

Coleshill Aluminium Limited

Directors' Report and Abbreviated Accounts

for the Year Ended 31 August 2007

Registration number 585158

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Coleshill Aluminium Limited

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Coleshill Aluminium Limited
Officers and Advisers

Directors

D H Evans
Mrs S D Evans
P H Evans
R B Evans
A C Evans
Mrs A E Miller

Secretary D H Evans

Registered office Gorsey Lane
Coleshill
Warwickshire
B46 1JU

Bankers Barclays Bank plc
21 Birmingham Road
Sutton Coldfield
B72 1PW

Auditors RSM Bentley Jennison
Chartered Accountants & Registered Auditors
Charterhouse
Legge Street
Birmingham
B4 7EU

Coleshill Aluminium Limited
Directors' Report for the Year Ended 31 August 2007

The directors present their report and the audited financial statements for the year ended 31 August 2007

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, 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 a 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 enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity

The principal activity of the company is that of smelting and refining aluminium. No changes are foreseen in the immediate future.

Business review

The year under review has been challenging with volatile material values and eroding profit margins. Despite these difficulties, the company has achieved a positive return and the company remains well placed to compete in what is expected to be another challenging year to come.

Results and dividend

The results for the company are set out in the financial statements.

An interim ordinary dividend of £125,000 was paid during the year.

Directors

The directors who held office during the year were as follows:

- D H Evans
- Mrs S D Evans
- P H Evans
- R B Evans
- A C Evans
- Mrs A E Miller

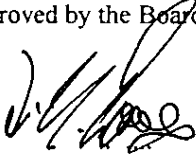
Auditors

The auditors, RSM Bentley Jennison, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985.

Coleshill Aluminium Limited
Directors' Report for the Year Ended 31 August 2007

continued

Approved by the Board and signed on its behalf by



D H Evans
Company Secretary

Date 6 2 08

**Independent Auditors' Report to
Coleshill Aluminium Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Coleshill Aluminium Limited, set out on pages 5 to 15, together with the financial statements of the company for the year ended 31 August 2007 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 auditors' 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 auditors

The directors are responsible for preparing the abbreviated accounts in accordance with 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 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions 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 on pages 5 to 15 are properly prepared in accordance with those provisions.



RSM Bentley Jennison
Chartered Accountants & Registered Auditors

Date *8th February 2008*

Charterhouse
Legge Street
Birmingham
B4 7EU

Coleshill Aluminium Limited
Abbreviated Profit and Loss Account for the Year Ended 31 August 2007

	Note	2007 £	2006 £
Gross profit		956,436	939,020
Distribution costs		(136,690)	(130,734)
Administrative expenses		(697,726)	(639,546)
Operating profit	2	<u>122,020</u>	<u>168,740</u>
Other interest receivable and similar income		50,618	50,379
Profit on ordinary activities before taxation		<u>172,638</u>	<u>219,119</u>
Tax on profit on ordinary activities	5	(46,657)	(108,544)
Profit for the financial year	14	<u><u>125,981</u></u>	<u><u>110,575</u></u>

Turnover and operating profit derive wholly from continuing operations

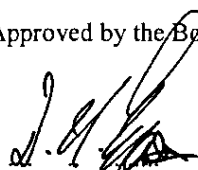
The company has no recognised gains or losses for the year other than the results above

Coleshill Aluminium Limited
Abbreviated Balance Sheet as at 31 August 2007

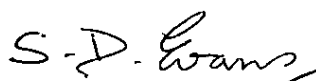
		2007		2006	
	Note	£	£	£	£
Fixed assets					
Tangible assets	7		197,541		226,683
Current assets					
Stocks	8	608,129		777,586	
Debtors	9	2,647,960		3,065,475	
Cash at bank and in hand		<u>1,316,130</u>		<u>1,067,936</u>	
		4,572,219		4,910,997	
Creditors: Amounts falling due within one year	10	<u>(2,310,924)</u>		<u>(2,678,125)</u>	
Net current assets			<u>2,261,295</u>		<u>2,232,872</u>
Total assets less current liabilities			2,458,836		2,459,555
Provisions for liabilities	12		<u>(18,000)</u>		<u>(19,700)</u>
Net assets			<u><u>2,440,836</u></u>		<u><u>2,439,855</u></u>
Capital and reserves					
Called up share capital	13		1,250		1,250
Share premium reserve	14		436,250		436,250
Profit and loss account	14		<u>2,003,336</u>		<u>2,002,355</u>
Equity shareholders' funds	15		<u><u>2,440,836</u></u>		<u><u>2,439,855</u></u>

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

Approved by the Board on 6/02/08 and signed on its behalf by



D H Evans
Director



Mrs S D Evans
Director

Coleshill Aluminium Limited
Cash Flow Statement for the Year Ended 31 August 2007

		2007		2006	
	Note	£	£	£	£
Net cash flow from operating activities	17		140,299		(494,428)
Returns on investment and servicing of finance	18		50,618		50,379
Taxation paid			(65,357)		(73,344)
Capital expenditure and financial investment	18		-		(31,360)
Equity dividends paid			(125,000)		-
Cash inflow/(outflow) before management of liquid resources and financing			560		(548,753)
Financing	18		(12,555)		(12,573)
Net cash flow			(11,995)		(561,326)

Reconciliation of net cash flow to movement in net debt

		2007		2006	
	Note	£	£	£	£
Decrease in cash in the year	19		(11,995)		(561,326)
Change in net debt resulting from cash flows			(11,995)		(561,326)
Net funds at the start of the year	19		1,023,858		1,585,184
Net funds at the end of the year	19		1,011,863		1,023,858

Coleshill Aluminium Limited

Notes to the abbreviated accounts for the Year Ended 31 August 2007

1 Accounting policies

Basis of preparation

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

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows

Freehold property	Land - Nil, Buildings - 4% on cost
Plant and machinery	15% on reducing balance
	15%-40% reducing balance and 20% on cost
Fixtures and fittings	cost
Motor vehicles	25% on reducing balance

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

2 Operating profit

Operating profit is stated after charging

	2007	2006
	£	£
Auditors remuneration	8,700	8,190
Loss on sale of tangible fixed assets	-	2,053
Depreciation of owned tangible fixed assets	29,142	36,793

Coleshill Aluminium Limited

Notes to the abbreviated accounts for the Year Ended 31 August 2007

continued

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2007 No	2006 No
Administration	9	9
Production	24	23
	33	32

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	745,220	740,759
Social security	84,135	85,766
Other pension costs	121,154	125,755
	950,509	952,280

4 Directors' emoluments

The directors' emoluments for the year are as follows

	2007 £	2006 £
Directors' emoluments (including benefits in kind)	261,041	257,904
Directors' pension contributions	121,154	125,755
	382,195	383,659

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2007 No	2006 No
Money purchase	4	4

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £56,885 (2006 - £55,819), and company pension contributions of £33,510 (2006 - £33,510) were made to a money purchase scheme on their behalf

Coleshill Aluminium Limited

Notes to the abbreviated accounts for the Year Ended 31 August 2007

continued

5 Taxation

Analysis of current period tax charge

	2007 £	2006 £
Current tax		
Corporation tax charge	48,000	111,000
(Over)/under provision in previous year	<u>357</u>	<u>(656)</u>
UK Corporation tax	<u>48,357</u>	<u>110,344</u>
 Deferred tax		
Origination and reversal of timing differences	<u>(1,700)</u>	<u>(1,800)</u>
 Total tax on profit on ordinary activities	<u>46,657</u>	<u>108,544</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2006 - higher than) the standard rate of corporation tax in the UK of 30.00% (2006 - 30.00%)

The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>172,638</u>	<u>219,119</u>
Standard rate corporation tax charge	51,791	65,736
Accelerated capital allowances	1,050	1,451
Small company marginal relief	(9,482)	(7,152)
Other differences	4,998	50,309
Total current tax for the year	<u>48,357</u>	<u>110,344</u>

6 Dividends

	2007 £	2006 £
Equity dividends		
Paid	<u>125,000</u>	<u>-</u>

Coleshill Aluminium Limited

Notes to the abbreviated accounts for the Year Ended 31 August 2007

continued

7 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
As at 1 September 2006 and 31 August 2007	<u>159,550</u>	<u>611,224</u>	<u>42,732</u>	<u>258,769</u>	<u>1,072,275</u>
Depreciation					
As at 1 September 2006	68,757	530,736	36,215	209,884	845,592
Charge for the year	<u>2,500</u>	<u>12,073</u>	<u>2,346</u>	<u>12,223</u>	<u>29,142</u>
As at 31 August 2007	<u>71,257</u>	<u>542,809</u>	<u>38,561</u>	<u>222,107</u>	<u>874,734</u>
Net book value					
As at 31 August 2007	<u>88,293</u>	<u>68,415</u>	<u>4,171</u>	<u>36,662</u>	<u>197,541</u>
As at 31 August 2006	<u>90,793</u>	<u>80,488</u>	<u>6,517</u>	<u>48,885</u>	<u>226,683</u>

Freehold land and buildings

The gross book value of freehold land and buildings includes £159,085 (2006 - £159,085) of depreciable assets

8 Stocks and work in progress

	2007 £	2006 £
Raw materials	170,548	328,672
Finished goods	<u>437,581</u>	<u>448,914</u>
	<u>608,129</u>	<u>777,586</u>

9 Debtors

	2007 £	2006 £
Trade debtors	2,599,497	3,009,449
Prepayments and accrued income	<u>48,463</u>	<u>56,026</u>
	<u>2,647,960</u>	<u>3,065,475</u>

Coleshill Aluminium Limited

Notes to the abbreviated accounts for the Year Ended 31 August 2007

continued

10 Creditors Amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	304,267	44,078
Trade creditors	269,145	774,249
Amounts owed to associated undertakings	1,477,138	1,528,745
Amounts owed to other related undertakings	49,326	54,566
Corporation tax	48,000	65,000
Social security and other taxes	71,947	114,389
Other creditors	261	1,717
Director current accounts	54,494	67,049
Accruals and deferred income	36,346	28,332
	2,310,924	2,678,125

11 Maturity of borrowings

Amounts repayable

	Bank loans & overdrafts
	£
As at 31 August 2007	
In one year or less on demand	304,267
	304,267
As at 31 August 2006	
In one year or less on demand	44,078
	44,078

Coleshill Aluminium Limited

Notes to the abbreviated accounts for the Year Ended 31 August 2007

continued

12 Provisions for liabilities

	Deferred tax provision £
As at 1 September 2006	19,700
Deferred tax provision charged to the profit and loss account	<u>(1,700)</u>
As at 31 August 2007	<u><u>18,000</u></u>

Deferred tax

Deferred tax is provided at 30.00% (2006 - 30.00%)

	2007 £	2006 £
Accelerated capital allowances	<u>18,000</u>	<u>19,700</u>

13 Share capital

	2007 £	2006 £
Authorised		
Equity		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
Equity		
1,250 Ordinary shares of £1 each	<u>1,250</u>	<u>1,250</u>

14 Reserves

	Share premium reserve £	Profit and loss account £	Total £
Balance at 1 September 2006	436,250	2,002,355	2,438,605
Transfer from profit and loss account for the year	-	125,981	125,981
Dividends	-	<u>(125,000)</u>	<u>(125,000)</u>
Balance at 31 August 2007	<u>436,250</u>	<u>2,003,336</u>	<u>2,439,586</u>

Coleshill Aluminium Limited

Notes to the abbreviated accounts for the Year Ended 31 August 2007

continued

15 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit attributable to members of the company	125,981	110,575
Dividends	<u>(125,000)</u>	<u>-</u>
	981	110,575
Opening equity shareholders' funds	<u>2,439,855</u>	<u>2,329,280</u>
Closing equity shareholders' funds	<u><u>2,440,836</u></u>	<u><u>2,439,855</u></u>

16 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £121,154 (2006 - £125,755)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

17 Reconciliation of operating profit to operating cash flows

	2007	2006
	£	£
Operating profit	122,020	168,740
Depreciation, amortisation and impairment charges	29,142	36,793
Loss on disposal of fixed assets	-	2,053
Decrease in stocks	169,457	212,315
Decrease/(increase) in debtors	417,515	(1,301,994)
(Decrease)/increase in creditors	<u>(597,835)</u>	<u>387,665</u>
Net cash inflow/(outflow) from operating activities	<u><u>140,299</u></u>	<u><u>(494,428)</u></u>

Coleshill Aluminium Limited

Notes to the abbreviated accounts for the Year Ended 31 August 2007

continued

18 Analysis of cash flows

	2007 £	2006 £
Returns on investment and servicing of finance		
Interest received	<u>50,618</u>	<u>50,379</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(32,160)
Sale of tangible fixed assets	-	800
	<u>-</u>	<u>(31,360)</u>
Financing		
Increase in loans and borrowings	151,000	191,000
Repayment of loans and borrowings	(163,555)	(203,573)
	<u>(12,555)</u>	<u>(12,573)</u>

19 Analysis of net funds

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	1,067,936	248,194	1,316,130
Bank overdraft	(44,078)	(260,189)	(304,267)
Cash and bank net debt	<u>1,023,858</u>	<u>(11,995)</u>	<u>1,011,863</u>
Net funds	<u>1,023,858</u>	<u>(11,995)</u>	<u>1,011,863</u>

20 Related parties

Controlling entity

The company was controlled throughout the current and previous period by the directors by virtue of them holding a majority of the issued ordinary share capital

Related party transactions

During the year the company purchased services worth £169,129 (2006 £173,718) from Coleshill Aluminium Swarf Limited and ingots from Coleshill Alloy Sales Limited of £713,171 (2006 £838,558)

Certain administration costs are incurred by Coleshill Aluminium Limited and recharged at cost to these related companies under common control or controlled by family members

At 31st August 2007 Coleshill Aluminium Limited owed Coleshill Aluminium Swarf Limited £1,155,879, Coleshill Laboratories Limited £49,326 and Coleshill Alloy Sales Limited £321,258 respectively