
Loans	2494	3674
Directors Loan	15801	11212
Corporation Tax	5726	15138
Hire Purchase	10071	0
	<u>£72,035</u>	<u>£80,174</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006
(CONTINUED)

<u>9. Creditors: Amounts falling due after one year</u>	<u>2006</u>	<u>2005</u>
Deferred Taxation in respect of accelerated capital allowances:		
Balance brought forward	3648	2914
Addition in year	<u>372</u>	<u>734</u>
Balance carried forward	<u><u>£4,020</u></u>	<u><u>£3,648</u></u>

<u>10. Share Capital</u>	<u>2006</u>	<u>2005</u>
Authorised:		
100 Ordinary Shares of £1 each	<u><u>£100</u></u>	<u><u>£100</u></u>
Allotted, called up and fully paid:		
100 Ordinary Shares of £1 each	<u><u>£100</u></u>	<u><u>£100</u></u>

11. Related Party Transaction

The company is wholly owned by the Directors who are also the owners of Rhemo Removals Limited. Transactions between the companies are at arms length and amount to Sales £3677 (2005 £12929) and Purchases £6557 (2005 £6146). The company owed Rhemo Removals Ltd. £2494 at the end of the year. The Directors also own the premises but do not charge any rent.

<u>12. Movement in Reserves</u>	<u>2006</u>	<u>2005</u>
<u>Profit and Loss Account</u>		
Balance brought forward	143815	76152
Net Profit after Taxation for the year	<u>25999</u>	<u>67663</u>
	169814	143815
Dividends paid in year	<u>40000</u>	<u>0</u>
Balance carried forward	<u><u>£129,814</u></u>	<u><u>£143,815</u></u>