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J & D PIERCE (CONTRACTS) LIMITED
ABBREVIATED FINANCIAL ACCOUNTS
YEAR ENDED
31 JULY 2007

JOHN KERR & COMPANY
CHARTERED ACCOUNTANTS

THURSDAY



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Directors	James Pierce
	Derek Pierce
Secretary	James Pierce
Registered Office	Unit 14 Caledonia Road Glengarnock Ayrshire KA14 3DA
Registered Number	174690
Auditors	John Kerr & Company Chartered Accountants 32a Hamilton Street Saltcoats KA21 5DS

REPORT OF DIRECTORS

1

The directors present their report with the audited financial statements of the company for the year ended 31 July 2007

Principal Activity

The principal activity of the company in the year under review was that of steel fabrication

Review of Business

The results for the year end and the financial position are shown in the annexed financial statements

Dividends

The total distribution of dividends for the year ended 31 July 2007 was £210,000 (2006 £160,000)

Fixed Assets

In the opinion of the directors there is no significant difference between the present market value of the company's assets and the amounts at which they are stated in the accounts Details are set out in note 8

Directors

The directors during the year under review were

James Pierce

Derek Pierce

The beneficial interest of the directors holding office on 31 July 2007 in the issued share capital of the company were as follows:

	<u>31 7 2007</u>	<u>31 7 2006</u>
	£	£
<u>Ordinary £1 Shares</u>		
James Pierce	60,000	60,000
Derek Pierce	40,000	40,000
	=====	=====

So far as each of the directors, at the time the report is approved, are aware;

- a) There is no relevant audit information of which the company auditors are unaware, and
- b) The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

REPORT OF DIRECTORS

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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 and loss of the company for that period. In preparing those financial statements, the directors are required to

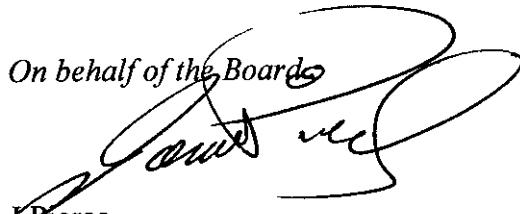
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare 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 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.

Auditors

A resolution to reappoint John Kerr & Company, will be proposed in accordance with Section 385 of the Companies Act 1985.

On behalf of the Board



J. Pierce
Secretary

12 December 2007

INDEPENDENT AUDITORS REPORT

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We have examined the abbreviated accounts set out on pages 4 to 15, together with the full statutory accounts of the company for the year ended 31 July 2007 prepared under section 226 of the Companies Act 1985

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 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 sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the abbreviated accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory accounts

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with those provisions



John Kerr & Company
Chartered Accountants
32a Hamilton Street
Saltcoats
Ayrshire
KA21 5DS
Registered Auditors

18 Decembe 2007

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2007

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	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
Gross Profit		3,696,239	3,140,404
Administrative expenses		2,196,546	1,911,996
Operating Profit	4	1,499,693	1,228,408
Interest receivable and similar income		22,403	3,134
Rent Received		15,000	13,750
		1,537,096	1,245,292
Interest payable and similar charges	5	61,848	56,584
Profit on ordinary activities before taxation		1,475,248	1,188,708
Tax on profit on ordinary activities	6	433,768	374,852
Profit for the Financial Year after taxation		1,041,480	813,856
Dividends Paid	7	210,000	160,000
		831,480	653,856
Retained profit brought forward		1,916,041	1,262,185
Retained profit brought forward		2,747,521	1,916,041

Continuing Operations

None of the company's activities were acquired or discontinued during the current year or previous period

Total recognised gains and losses

The company has no recognised gains or losses other than the profits for the current year or previous period

The notes on pages to form part of these abbreviated financial statements

BALANCE SHEET
AS AT 31 JULY 2007

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		<u>2007</u>	<u>2006</u>
	<u>Notes</u>	£	£
<u>Fixed Assets</u>			
Tangible Assets	8	3,469,431	3,495,817
<u>Current Assets</u>			
Consumables Stocks	9	5,000	5,000
Debtors	10	4,695,556	4,105,893
Cash at Bank		1,294,566	1,242,795
		<u>5,995,122</u>	<u>5,353,688</u>
Creditors Amounts falling due within one year	11	5,177,743	5,256,557
Net Current Assets		<u>817,379</u>	<u>97,131</u>
Total Assets Less Current Liabilities		<u>4,286,810</u>	<u>3,592,948</u>
Creditors. Amounts falling due after more than one year	12	1,031,477	1,262,724
Provision for Liabilities and charges	16	407,812	314,183
		<u>2,847,521</u>	<u>2,016,041</u>
<u>Capital and Reserves</u>			
Called up share capital	17	100,000	100,000
Profit and loss account		2,747,521	1,916,041
Shareholders funds	19	<u>2,847,521</u>	<u>2,016,041</u>

On behalf of the Board

J Pierce
DirectorD Pierce
Director

Approved by the Board 12 December 2007

The notes on pages 9 to 15 form part of the abbreviated financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2007

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		<u>2007</u>	<u>2006</u>
	<u>Notes</u>	£	£
Net cash flow from operating activities	i	1,906,605	729,167
Returns on investments and servicing of finance	ii	(24,445)	(39,700)
Taxation		(280,697)	(111,103)
Capital expenditure	ii	(319,367)	(1,406,511)
Equity dividends paid		(210,000)	(130,000)
		(834,509)	(1,687,314)
Financing	ii	(270,497)	538,490
Increase/(Decrease) in cash in the period		<u>801,599</u>	<u>(1,148,824)</u>
Reconciliation of net cash flow to movement in net debt			
Increase/(Decrease) in cash in the period		801,599	(1,148,824)
Cash outflow from increase in debt and lease financing	iii	270,497	(804,758)
Change in net debt resulting from cash flows		1,072,096	(1,953,582)
New finance leases			914,591
New Bank loan			120,000
Movement in net debt in the period		1,072,096	(918,991)
Net debt at 1 August 2006		(1,186,096)	(267,105)
Net debt at 31 July 2007		<u>(114,000)</u>	<u>(1,186,096)</u>

The notes on pages 9 to 15 form part of the abbreviated financial statements

NOTE TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2007

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i Reconciliation of operating profit to net cash inflow from operating activities		
	<u>2007</u>	<u>2006</u>
	£	£
Operating profit	1,499,693	1,228,408
Depreciation charges	311,803	222,994
Loss on sale of fixed assets	33,950	36,470
Decrease/(Increase) in Debtors	(589,663)	(2,081,986)
Increase in creditors	650,822	1,323,281
Net cash inflow from operating activities	1,906,605	729,167
ii Analysis of cash flows for headings netted in the cash flow statement		
	<u>2007</u>	<u>2006</u>
	£	£
<i>Returns on investments and servicing of finance</i>		
Interest received	22,403	3,134
Interest paid	(21,697)	(26,917)
Interest element of hire purchase payments	(40,151)	(29,667)
Rental income received	15,000	13,750
Net cash outflow for returns on investments and serving of finance	(24,445)	(39,700)
<i>Capital Expenditure</i>		
Purchase of tangible fixed assets	(422,266)	(1,600,088)
Sale of tangible fixed assets	102,899	193,577
Net cash outflow for capital expenditure	(319,367)	(1,406,511)
	<u>2007</u>	<u>2006</u>
	£	£
<i>Financing</i>		
Loan repayments	(39,996)	(53,979)
Hire Purchase	(230,501)	(196,020)
Additional Borrowings		788,489
Net cash (outflow) from financing	(270,497)	538,490

NOTE TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2007

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iii Analysis of changes in net debt

	<u>1 August 2006</u>	<u>Cash Flow</u>	<u>31 July 2007</u>
	£	£	£
Net cash	1,242,795	51,771	1,294,566
Cash at bank	(795,090)	749,828	(45,262)
	447,705	801,599	1,249,304
Debt			
Hire Purchase	(1,329,808)	230,501	(1,099,307)
Debts falling due within one year	(48,000)		(48,000)
Debts falling due after one year	(255,993)	39,996	(215,997)
	(1,633,801)	270,497	(1,363,304)
Total	(1,186,096)	1,072,096	(114,000)

Analyses in Balance Sheet

	<u>2007</u>	<u>2006</u>
	£	£
Cash at Bank	1,294,566	1,242,795
Bank Overdraft	(45,262)	(795,090)
Hire purchase within one year	(283,827)	(323,077)
after one year	(815,480)	(1,006,731)
Debts falling due within one year	(48,000)	(48,000)
Debts falling due after one year	(215,997)	(255,993)
	(114,000)	(1,186,096)

The notes on pages 9 to 15 form part of the financial statements.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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1 Accounting Policies

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents sales of goods to external customers at invoiced amount less value added tax, solely to the United Kingdom market

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Buildings	2%	on cost
Plant & Machinery	10%	on reducing balance
Fittings & Equipment	20%	on reducing balance
Motor Vehicles	25%	on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors there is reasonable probability that the liability will not arise in the foreseeable future

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs

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 amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

2 Staff Costs

	<u>2007</u>	<u>2006</u>
	£	£
Wages and salaries	3,018,983	2,616,846
Social Security costs	303,093	263,294
	3,322,076	2,880,140

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007 (CONTINUED)

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2	<u>Staff Costs continued</u>	<u>2007</u>	<u>2006</u>
		£	£
	Directors	2	2
	Others	120	106
		-----	-----
		122	108
		=====	=====
3	<u>Directors</u>	<u>2007</u>	<u>2006</u>
		£	£
	Director's emoluments consist of		
	Fees as directors	57,200	48,500
	Employers national insurance	5,984	4,920
		-----	-----
		63,184	53,420
		=====	=====
4	<u>Operating profit</u>		
	<i>The operating profit is stated after charging</i>	<u>2007</u>	<u>2006</u>
		£	£
	Hire of plant and machinery	147,668	147,212
	Depreciation owned assets	170,553	141,170
	Depreciation assets of hire purchase contracts	141,250	81,824
	Loss on disposal of fixed assets	33,950	36,470
	Auditors remuneration audit	4,601	4,343
	Non audit		
		-----	-----
		498,022	411,019
		=====	=====
5	<u>Interest payable and similar charges</u>	<u>2007</u>	<u>2006</u>
		£	£
	Bank Overdraft interest	719	5,800
	Bank loan interest	20,978	21,117
	Hire Purchase Interest	40,151	29,667
		-----	-----
		61,848	56,584
		=====	=====

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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6 Taxation

The tax charge on the profit on ordinary activities for the year was as follows

	<u>2007</u>	<u>2006</u>
	£	£
UK corporation tax	340,139	280,697
Deferred taxation	93,629	94,155
	<u>433,768</u>	<u>374,852</u>
<u>Tax Reconciliation</u>	<u>2007</u>	<u>2006</u>
Tax and Profits @ 30% (2006 30%)	442,574	356,612
Adjusted Items		
Disallowable Costs	(1,468)	4,696
Depreciation and Loss	103,726	77,839
Capital Allowances	(195,468)	(114,233)
Marginal Relief	(9,225)	(14,217)
	<u>340,139</u>	<u>280,697</u>

7 Dividends

	<u>2007</u>	<u>2006</u>
	£	£
Equity shares Dividend	210,000	160,000

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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8 Tangible Fixed Assets

	<u>Buildings</u>	<u>Plant & Machinery</u>	<u>Fittings & Equipment</u>	<u>Motor Vehicles</u>	<u>Totals</u>
<u>Depreciation</u>	£	£	£	£	£
As at 1 August 2006	836,266	3,054,222	194,081	299,982	4,384,551
Additions	98,069	231,200	6,531	86,466	422,266
Disposals		(211,839)	(1,935)	(35,296)	(249,070)
As at 31 July 2007	934,335	3,073,583	198,677	351,152	4,557,747
<u>Depreciation</u>					
As at 1 August 2006	67,858	626,697	87,991	106,188	888,734
Charge for Year	18,687	217,467	21,957	53,692	311,803
Eliminated on disposals		(93,005)	(1,044)	(18,172)	(112,221)
As at 31 July 2007	86,545	751,159	108,904	141,708	1,088,316
<u>Net Book Value</u>					
As at 31 July 2007	847,790	2,322,424	89,773	209,444	3,469,431
As at 31 July 2006	768,408	2,427,525	106,090	193,794	3,495,817

8 Tangible Fixed Assets Continued

Cost or valuation at 31 July 2007 is represented by purchase or lease hire contracts are as follows

	<u>Plant & Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£
<u>Cost</u>			
As at 1 August 2006	1,803,262		1,803,262
Additions	90,000		90,000
As at 31 July 2007	1,893,262		1,893,262
<u>Depreciation</u>			
As at 1 August 2006	160,843		160,843
Charge for Year	141,250		141,250
As at 31 July 2007	302,093		302,093
<u>Net Book Value</u>			
As at 31 July 2007	1,591,169		1,591,169
As at 31 July 2006	1,642,419		1,642,419

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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9	<u>Stock</u>	<u>2007</u>	<u>2006</u>
		£	£
	Stock of Consumables	5,000	5,000
		=====	=====
10	<u>Debtors Amounts falling due within one year</u>	<u>2007</u>	<u>2006</u>
		£	£
	Trade Debtors	570,887	686,872
	Prepaid charges and other debtors	14,184	22,096
	Amounts recoverable under long term contracts	4,110,485	3,224,200
	Other debts		172,725
		-----	-----
		4,695,556	4,105,893
		=====	=====
11	<u>Creditors' Amounts falling due within one year</u>	<u>2007</u>	<u>2006</u>
		£	£
	Bank loans and overdrafts	93,262	843,090
	Hire purchase contracts	283,827	323,077
	Trade Creditors	4,024,511	3,580,920
	Directors current accounts	18,839	4,211
	Social Security & other taxes	339,069	151,932
	Taxation	340,139	280,697
	Accrued charges and other creditors	78,096	72,630
		-----	-----
		5,177,743	5,256,557
		=====	=====
12	<u>Creditors. Amounts falling due after more than one year</u>	<u>2007</u>	<u>2006</u>
		£	£
	Bank Loans	215,997	255,993
	Hire Purchase contracts	815,480	1,006,731
		-----	-----
		1,031,477	1,262,724
		=====	=====

The bank loan is secured by a bond and floating charge over the property and first standard security over the company's freehold properties

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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13 Loans and Overdrafts

An analysis of the maturity of loans and overdrafts is given below

	<u>2007</u>	<u>2006</u>
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	45,262	795,090
Bank Loans	48,000	48,000
	<u>93,262</u>	<u>843,090</u>
Amounts falling due between one and two years		
Bank Loans	48,000	48,000
	<u>48,000</u>	<u>48,000</u>
Amounts falling due between two and five years		
Bank Loans	167,997	207,993
	<u>167,997</u>	<u>207,993</u>

There were two loans in existence at the year end. The loans are repayable on 27 April 2014 and 14 October 2010 with interest rates of base rate plus 2.5% and base rate plus 5% respectively.

14 Obligations under hire purchase contracts

	<u>2007</u>	<u>2006</u>
	£	£
Net obligations repayable.		
Within one year	263,997	323,077
Between one and five years	815,480	1,006,731
	<u>1,079,477</u>	<u>1,329,808</u>

15 Secured Debts

The following secured debts are included within creditors

	<u>2007</u>	<u>2006</u>
	£	£
Bank overdrafts	45,262	795,090
Bank Loan	48,000	48,000
	<u>93,262</u>	<u>843,090</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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16 Provisions for Liabilities and Charges

	<u>2007</u>	<u>2006</u>
	£	£
Deferred Taxation	407,812	314,183
	=====	=====
Balance at 1 August 2006	314,183	220,028
Transfer from profit & loss	93,629	94,155
	-----	-----
Balance as at 31 July 2007	407,812	314,183
	=====	=====

17 Called Up Share Capital

<u>Authorised</u>		<u>Nominal</u>	<u>2007</u>	<u>2006</u>
<u>Number</u>	<u>Class</u>	<u>Value</u>	£	£
250,000	Ordinary	£1	250,000	250,000
			=====	=====
<u>Allocated issued and fully paid</u>		<u>Nominal</u>	<u>2007</u>	<u>2006</u>
<u>Number</u>	<u>Class</u>	<u>Value</u>	£	£
100,000	Ordinary	£1	100,000	100,000
			=====	=====

18 Controlling Parties

The company was under the control of the directors, Mr James Pierce and Mr Derek Pierce throughout the period. At the year end their interest in the company's issued share capital was 60% and 40% respectively

19 Reconciliation of movements in shareholders' funds

	<u>2007</u>	<u>2006</u>
	£	£
Profit for the financial year	1,022,805	813,856
Dividends	(210,000)	(160,000)
	-----	-----
Net additions to shareholders funds	812,805	653,856
Opening shareholders funds	2,016,041	1,362,185
	-----	-----
Closing shareholders funds	2,828,846	2,016,041
	=====	=====