

The Singleton Engineering Pension Scheme

Annual Report and Accounts

For the year ended 16 March 2007

Registered number 108864

**The Singleton Engineering Pension Scheme
Annual Report and Accounts
For the year ended 16 March 2007**

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The Singleton Engineering Pension Scheme

Scheme Information

Trustees:	P W Singleton) M H Singleton) D J Singleton) D C Singleton)	Directors and former director of principal employer
Principal Employer:	Singleton Engineering (UK) Limited Blacknell Lane Trading Estate CREWKERNE TA18 7HE	
Independent Financial Advisers:	Clarke & Company 10 The Broadway THATCHAM RG19 3JA	
Accountants:	Accountax Services (Swindon) Limited Chartered Accountants 2 Charnwood Court Newport Street SWINDON SN1 3DX	
Actuary:	G E Pensions Limited The Priory HITCHIN SG5 2DW	
Bankers:	LloydsTSB Bank plc 37 Market Square CREWKERNE TA18 7LR, and Nat West Bank plc 2 Market Street Crewkerne TA18 7JZ	

**The Singleton Engineering Pension Scheme
Scheme Information (continued)**

Secretary to the
Trustees:

Mrs L M Singleton

Enquiries :

Enquiries about the scheme generally or about entitlement to
benefit should be addressed to the Trustees at:

Singleton Engineering (UK) Limited
Blacknell Lane Trading Estate
CREWKERNE
TA18 7HL

**The Singleton Engineering Pension Scheme
Trustees' Report
For the year ended 16 March 2007**

The trustees of the Singleton Engineering Pension Scheme present their report and the accounts for the year ended 16 March 2007.

The Scheme

The Singleton Engineering Pension Scheme was established as a small self administered pension scheme providing retirement and death benefits to the Directors and their spouses and dependants of Singleton Engineering (UK) Limited. The scheme has exempt approval status from the HM Revenue & Customs and the Trustees are not aware of any reasons why such approval should be withdrawn.

Trustees and Advisers

The principal employer has power under the trust deed and rules which govern the operation of the plan to remove Trustees from office, to accept their resignation and to appoint new or additional trustees. The names of the Trustees and the Scheme's advisers are shown on page two. The Trustees may act by unanimous agreement.

The trustees are appointed to look after the interests of all members and beneficiaries under the plan. The scheme assets are under the control of the trustees and are to be used to secure benefits for the members of the plan and their dependants in accordance with the trust deed and rules. The Trustees hold regular meetings to assess the performance of the investments.

The advisers to the scheme are appointed by the Trustees.

Benefits Review

The scheme provides for the actual level of contributions to be decided by the scheme actuary and for the benefits for each member to be those secured by his share of the scheme's assets, subject to the limits imposed by the HM Revenue & Customs.

Scheme members may also contribute to the fund but none had done so as at the year end.

The normal retirement date is determined for each member by the employer, subject to HM Revenue & Customs rules. The employer will inform the members of their normal retirement date on entering the scheme.

Pensions in payment may be reviewed and altered in line with HM Revenue and Customs limits. The scheme includes provision for a pension to be paid to the spouse or other dependant on the death of the member.

**The Singleton Engineering Pension Scheme
Trustees' Report (continued)
For the year ended 16 March 2007**

If a member were to die before retirement, the member's share of the fund would be available to provide a lump sum and/or a pension within the limits specified by the HM Revenue & Customs to the appropriate beneficiaries.

Investment Review

The assets of the scheme are invested as set out in the attached investment report. The market values have increased during the year and the Trustees believe that these funds represent sound investments for the future.

The scheme has also made loans to the sponsoring employer, which fall within the Revenue limits and which were approved by the pensioner trustee.

Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to scheme members, beneficiaries and certain other parties, financial statements for each scheme year which show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year.

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised, a payment schedule showing the rates of normal contributions payable to the scheme by or on behalf of the employer and the active members of the scheme and the dates on or before which such contributions are to be paid. The trustees are also responsible for keeping records of contributions received in respect of any active member of the scheme and for procuring that contributions are made to the scheme in accordance with the payment schedule.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities.

**The Singleton Engineering Pension Scheme
Trustees' Report (continued)
For the year ended 16 March 2007**

Transfers

Members can normally transfer the value of benefits arising from membership of previous employers scheme into the scheme. Similarly, members leaving service can normally transfer the value of their benefits under the scheme to another scheme which they join or to an insurance contract. During the year no transfer values were paid.

Membership

There have been no changes in membership during the year. At 16 March 2007 the active membership of the plan was as follows:

P W Singleton
D J Singleton
D C Singleton

During the year pension payments commenced to M H Singleton, a retired member.

Changes to the Scheme Rules

In order to comply with the changes introduced to pension schemes by the Government on 6 April 2006 the Trustees adopted new rules on 22 February 2006. As a result, Namulas Pension Trustees Limited no longer act as pensioner trustee from 6 April 2006, but will continue to provide advice and administrative services.

Significant Events

At the date of these financial statements the Scheme had an obligation to purchase additional property, adjoining that already owned, by September 2008 at a price of £750,000 plus costs. At the date of these financial statements a deposit of £75,000 had been paid to solicitors.

In April 2007 the loan to the sponsoring employer was repaid in full by Singleton Engineering (UK) Limited.

**The Singleton Engineering Pension Scheme
Trustees' Report (continued)
For the year ended 16 March 2007**

Further information

Members and their beneficiaries can inspect the following documents on request:

- the document constituting the scheme;
- copy of the latest actuarial report to the HM Revenue & Customs.

Personal copies of the above items can be provided on request but a small charge will be made to cover costs involved.

This report was approved by the Trustees on 31 May 2007 :

P W Singleton

M H Singleton

D J Singleton

D C Singleton

The Singleton Engineering Pension Scheme Investment Report

Investment principles

The Trustees have produced a statement of investment principles in accordance with Section 35 of the Pensions Act 1995. A copy is available on request from the scheme (see Trustees' report for address).

There have not been any changes since the last report and the Trustees' aim is to maintain a portfolio of assets which will be suitable for the cash requirements of providing benefits at the members' normal retirement dates. The value of investments are as follows:

	16 March 2007 £	16 March 2006 £
Freehold property	£2,535,000	£2,535,000
Managed funds		
National Mutual Life Assurance Society managed funds	£98,037	£81,984
Norwich Union trustee investment plan	£0	£30,055
Loan to employer and accrued interest	£12,995	£64,876
Cash on deposit	£299,953	£344,155

Investment Advisers

National Mutual Life Assurance Society deal with the day to day management of monies invested with them into the managed funds. They have custody of the investments and the funds are designated to particular members.

The Trustees act in respect of the rest of the pension fund.

The independent financial advisors, Clarke & Company, are remunerated by fees and/or commissions as disclosed to the Trustees from time to time.

Review of investment performance

During the year, the fund income from contributions, investments and other sources totalled £221,202 (2006: £219,043). Of this amount, £39,442 (2006: £38,688) was required to meet expenses, members benefits of £211,559 (2006: Nil) were paid leaving £29,799 drawn from investments (2006: £180,355 available for investment).

The investments have risen in value by £11,461 (2006: increase £1,160,227) and the value of cash on deposit has decreased by £44,202 (2006: increase £161,444).

**The Singleton Engineering Pension Scheme
Investment Report (continued)**

The scheme has made a loan to the sponsoring employer, Singleton Engineering (UK) Limited, of £210,000 during prior years. During the year repayments of capital and interest amounted to £55,000 and the outstanding balance at the date of these accounts including accrued interest was £12,995 (2006: £64,876).

During the year the market value of the fund decreased to £2,704,531 (2006: £2,722,869).

Details of investments constituting more than 5 per cent of the scheme's net assets are given in note 9 to the accounts.

Employer related investments

As noted above, the scheme has made loans to the sponsoring employer, Singleton Engineering (UK) Limited. The total loans represent 0.4% (2006 2.4%) of the scheme's net assets. The loans are at bank base rate plus 3 per cent, with interest accrued at the date of these accounts amounting to £5,495. These loans comply with the limits and conditions imposed by the Pensions Act 1995 and associated regulations as well as those set by HM Revenue & Customs for a small self-administered pension scheme.

**The Singleton Engineering Pension Scheme
Fund Account
For the year ended 16 March 2007**

	Notes	2007 £	2006 £
Contributions receivable	3		
- Employer's normal contributions		30,000	0
Benefits payable	4	(211,559)	0
Expenditure	5	<u>(39,442)</u>	<u>(38,688)</u>
Net reductions from dealing with Members		(221,001)	(38,688)
 Returns on Investments			
- Investment income	6	191,202	219,043
- Change in market value of investments		<u>11,461</u>	<u>1,160,227</u>
Net (Decrease) Increase in the fund during the year		(18,338)	1,340,582
Net Assets at start of year		<u>2,722,869</u>	<u>1,382,287</u>
Net Assets at the end of the year		<u><u>2,704,531</u></u>	<u><u>2,722,869</u></u>

The Singleton Engineering Pension Scheme
Net Assets Statement
For the year ended 16 March 2007

	Notes	2007 £	2006 £
Assets not designated to Members			
Investments	7		
Freehold Property		2,535,000	2,535,000
Bank accounts		299,953	344,155
Loans	8	12,995	64,876
Investments		0	30,055
		<u>2,847,948</u>	<u>2,974,086</u>
Current assets			
Accrued income		1,225	527
Deposit at solicitors		75,000	0
Tax repayable		19	15
VAT recoverable		0	1,536
		<u>2,924,192</u>	<u>2,976,164</u>
Assets Designated to members			
Investments	7		
National Mutual Managed Funds		<u>98,037</u>	<u>81,984</u>
Total assets		3,022,229	3,058,148
Less current liabilities			
Bank loan account		308,877	328,232
Invoiced costs unpaid		0	959
VAT payable		222	0
Accrued costs		<u>8,599</u>	<u>6,088</u>
Net assets of the fund at the end of year		<u>2,704,531</u>	<u>2,722,869</u>

Approved by the Trustees on 31 May 2007:

P W Singleton

M H Singleton

D J Singleton

D C Singleton

The notes on pages 12 to 15 form part of these Accounts.

The Singleton Engineering Pension Scheme
Notes to the Accounts
For the year ended 16 March 2007

1. Basis of Preparation

The accounts have been produced in accordance with the Statement of Recommended Practice No. 1, published by the Accounting Standards Committee and with the Occupational Pension Schemes Regulations 1996. The accounts summarise the transactions of the scheme and the assets and short-term liabilities at the period end. Long-term liabilities to pay pensions and other benefits in the future are not reflected in the accounts.

2. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared on an accruals basis, that is income and expenditure is recognised as it is earned or incurred, not as it is received or paid.

(b) Valuation of investments

Freehold property is shown in the financial statements at original cost or latest actuarial valuation.

Managed funds are valued by the fund managers at the average of the closing bid and offer prices ruling at the balance sheet date, or at the latest statement date prior to the balance sheet date.

(c) Taxation

The scheme's income and chargeable gains are free of UK income and capital gains tax. Any tax recoverable on the scheme's income is treated as part of that income.

3. Contributions

	2007	2006
Employer - normal contributions	30,000	-
	=====	=====

The Singleton Engineering Pension Scheme
Notes to the Accounts (continued)
For the year ended 16 March 2007

4. Members benefits	2007	2006
	£	£
Lump sum benefits	197,793	0
Pensions paid	<u>13,766</u>	<u>0</u>
	<u>211,559</u>	<u>0</u>

During the year pension payments to M H Singleton commenced.

5. Expenditure	2007	2006
	£	£
Legal and professional	14,990	3,098
Insurance	4,073	7,560
Property repairs and maintenance	102	1,313
Bank charges	101	84
Bank interest	<u>20,176</u>	<u>26,633</u>
	<u>39,442</u>	<u>38,688</u>

All other costs of administration are borne by Singleton Engineering (UK) Limited.

6. Investment Income	2007	2006
	£	£
Rent receivable	175,709	205,060
Bank and other interest receivable	12,374	8,855
Interest on loan to employer	<u>3,119</u>	<u>5,128</u>
	<u>191,202</u>	<u>219,043</u>

7. Investments	Non-designated		Designated	
	2007	2006	2007	2006
	£	£	£	£
The movement in investments during the year were:				
Market value at start of year	2,974,086	1,667,765	81,984	60,634
Purchases at cost	0	0	6,000	6,000
Disposals	-30,055	0	0	0
Change in bank and loan account balances	-96,083	161,444	0	0
Changes in market value	<u>0</u>	<u>1,144,877</u>	<u>10,053</u>	<u>15,350</u>
Market value at end of year	<u>2,847,948</u>	<u>2,974,086</u>	<u>98,037</u>	<u>81,984</u>

The purchases of designated investments amounting to £6,000 represents the contributions in the year to the managed funds.

The Singleton Engineering Pension Scheme
Notes to the Accounts (continued)
For the year ended 16 March 2007

7. Investments (continued)

All assets within the scheme are notionally allocated to members and although the members receive an annual statement for insured contracts, these form part of the common pool of assets.

The market value of investments can be analysed as follows:

	2007	2006
	£	£
Freehold property	2,535,000	2,535,000
Managed funds - National Mutual Life Assurance Society	98,037	81,984
Norwich Union	0	30,055
Loans (note 8)	12,995	64,876
Bank deposits	<u>299,953</u>	<u>344,155</u>
	<u>2,945,985</u>	<u>3,056,070</u>

8. Loans to Employer

The pension scheme made a loan to the sponsoring employer, Singleton Engineering (UK) Limited. The movements during the year were

	2007	2006
	£	£
Balance at start of year	64,876	79,045
Repayments in the year	55,000	19,297
Interest receivable	<u>3,119</u>	<u>5,128</u>
Balance at end of year	<u>12,995</u>	<u>64,876</u>

The loan constituted 0.4% (2006: 2.4%) of the scheme net assets at the date of these accounts.

The Singleton Engineering Pension Scheme
Notes to the Accounts (continued)
For the year ended 16 March 2007

9. Significant Investments

The following investments each constituted more than five per cent of the net assets of the scheme in either the current or preceding year, or both.

	2007	2006
	<u>%</u>	<u>%</u>
Freehold property	93.7	93.1
Bank deposits	11.1	12.6

10. Capital Commitments and Contingencies

As explained in the Trustees report, at the date of these financial statements the Scheme had an obligation to purchase additional property at a total price of £750,000 plus costs. A deposit of £75,000 has been paid to solicitors in respect of this obligation.

11. Related Party Transactions

The scheme was established for the benefit of the Directors, including retired Directors, of the sponsoring employer, Singleton Engineering (UK) Limited, and their dependants. The Company shares are held equally by P W Singleton, D J Singleton and D C Singleton.

The scheme has made loans to the sponsoring employer, as shown in note 8.

During the year the sponsoring employer rented part of the scheme's freehold property at a commercial rent of £45,000 (2006 £45,000).