Studley Engineering Limited

Registered number 01754001

Abbreviated accounts

For the year ended 31 October 2011

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STUDLEY ENGINEERING LIMITED

COMPANY INFORMATION

Directors	J Hyland N Brierton
Company secretary	F Malone
Company number	01754001
Registered office	17 Vulcan Street Liverpool Merseyside L3 7BG
Auditor	Mazars LLP Chartered Accountants & Statutory Auditor Tower Building Water Street Liverpool L3 1PQ
Bankers	HSBC Bank Plc 2 Liscard Way Wallasey Merseyside CH44 5TP

STUDLEY ENGINEERING LIMITED

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The following pages do not form part of the statutory financial statements

STUDLEY ENGINEERING LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2011

The directors present their report and the financial statements for the year ended 31 October 2011

Principal activities

The principal activity of the company continued to be that of plant erection and pipework fabrication

Business review

The directors are very pleased with the results for the year in what remains a challenging economic climate The company reports an increase in turnover of 10% whilst gross margins have been maintained resulting in a reported profit before taxation of £426,615

Results and dividends

The profit for the year, after taxation, amounted to £302,436 (2010 - £115,515)

Dividends paid in the year are shown in note 15 to the financial statements

Directors

The directors who served during the year were

J Hyland
N Brierton

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

STUDLEY ENGINEERING LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2011

Political and charitable contributions

The company made charitable contributions during the year of £7,693 (2010 - £4,530)

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks that include the effect of changes in debt market prices, credit risk, liquidity risk and interest rate risk The company has in place a risk management program that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied

Given the size of the company the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board The policies set by the board of directors are implemented by the company's finance department

Price risk

The company is exposed to commodity price risk as a result of its operations However given the size of the company's operations, the cost of managing exposure to commodity price risk exceeds any potential benefits

Liquidity risk

The company actively maintains a provision for short term debt finance that is designed to ensure the company has sufficient available funds for operations

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf

F Malone

F Malone
Company secretary

Date 27/07/12

MAZARS

Independent auditor's report to Studley Engineering Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts which comprise the Abbreviated Profit and Loss Account, the Abbreviated Balance Sheet, the Cash Flow Statement and the related notes , together with the financial statements of Studley Engineering Limited for the year ended 31 October 2011 prepared under section 396 of the Companies Act 2006

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006

It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you This report, including our opinion, has been prepared for and only for the company's members as a body Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in this 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 work, for this report, or for the opinions we have formed

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 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 are properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

D Nicholls 30/7/12
David Nicholls (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Building
Water Street
Liverpool
L3 1PQ

30 July 2012

STUDLEY ENGINEERING LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2011

	Note	2011 £	2010 £
Turnover	1	8,745,042	7,933,994
Gross profit		1,842,922	1,592,090
Administrative expenses		(1,421,462)	(1,425,003)
Operating profit	2	421,460	167,087
Income from other fixed asset investments		1,673	1,587
Profit on disposal of investments		1,903	8,588
Interest receivable and similar income		579	753
Profit on ordinary activities before taxation		425,615	178,015
Tax on profit on ordinary activities	5	(123,179)	(62,500)
Profit for the financial year	12	302,436	115,515

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account

The notes on pages 7 to 15 form part of these financial statements

STUDLEY ENGINEERING LIMITED

Registered number: 01754001

ABBREVIATED BALANCE SHEET
AS AT 31 OCTOBER 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	**6**		21,261		13,985
Current assets					
Stocks	**7**	12,000		12,000	
Debtors	**8**	2,074,991		1,193,095	
Investments	**9**	218		73,910	
Cash at bank		223,519		469,583	
		2,310,728		1,748,588	
Creditors: amounts falling due within one year	**10**	(1,866,292)		(1,530,399)	
Net current assets			444,436		218,189
Total assets less current liabilities			465,697		232,174
Capital and reserves					
Called up share capital	**11**		50,170		50,170
Capital redemption reserve	**12**		37,908		37,908
Profit and loss account	**12**		377,619		144,096
Shareholders' funds	**13**		465,697		232,174

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 27/07/2012

J Hyland
Director

N Brierton
Director

The notes on pages 7 to 15 form part of these financial statements

STUDLEY ENGINEERING LIMITED

ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	15	(176,397)	307,656
Returns on investments and servicing of finance	16	2,252	2,340
Taxation		(61,000)	(63,000)
Capital expenditure and financial investment	16	(18,682)	(2,978)
Equity dividends paid		(68,913)	(368,913)
Cash outflow before management of liquid resources		(322,740)	(124,895)
Management of liquid resources	16	75,595	(1,208)
Decrease in cash in the year		(247,145)	(126,103)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 OCTOBER 2011

	2011 £	2010 £
Decrease in cash in the year	(247,145)	(126,103)
Cash (inflow)/outflow from (increase)/decrease in liquid resources	(75,595)	1,208
Change in net debt resulting from cash flows	(322,740)	(124,895)
Other non-cash changes	-	17,175
Profit on sale of current asset investments	1,903	8,588
Movement in net debt in the year	(320,837)	(99,132)
Net funds at 1 November 2010	76,762	175,894
Net (debt)/funds at 31 October 2011	(244,075)	76,762

The notes on pages 7 to 15 form part of these financial statements

STUDLEY ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2011

1 Accounting Policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Turnover is recognised by the company when the risks and rewards associated with the goods and services have been transferred to the purchaser These occur when the following conditions are met evidence of a binding arrangment exists, products have been delivered or services have been rendered and amounts are collectable under normal payment terms

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	25% straight line
Fixtures, fittings & equipment	-	25% straight line

1.4 Current asset investments

Current asset investments are valued at the lower of cost and net realisable value The company classifies these investments as liquid resources

1 5 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks Cost includes all direct costs

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

1. **Accounting Policies (continued)**

1.8 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract Revenues derived from variations on contracts are recognised only when they have been accepted by the customer Full provision is made for losses on all contracts in the year in which they are first foreseen

1.9 Pensions

The company operates a defined contribution pension scheme for the directors and shareholders This is administered separately and independently from the company The pension charge represents the amounts payable by the company to the fund in respect of the year

2. **Operating profit**

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	11,406	8,377
Auditors' remuneration	7,500	7,500
Operating lease rentals		
- plant and machinery	52,324	54,388
Difference on foreign exchange	12	-

3. Staff costs

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	4,899,786	4,823,921
Other pension costs	121,026	121,092
	5,020,812	4,945,013

The average monthly number of employees, including the directors, during the year was as follows

	2011 No	2010 No.
Office and administration	10	10
Workshop and on site	102	96
Directors	2	2
	114	108

4 Directors' remuneration

	2011 £	2010 £
Emoluments	116,789	104,251
Company pension contributions to defined contribution pension schemes	50,439	50,439

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes

5. Taxation

	2011 £	2010 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	125,000	62,500
Adjustments in respect of prior periods	(1,821)	-
Tax on profit on ordinary activities	123,179	62,500

5. **Taxation (continued)**

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26% (2010 - 21%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	425,615	178,015
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 21%)	110,660	37,383
Effects of.		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	18,191	24,703
Capital allowances for year in excess of depreciation	(2,683)	334
Adjustments to tax charge in respect of prior periods	(1,821)	-
Dividends from UK companies	(435)	(378)
Other differences leading to an increase (decrease) in the tax charge	15,481	458
Marginal relief	(16,214)	-
Current tax charge for the year (see note above)	123,179	62,500

6. Tangible fixed assets

	Plant & machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 November 2010	224,998	28,445	253,443
Additions	-	18,682	18,682
At 31 October 2011	224,998	47,127	272,125
Depreciation			
At 1 November 2010	211,013	28,445	239,458
Charge for the year	6,735	4,671	11,406
At 31 October 2011	217,748	33,116	250,864
Net book value			
At 31 October 2011	7,250	14,011	21,261
At 31 October 2010	13,985	-	13,985

7. Stocks

	2011 £	2010 £
Raw materials and consumables	12,000	12,000

8 Debtors

	2011 £	2010 £
Trade debtors	1,427,371	795,660
Amounts due from related companies	83,479	-
Amounts recoverable on contracts	563,406	396,700
Prepayments and accrued income	735	735
	2,074,991	1,193,095

9 Current asset investments

	2011 £	2010 £
Listed investments	218	73,910

Listed investments

The market value of the listed investments at 31 October 2011 was £218 (2010 £80,479), relating to cash held as part of the portfolio

10 Creditors.
Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	467,812	466,731
Trade creditors	455,429	332,754
Corporation tax	124,679	62,500
Other taxes and social security costs	509,274	276,878
Directors' current accounts	200,219	270,000
Accruals and deferred income	108,879	121,536
	1,866,292	1,530,399

The bank overdraft is secured by a debenture including a Fixed Charge over all present freehold and leasehold property, a First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and a First Floating Charge over all assets and undertakings both present and future dated 3 May 2011

11. Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
17,000 Class B non-voting redeemable shares of £0 01 each	170	170
	50,170	50,170

12. Reserves

	Capital redempt'n reserve £	Profit and loss account £
At 1 November 2010	37,908	144,096
Profit for the year		302,436
Dividends Equity capital		(68,913)
At 31 October 2011	37,908	377,619

13. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	232,174	485,572
Profit for the year	302,436	115,515
Dividends (Note 14)	(68,913)	(368,913)
Closing shareholders' funds	465,697	232,174

14. Dividends

	2011 £	2010 £
Ordinary £1 Shares		
Dividends	-	300,000
Class B 1p Shares (non-voting)		
Dividends	68,913	68,913
	68,913	368,913

15. Net cash flow from operating activities

	2011 £	2010 £
Operating profit	421,460	167,087
Depreciation of tangible fixed assets	11,406	8,377
(Increase)/decrease in debtors	(881,896)	493,245
Increase/(decrease) in creditors	272,633	(361,053)
Net cash (outflow)/inflow from operating activities	(176,397)	307,656

16. Analysis of cash flows for headings netted in cash flow statement

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	579	753
Income from investments	1,673	1,587
Net cash inflow from returns on investments and servicing of finance	2,252	2,340

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(18,682)	(2,978)

	2011 £	2010 £
Management of liquid resources		
Current asset investments	-	(1,208)
Sale of short term listed investments	75,595	-
Net cash inflow/(outflow) from management of liquid resources	75,595	(1,208)

17 Analysis of changes in net debt

	1 November 2010 £	Cash flow £	Other non-cash changes £	31 October 2011 £
Cash at bank and in hand	469,583	(246,064)	-	223,519
Bank overdraft	(466,731)	(1,081)	-	(467,812)
	2,852	(247,145)	-	(244,293)
Liquid resources.				
Current asset investments	73,910	(75,595)	1,903	218
Net funds	76,762	(322,740)	1,903	(244,075)

18 Pension commitments

The company operates a defined contribution pension scheme The assets of the scheme are held seperately from those of the company in an independtly administered fund The pension cost charge represents contributions payable by the company to the fund Contributions payable by the company for the year were £121,026 (2010 £121,092)

19. Operating lease commitments

At 31 October 2011 the company had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
Expiry date		
Within 1 year	1,988	48,934
Between 2 and 5 years	47,601	78,437