

**CITY ENGINEERING (HOLDINGS) LIMITED**

**ABBREVIATED ACCOUNTS**

**31 OCTOBER 2010**

**COMPANY REGISTRATION NUMBER 00444575**

**CITY ENGINEERING (HOLDINGS) LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 OCTOBER 2010**

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**CITY ENGINEERING (HOLDINGS) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO CITY ENGINEERING**  
**(HOLDINGS) LIMITED**  
**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, together with the financial statements of City Engineering (Holdings) Limited for the year ended 31 October 2010 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 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.

**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 to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

*Target Consulting Ltd*

**Simon Morrison** (Senior Statutory Auditor)  
Target Consulting Limited, Chartered Accountants & Statutory Auditor

Lawrence House  
Lower Bristol Road  
Bath

Dated: *9 February 2011*

**CITY ENGINEERING (HOLDINGS) LIMITED**

**ABBREVIATED BALANCE SHEET**

**31 OCTOBER 2010**

	Note	2010 £	£	Unaudited 2009 £	£
<b>FIXED ASSETS</b>	<b>2</b>				
Tangible assets			268,400		276,511
Investments			<u>406,324</u>		<u>405,917</u>
			674,724		682,428
 <b>CURRENT ASSETS</b>					
Debtors		746,343		900,250	
Investments		7,467		7,467	
Cash at bank and in hand		<u>532,294</u>		<u>319,803</u>	
		1,286,104		1,227,520	
<b>CREDITORS: Amounts falling due within one year</b>		<u>(23,360)</u>		<u>(14,807)</u>	
 <b>NET CURRENT ASSETS</b>			<u>1,262,744</u>		<u>1,212,713</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,937,468</u>		<u>1,895,141</u>
 <b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	4		2,550		2,550
Revaluation reserve			95,555		95,555
Profit and loss account			<u>1,839,363</u>		<u>1,797,036</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,937,468</u>		<u>1,895,141</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 09.10.10, and are signed on their behalf by:



**Dr R Davies**  
Director

Company Registration Number: 00444575

**The notes on pages 3 to 5 form part of these abbreviated accounts.**

**CITY ENGINEERING (HOLDINGS) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 OCTOBER 2010**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

**Turnover**

Turnover represents sales of services receivable, excluding value added tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land and Buildings            -    2% on cost

**Investment property**

The investment property is included at open market value. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve. No depreciation is charged on the investment property in accordance with the financial reporting standard for smaller entities (effective April 2008). This represents a departure from the companies act 2006 but is necessary in order for the financial statements to show a true and fair view.

**Current asset investments**

Current asset investments are state at the lower of cost and market value.

**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.

**CITY ENGINEERING (HOLDINGS) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 OCTOBER 2010**

**1. ACCOUNTING POLICIES (continued)**

**Deferred taxation (continued)**

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.

**2. FIXED ASSETS**

	Tangible Assets £	Investments £	Total £
<b>COST OR VALUATION</b>			
At 1 November 2009	405,574	405,917	811,491
Additions	—	407	407
<b>At 31 October 2010</b>	<u>405,574</u>	<u>406,324</u>	<u>811,898</u>
<b>DEPRECIATION</b>			
At 1 November 2009	129,063	—	129,063
Charge for year	8,111	—	8,111
<b>At 31 October 2010</b>	<u>137,174</u>	<u>—</u>	<u>137,174</u>
<b>NET BOOK VALUE</b>			
<b>At 31 October 2010</b>	<u>268,400</u>	<u>406,324</u>	<u>674,724</u>
At 31 October 2009	<u>276,511</u>	<u>405,917</u>	<u>682,428</u>

**Investments in Subsidiary Undertakings**

Details of the subsidiary undertaking, as at 31 October 2010 is as follows:

*City Engineering (Bristol) Limited*

Interest in ordinary £1 share capital: 100%

Country of incorporation: United Kingdom

Principal activity: General engineering and metal fabrication

	2010 £	Unaudited 2009 £
Capital and reserves	330,684	177,297
Loss for the year	153,388	(178,246)

**Investment Property**

The investment property was valued on an open market basis on 31 October 2010 by the directors. If the investment property had not been revalued it would have been included at the following historical cost:

	2010 £	Unaudited 2009 £
Cost	310,361	310,361

If the property were to be sold at its revalued amount a tax liability of £7,459 would arise (2009 – £6,754).

**CITY ENGINEERING (HOLDINGS) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 OCTOBER 2010**

**3. RELATED PARTY TRANSACTIONS**

City Engineering (Holdings) Limited owns 100% of the ordinary shares of its subsidiary, City Engineering (Bristol) Limited.

During the year, City Engineering (Holdings) Limited charged £60,000 (2009 - £65,000) to City Engineering (Bristol) Limited for rental of the trade premises, and a further £32,000 (2009 - £nil) as a management charge.

At 31 October 2010, City Engineering (Bristol) Limited owed City Engineering (Holdings) Limited £735,008 (2009 - £898,810).

At 31 October 2010, the company was owed £3,564 by R Davies a director of the company. In 2009 R Davies was owed £6,838 by the company. The outstanding amount represents the maximum overdrawn balance in the year. No interest was charged on this loan.

**4. SHARE CAPITAL**

**Allotted, called up and fully paid:**

	<b>2010</b>		<b>Unaudited 2009</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
2,550 Ordinary shares of £1 each	<u>2,550</u>	<u>2,550</u>	<u>2,550</u>	<u>2,550</u>

On the 11 November 2010 the company re-designated 10 issued Ordinary shares as 10 "A" Ordinary shares. On the same day the company also issued 282 Ordinary shares.

**5. ULTIMATE CONTROLLING PARTY**

R Davies is the ultimate controlling party by virtue of being director and owning a majority shareholding.