

The Singleton Engineering Pension Scheme

Annual Report and Accounts

For the year ended 16 March 2006

Registered number 108864

**The Singleton Engineering Pension Scheme
Annual Report and Accounts
For the year ended 16 March 2006**

Contents

	Page
Scheme Information	2 - 3
Trustees Report	4 - 7
Investment Report	8 - 9
Revenue Account	10
Net Assets Statement	11
Notes to the Accounts	12 - 15

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 7HE

**The Singleton Engineering Pension Scheme
Trustees' Report
For the year ended 16 March 2006**

The trustees of the Singleton Engineering Pension Scheme present their report and the accounts for the year ended 16 March 2006.

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approval status from the Inland Revenue and the Trustees are not aware of any reasons why such approval should be withdrawn.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 Inland Revenue.

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 Inland Revenue rules. The employer will inform the members of their normal retirement date on entering the scheme.

Pensions in payment may be reviewed and increased in line with changes in the Retail Price Index. The scheme includes provision for a pension of up to two-thirds of a member's 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 2006**

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 Inland Revenue 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 2006**

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 2006 the active membership of the plan was as follows:

P W Singleton
M H Singleton
D J Singleton
D C Singleton

There are no retired members.

Changes to the Scheme Rules

In order to comply with the changes being 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 will no longer act as pensioner trustee from 6 April 2006, but will continue to provide advice and administrative services.

**The Singleton Engineering Pension Scheme
Trustees' Report (continued)
For the year ended 16 March 2006**

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 Inland Revenue.

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 7 July 2006 :

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 2006 £	16 March 2005 £
Freehold property	£2,535,000	£1,395,000
Managed funds		
National Mutual Life Assurance Society managed funds	£81,984	£60,634
Norwich Union trustee investment plan	£30,055	£25,178
Loan to employer and accrued interest	£64,876	£79,045
Cash on deposit	£344,155	£168,542

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 £219,043 (2005: £160,370). Of this amount, £38,688 (2005: £75,749) was required to meet expenses, leaving £180,355 (2005: £84,621) available for investment.

The investments have risen in value by £1,160,227 (2005: increase £6,426) and the value of cash on deposit has increased by £175,613 (2005: increase £74,313).

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 £19,297 and the outstanding balance at the date of these accounts including accrued interest was £64,876 (2005: £79,045).

During the year the market value of the fund increased to £2,722,869 (2005: £1,382,287).

Details of investments constituting more than 5 per cent of the scheme's net assets are given in note 8 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 2.4% (2005 5.7%) 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 £2,376. These loans comply with the limits and conditions imposed by the Pensions Act 1995 and associated regulations as well as those set by the Inland Revenue for a small self-administered pension scheme.

The Singleton Engineering Pension Scheme
Fund Account
For the year ended 16 March 2006

	Notes	2006 £	2005 £
Contributions receivable	3		
- Employer's normal contributions		0	0
Expenditure	4	<u>(38,688)</u>	<u>(75,749)</u>
Net reductions from dealing with Members		(38,688)	(75,749)
Returns on Investments			
- Investment income	5	219,043	160,370
- Change in market value of investments		<u>1,160,227</u>	<u>6,426</u>
Net Increase in the fund during the year		1,340,582	91,047
Net Assets at start of year		<u>1,382,287</u>	<u>1,291,240</u>
Net Assets at the end of the year		<u><u>2,722,869</u></u>	<u><u>1,382,287</u></u>

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

The Singleton Engineering Pension Scheme
Net Assets Statement
For the year ended 16 March 2006

	Notes	2006 £	2005 £
Assets not designated to Members			
Investments	6		
Freehold Property		2,535,000	1,395,000
Bank accounts		344,155	168,542
Loans	7	64,876	79,045
Investments		30,055	25,178
		<u>2,974,086</u>	<u>1,667,765</u>
Current assets			
Accrued income		527	0
Tax repayable		15	0
VAT recoverable		1,536	1,608
		<u>2,976,164</u>	<u>1,669,373</u>
Assets Designated to members			
Investments	6		
National Mutual Managed Funds		81,984	60,634
		<u>81,984</u>	<u>60,634</u>
Total assets		3,058,148	1,730,007
Less current liabilities			
Bank loan account		328,232	346,228
Invoiced costs unpaid		959	1,492
Accrued costs		6,088	0
		<u>335,279</u>	<u>347,720</u>
Net assets of the fund at the end of year		<u>2,722,869</u>	<u>1,382,287</u>

Approved by the Trustees on 7 July 2006;

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 2006

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

	2006	2005
Employer - normal contributions	-	-
	<u> </u>	<u> </u>

The Singleton Engineering Pension Scheme
Notes to the Accounts (continued)
For the year ended 16 March 2006

4. Expenditure

	2006 £	2005 £
Legal and professional	3,098	13,323
Rates	0	3,394
Insurance	7,560	9,710
Property repairs and maintenance	1,313	27,178
Property security	0	1,036
Bank charges	84	76
Bank interest	<u>26,633</u>	<u>21,032</u>
	<u>38,688</u>	<u>75,749</u>

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

5. Investment Income

	2006 £	2005 £
Rent receivable	205,060	153,886
Bank and other interest receivable	8,855	1,307
Interest on loan to employer	<u>5,128</u>	<u>5,177</u>
	<u>219,043</u>	<u>160,370</u>

6. Investments

The movement in investments during the year were:

	Non-designated		Designated	
	2006 £	2005 £	2006 £	2005 £
Market value at start of year	1,667,765	1,597,452	60,634	49,031
Purchases at cost	0	0	6,000	6,000
Change in bank and loan account balances	161,444	69,490	0	0
Changes in market value	<u>1,144,877</u>	<u>823</u>	<u>15,350</u>	<u>5,603</u>
Market value at end of year	<u>2,974,086</u>	<u>1,667,765</u>	<u>81,984</u>	<u>60,634</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 2006

6. Investments (continued)

All assets within the scheme are notionally allocated to members and although the members do 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:

	2006	2005
	£	£
Freehold property	2,535,000	1,395,000
Managed funds - National Mutual Life Assurance Society	81,984	60,634
Norwich Union	30,055	25,178
Loans (note 7)	64,876	79,045
Bank deposits	<u>344,155</u>	<u>168,542</u>
	<u><u>3,056,070</u></u>	<u><u>1,728,399</u></u>

7. Loans to Employer

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

	2006	2005
	£	£
Balance at start of year	79,045	83,868
Repayments in the year	19,297	10,000
Interest receivable	<u>5,128</u>	<u>5,177</u>
Balance at end of year	<u><u>64,876</u></u>	<u><u>79,045</u></u>

The loan constituted 2.4% (2005 : 5.7%) 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 2006

8. 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.

	2006	2005
	<u>%</u>	<u>%</u>
Freehold property	93.1	100.9
Loan and interest due from sponsoring employer	2.4	5.7
Bank deposits	12.6	12.2

9. Capital Commitments and Contingencies

There were no contingencies or capital commitments at the year end.

10. 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 7.

During the year the sponsoring employer rented part of the scheme's freehold property at a commercial rent of £45,000 (2005 £46,235).