

Registration number SC248421



McDowell Engineering Limited

Abbreviated accounts

for the year ended 31 December 2008

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McDowell Engineering Limited

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McDowell Engineering Limited
Directors' report
for the year ended 31 December 2008

The directors present their report and the accounts for the year ended 31 December 2008.

Incorporation and change of name

The name of the company was changed to McDowell Engineering Limited on 22 May 2008.

Principal activity and review of the business

The principal activity of the company is that of a holding company. The principal activities of the wholly owned subsidiary McDowell Engineering Limited are marketing and leasing of Yamazaki CNC machines and machine tools.

Results and dividends

The results for the year are set out on page 4.

Directors

The directors who served during the year are as stated below:

Scott Russell Hunter

Colin Walker

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and 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 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.

In so far as the directors are aware:

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

McDowell Engineering Limited

**Directors' report
for the year ended 31 December 2008**

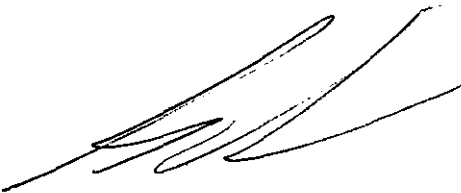
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Auditors

Winton & Co were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 7 August 2009 and signed on its behalf by



Scott Russell Hunter
Director

**Independent auditors' report to McDowell Engineering Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 10 together with the financial statements of McDowell Engineering Limited for the year ended 31 December 2008 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 work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the 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 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.



**Winton & Co
Chartered Accountants
16 Hamilton Street
Broughty Ferry
Dundee
DD5 2NR**

7 August 2009

McDowell Engineering Limited

Abbreviated profit and loss account for the year ended 31 December 2008

		Continuing operations	
		2008	2007
	Notes	£	£
Administrative expenses		(940)	(1,997)
Operating loss		<u>(940)</u>	<u>(1,997)</u>
Investment income	2	-	500,000
Interest payable and similar charges	3	-	(14,702)
(Loss)/profit on ordinary activities before taxation		<u>(940)</u>	<u>483,301</u>
Tax on (loss)/profit on ordinary activities		-	-
(Loss)/profit for the year		<u>(940)</u>	<u>483,301</u>
Retained profit brought forward		742,386	366,085
Reserve Movements		(121,500)	(107,000)
Retained profit carried forward		<u><u>619,946</u></u>	<u><u>742,386</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 10 form an integral part of these financial statements.

McDowell Engineering Limited

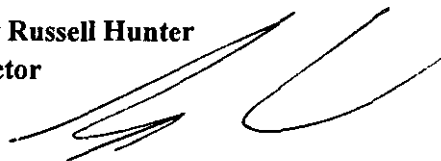
**Abbreviated balance sheet
as at 31 December 2008**

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Investments	5		1,221,766		1,221,766
Current assets					
Debtors	6	69		69	
Cash at bank and in hand		124		124	
		<u>193</u>		<u>193</u>	
Creditors: amounts falling due within one year	7	<u>(602,012)</u>		<u>(479,572)</u>	
Net current liabilities			<u>(601,819)</u>		<u>(479,379)</u>
Total assets less current liabilities			619,947		742,387
Net assets			<u>619,947</u>		<u>742,387</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account			619,946		742,386
Shareholders' funds	9		<u>619,947</u>		<u>742,387</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies companies.

The abbreviated accounts were approved by the Board on 7 August 2009 and signed on its behalf by

Scott Russell Hunter
Director



The notes on pages 7 to 10 form an integral part of these financial statements.

McDowell Engineering Limited

Cash flow statement for the year ended 31 December 2008

	Notes	2008 £	2007 £
Reconciliation of operating loss to net cash inflow from operating activities			
Operating loss		(940)	(1,997)
Increase in creditors		122,440	(106,060)
Net cash inflow from operating activities		<u>121,500</u>	<u>(108,057)</u>
Cash flow statement			
Net cash inflow from operating activities		121,500	(108,057)
Returns on investments and servicing of finance	11	-	485,298
		121,500	377,241
Equity dividends paid		(121,500)	(107,000)
		-	270,241
Financing	11	-	(278,180)
Increase in cash in the year		<u>-</u>	<u>(7,939)</u>
Reconciliation of net cash flow to movement in net funds (Note 12)			
Increase in cash in the year		-	(7,939)
Cash outflow from decrease in debts and lease financing		-	278,180
		-	270,241
Change in net funds resulting from cash flows		124	(270,117)
Net funds at 1 January 2008		<u>124</u>	<u>124</u>
Net funds at 31 December 2008		<u>124</u>	<u>124</u>

McDowell Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 December 2008

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Investments

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

1.3. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

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.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.4. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Income from investments

	2008	2007
	£	£
Income from subsidiary undertakings	<u>-</u>	<u>500,000</u>

McDowell Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 December 2008

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3. Interest payable and similar charges	2008	2007
	£	£
Interest payable on loans < 1 yr	-	14,702
	<u> </u>	<u> </u>

4. Employees

There were no employees during the year apart from the directors.

4.1. Directors' emoluments	2008	2007
	£	£
Remuneration and other emoluments	102,473	113,244
	<u> </u>	<u> </u>

The above remuneration relates to the directors who were paid through the company's wholly owned subsidiary Scotmaz Machine Tools Limited

5. Fixed asset investments	Subsidiary undertakings	Total
	shares	
	£	£
Cost		
At 1 January 2008		
At 31 December 2008	1,221,766	1,221,766
	<u> </u>	<u> </u>
Net book values		
At 31 December 2008	1,221,766	1,221,766
	<u> </u>	<u> </u>
At 31 December 2007	1,221,766	1,221,766
	<u> </u>	<u> </u>

McDowell Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 December 2008

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5.1. Holdings of 20% or more

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

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Scotmaz Machine Tools Limited	Scotland	Marketing & leasing of Yamazaki machines	Ordinary	100%

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 £	Profit for the year £
Scotmaz Machine Tools Limited	543,263	427,977

6. Debtors	2008 £	2007 £
Other debtors	<u>69</u>	<u>69</u>

7. Creditors: amounts falling due within one year	2008 £	2007 £
Amounts owed to group undertaking	590,994	468,304
Directors' accounts	9,818	9,818
Accruals and deferred income	<u>1,200</u>	<u>1,450</u>
	<u>602,012</u>	<u>479,572</u>

8. Share capital	2008 £	2007 £
Authorised equity		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid equity		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

McDowell Engineering Limited

Notes to the abbreviated financial statements for the year ended 31 December 2008

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9. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
(Loss)/profit for the year	(940)	483,301
Dividends	(121,500)	(107,000)
	(122,440)	376,301
Opening shareholders' funds	742,387	366,086
Closing shareholders' funds	<u>619,947</u>	<u>742,387</u>

10. Related party transactions

The amount due to Scotmaz Machine Tools Limited at 31 December 2008 is £590,994 (2007 - £468,303). There are no formal repayment terms and no interest is charged.

11. Gross cash flows

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest paid	-	(14,702)
Dividends received	-	500,000
	<u>-</u>	<u>485,298</u>
Financing		
Repayment of long term bank loan	-	(261,006)
Repayment of other short term loans	-	(17,174)
	<u>-</u>	<u>(278,180)</u>

12. Analysis of changes in net funds

	Opening balance £	Closing balance £
Cash at bank and in hand	124	124
Net funds	<u>124</u>	<u>124</u>