

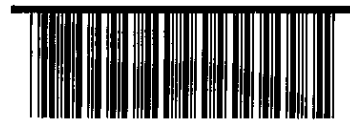
New Circuit Engineering Limited

Company Number SC096213

Directors Report and Accounts

For The Year Ended

31st October 2001



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COMPANIES HOUSE

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06/02/03

New Circuit Engineering Limited

Directors

Mr J Kirkwood
Mrs J Hamilton
Mr T McArdle

Secretary

Mr A Murray

Registered Office

117 Ruchill Street
Maryhill
Glasgow
G20 2NH

Auditors

Jackson & Co Accountants
Registered Auditors
166 Buchanan Street
Glasgow
G1 2LW

Bankers

Bank of Scotland
174 Byres Road
Glasgow
G12 8SW

Solicitors

Thomas McFarlane
International & Domestic Law Practice
2 Roman Road
Glasgow
G61 2SW

New Circuit Engineering Limited
Report of the Directors

The Directors have pleasure in presenting their Report and Audited Accounts for the year ended 31st October 2001.

Activities

The Company's principal activity is the manufacture of electrical switchboard and control panels and the manufacture of steel enclosures.

State of Affairs

The state of the Company's affairs are as set out on pages 7 to 17. No dividends were paid during the year.

Fixed Assets

Information relating to changes in fixed assets is given in note 7 to the accounts.

Close Company

The Company is a close company within the provisions of the Income and Corporation Taxes Act.

Future Developments

During the year the Company has continued to develop its existing arrangements with clients and is intending to continue the expansion over the next 12 months.

The Company's profitability has improved due to market development leading to better prices thus increasing profit margins. To achieve this result the company has modified its strategic cost management plan introducing measures, which will increase, its competitiveness and profitability for the market sectors in which they operate in.

New Circuit Engineering Limited
Report of the Directors (Continued)

Directors

The Directors of the Company who acted throughout the period and their interests in the Ordinary Shares of the Company are as follows:-

	<u>2001</u>	<u>2000</u>
Mr J Kirkwood	4499	4499
Mrs J Hamilton	-	-
Mr T McArdle	1500	1500

Donations

The company made charitable contributions during the year amounting to £ 4,010.

Auditors

Jackson & Co have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the Company for the ensuing year.

By Order of the Board


Mr A Murray (Secretary)
117 Ruchill Street
Maryhill
Glasgow
G20 2NH

Date 1/2/2003

New Circuit Engineering Limited
Directors' Responsibilities & Report of the Auditors

Statement of Directors' Responsibilities

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 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

New Circuit Engineering Limited
Directors' Responsibilities & Report of the Auditors

Independent Auditors' Report to the Members of New Circuit Engineering Ltd

We have audited the financial statements of New Circuit Engineering Limited for the year ended 31st October 2001 on pages 7 to 17. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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

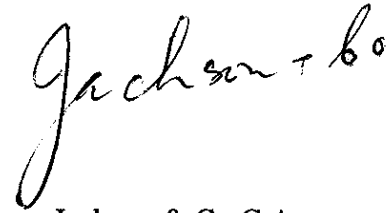
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

Independent Auditors' Report
to the Members of New Circuit Engineering Limited (cont)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st October 2001 and of its profit for the year ended 31st October 2001 and have been properly prepared in accordance with the Companies Act 1985.



Jackson & Co C.A.
Registered Auditors
166 Buchanan Street
Glasgow
G1 2LW

Date: 2/2/03

New Circuit Engineering Limited
Profit and Loss Account
For The Year Ended
31st October 2001

				<u>2000</u>
	Note	£	£	£
Turnover	(2)		3364256	2687186
Less: Cost of Sales			2639246	2222027
Gross Profit			725010	465159
Less: Distribution Costs		98466		91743
Administration Expenses		509948		389286
			608414	481029
Profit/(Loss) on Ordinary Activities Before Interest	(4)		116596	(15870)
Interest Receivable		52		-
Interest Payable and Similar Charges	(19)	18744		-
			18692	-
Profit/(Loss) on Ordinary Activities Before Taxation			97904	(15870)
Less: Taxation	(3)		8000	(905)
Profit/(Loss) on Ordinary Activities After Taxation			89904	(14965)
Add: Retained Reserves Brought Forward			411633	426598
Retained Profits transferred to Reserves			£ 501537	£ 411633

There are no recognised gains and losses in the year other than the profit for the year.
The turnover generated relates to continuing operations.

The notes on pages 10 to 17 form an integral part of these accounts.

New Circuit Engineering Limited
Balance Sheet
As At
31st October 2001

				<u>2000</u>
	Note	£	£	£
Tangible Assets	(7)		359703	412403
<u>Current Assets</u>				
Stocks	(9)	150792		293684
Loose Tools	(12)	5000		5000
Debtors	(8)	863860		592922
Cash in Hand		300		200
			1019952	891806
Creditors: Amounts Falling Due Within One Year	(6 & 10)	723527		683620
Net Current Assets			296425	208186
Total Assets Less Current Liabilities			656128	620589
Creditors: Amounts Falling Due After More Than One Year(11, 13 & 14)			90283	121494
Net Assets			<u>£ 565845</u>	<u>£ 499095</u>

The notes on pages 10 to 17 form an integral part of these accounts.

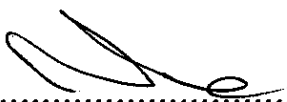
New Circuit Engineering Limited
Balance Sheet (Continued)
As At
31st October 2001

Financed By:

	Note	<u>Authorised</u>	<u>Issued</u>	<u>2000</u>
<u>Share Capital</u>			£	£
Ordinary Shares of £1 each (16)		£ 10000	6000	6000
		<u> </u>		
<u>Reserves</u>				
Retained Profits		501537		411633
Grant Reserve	(15)	58308		81462
		<u> </u>		<u> </u>
			559845	493095
			<u> </u>	<u> </u>
Shareholders' Funds	(17)		£ 565845	£ 499095
			<u> </u>	<u> </u>

Approved by the Board on 1/2/2003.....Date

Director.....Mr J Kirkwood

Director.....Mr T McArdle

The notes on pages 10 to 17 form an integral part of these accounts.

New Circuit Engineering Limited
Notes to the Accounts

1. Accounting Policies

a) Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

b) Depreciation

Depreciation is provided to write off the value of Motor Vehicles, Plant and Machinery and Office Equipment over their useful lives at 25% on the reducing balance basis. Property is not depreciated.

FRS 11 requires a review of asset impairment i.e. depreciation or amortisation in respect of freehold or leasehold properties. In the opinion of the directors the property has not depreciated in value. This may be a departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated. In the opinion of the directors this departure is necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards, as properties are included in the financial statements at their open market value. See note 7.

c) Stock and Work in Progress

Stock and Work in Progress are valued at the lower of cost or net realisable value and are in accordance with SSAP 9.

d) FRS1

The Company has not prepared a cash statement as required by FRS1 as the Company believes itself exempt from doing so.

e) Pension

The Company operates a defined contribution scheme for the employees, the assets of the scheme being held separately from the assets of the Company. The pension cost charge represents contributions payable to the scheme.

Payments to the pension scheme were made on behalf of the directors, John Kirkwood and Tom McArdle, in the year.

New Circuit Engineering Limited
Notes to the Accounts (Continued)

f) Deferred Taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2. <u>Turnover</u>		<u>2000</u>
	£	£
External sales	3331102	2607667
Other income	33154	79519
	£ 3364256	£ 2687186

Turnover is based on work carried out in the United Kingdom and is stated net of Value Added Tax.

3. Taxation

Taxation is calculated at appropriate U.K. rates as follows:-

		<u>2000</u>
	£	£
U.K. tax for 2001 accounts @ 20%	8000	2030
Less Over-Provision in previous year	-	(2935)
	£ 8000	£ (905)

No provision for Deferred Taxation has been made in view of the nature of the purchases of the fixed assets as being in the long term i.e. over 5 years.

4. Profits are stated after charging <u>and crediting the following:-</u>		<u>2000</u>
	£	£
Directors Emoluments	56401	71429
Audit Fee	3000	4000
Plant Hire	3908	-
Depreciation	66000	96648
Loss on Disposal	-	11176
Bank Interest paid and received	11974	1645

New Circuit Engineering Limited
Notes to the Accounts (Continued)

5.	<u>Employee Costs</u>		<u>2000</u>
		£	£
	Wages and salaries	997742	886761
	Social Security Costs	88975	77653
		£ 1086717	£ 964414

The average number of employees during the year was as follows:-

		<u>2000</u>
Fitters	38	39
Design	14	15
Administration	6	7
	58	61

6.	<u>Creditors: Amounts Falling Due Within One Year</u>		<u>2000</u>
	Trade creditors	495445	443193
	Sundry creditors	23608	-
	Accruals	15535	42613
	PAYE	-	24316
	VAT	109242	35676
	Corporation Tax	10030	-
	H.P. Creditors	37167	33000
	Bank Overdraft	32500	104822
		£ 723527	£ 683620

New Circuit Engineering Limited
Notes to the Accounts (Continued)

7. Fixed Assets

	Balance At 31/10/00	Additions	Disposals	Balance At 31/10/01
<u>Cost</u>	£	£	£	£
Property	161705	-	-	161705
Office Equipment	94646	800	-	95446
Motor Vehicles	69824	-	-	69824
Plant & Equipment	456528	12500	-	469028
	<u>£ 782703</u>	<u>£ 13300</u>	<u>£ NIL</u>	<u>£ 796003</u>
<u>Aggregate Depreciation</u>				
Property	-	-	-	-
Office Equipment	43297	13038	-	56335
Motor Vehicles	41037	7197	-	48234
Plant & Equipment	285966	45765	-	331731
	<u>£ 370300</u>	<u>£ 66000</u>	<u>£ NIL</u>	<u>£ 436300</u>
Net Book Values	<u>£ 412403</u>			<u>£ 359703</u>

The property was valued on 24th July 2001 by an independent valuer. This was a walk through valuation aimed at arriving at an open market valuation only. The valuation figure given by the surveyor was £ 250,000.

This exceeds the value of the property on the balance sheet. However the directors decided not to adjust the value of the property due to the fact that the valuation was carried out on a walk through basis only. It also justifies the directors' decision not to depreciate the property.

New Circuit Engineering Limited
Notes to the Accounts (Continued)

		<u>2000</u>
8. <u>Debtors</u>	£	£
Trade debtors	810891	553004
Sundry debtors	39666	39918
Prepayments	13303	-
	£ 863860	£ 592922
		<u>2000</u>
9. <u>Stocks & Work in Progress</u>	£	£
Raw materials and consumables	150792	48000
Work in progress	-	245684
	£ 150792	£ 293684
10. <u>Bank Overdraft</u>		
The bank overdraft is secured by a bond and floating charge over the Company's assets in favour of the Bank of Scotland. Interest is charged at 2.5% per annum over the bank's base rate.		
11. <u>Creditors: Amounts Falling Due After More Than One Year</u>		<u>2000</u>
	£	£
Directors Loans	1186	5994
H P Creditors	89097	115500
	£ 90283	£ 121494

New Circuit Engineering Limited
Notes to the Accounts (Continued)

12. Loose Tools

The Directors do not consider that loose tools should be a capitalised item, due to the fact that their individual value is under £400 and also their short life span (less than one year). The same value of £ 5,000 is maintained as in the directors' opinion, the value of loose tools is unlikely to vary from this figure.

		<u>2000</u>
13. <u>Directors Loans</u>	£	£

The loans by the directors can be analysed as follows:-

John Kirkwood	(4247)	561
Thomas McArdle	5433	5433
	<u>£ 1186</u>	<u>£ 5994</u>

		<u>2000</u>
14. <u>H P Creditors</u>	£	£

Total H P liability at 31 st October 2001 but due within the next 12 months	37167	33000
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Total H P liability at 31 st October 2001 but due in more than 12 months	89097	115500
	<u>£ 126264</u>	<u>£ 148500</u>

H P Interest due within the next 12 months (interest free)	-	-
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H P Interest due in more than 12 months (interest free)	-	-
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	£ -	£ -
	<u>£ 126264</u>	<u>£ 148500</u>

HP Loan 1 by monthly repayment Repayable by June 2009	115500
HP Loan 1 by monthly repayment Repayable by May 2004	10764
	<u>£ 126264</u>

New Circuit Engineering Limited
Notes to the Accounts (Continued)

15. RSA Grant Reserve

The grants are being treated according to SSAP 4 and are being classified as a reserve and written to the Profit and Loss Account over the useful life of the project in relation to the grants received. The estimated useful life of the projects are 5 and 4 years.

The grants are therefore charged to the Profit and Loss Account over a corresponding period of 5 and 4 years.

		<u>2000</u>
16. <u>Share Capital</u>	£	£
Authorised		
10,000 Ordinary Shares of £1 each	10000	10000
	<u> </u>	<u> </u>
Allotted, Called Up and Fully Paid		
6,000 Ordinary Shares of £1 each	6000	6000
	<u> </u>	<u> </u>
17. <u>Reconciliation of movement in Shareholders' Funds</u>		<u>2000</u>
	£	£
Shareholders' Funds at 31/10/00	499095	514827
Grant Reserve	(23154)	(767)
Profit/(Loss) for the year	898904	(14965)
	<u> </u>	<u> </u>
Shareholders' Funds at 31/10/01	£ 565845	£ 499095
	<u> </u>	<u> </u>

18. Pension

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £ 5,790 (£ 9,859 in 2000).