

**The Singleton Engineering Pension Scheme**

**Annual Report and Accounts**

**For the year ended 16 March 2005**

**Registered number 108864**

**The Singleton Engineering Pension Scheme  
Annual Report and Accounts  
For the year ended 16 March 2005**

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**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 2005**

The trustees of the Singleton Engineering Pension Scheme present their report and the accounts for the year ended 16 March 2005.

**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approval status from the Inland Revenue and the Trustees are not aware of any reasons why such approval should be withdrawn.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 2005**

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 2005**

**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 2005 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**

There have been no amendments during the year to the scheme rules.

**The Singleton Engineering Pension Scheme  
Trustees' Report (continued)  
For the year ended 16 March 2005**

**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 14 June 2005 :

P W Singleton

M H Singleton

D J Singleton

D C Singleton

**Namulas Pension Trustees Limited**

## 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 2005 £	16 March 2004 £
Freehold property	£1,395,000	£1,395,000
Managed funds		
National Mutual Life Assurance Society managed funds	£60,634	£49,031
Norwich Union trustee investment plan	£25,178	£24,355
Loan to employer and accrued interest	£79,045	£83,868
Cash on deposit	£168,542	£94,229

### 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 £160,370 (2004: £86,166). Of this amount, £75,749 (2004: £45,906) was required to meet expenses, leaving £84,621 (2004: £40,260) available for investment.

The investments have risen in value by £6,426 (2004: increase £504,504) and the value of cash on deposit has increased by £74,313 (2004: increase £77,009).



**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 £10,000 and the outstanding balance at the date of these accounts including accrued interest was £79,045 (2004: £83,868).

During the year the market value of the fund increased to £1,382,287 (2004: £1,291,240).

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 5.7% (2004 6.5%) 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 £11,545. 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 2005**

	Notes	2005 £	2004 £
<b>Contributions receivable</b>	3		
- Employer's normal contributions		0	0
<b>Expenditure</b>	4	<u>(75,749)</u>	<u>(45,906)</u>
<b>Net reductions from dealing with Members</b>		(75,749)	(45,906)
 <b>Returns on Investments</b>			
- Investment income	5	160,370	86,166
- Change in market value of investments		<u>6,426</u>	<u>504,504</u>
<b>Net Increase in the fund during the year</b>		91,047	544,764
<b>Net Assets at start of year</b>		<u>1,291,240</u>	<u>746,476</u>
<b>Net Assets at the end of the year</b>		<u><u>1,382,287</u></u>	<u><u>1,291,240</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 2005**

	Notes	2005 £	2004 £
<b>Assets not designated to Members</b>			
<b>Investments</b>	6		
Freehold Property		1,395,000	1,395,000
Bank accounts		168,512	94,229
Loans	7	79,045	83,868
Investments		25,178	24,355
		<u>1,667,765</u>	<u>1,597,452</u>
<b>Current assets</b>			
Rents receivable		0	7,530
VAT recoverable		1,608	1,607
		<u>1,669,373</u>	<u>1,606,589</u>
<b>Assets Designated to members</b>			
<b>Investments</b>	6		
National Mutual Managed Funds		<u>60,634</u>	<u>49,031</u>
<b>Total assets</b>		<b>1,730,007</b>	<b>1,655,620</b>
<b>Less current liabilities</b>			
Bank loan account		346,228	357,000
Invoiced costs unpaid		<u>1,492</u>	<u>7,380</u>
<b>Net assets of the fund at the end of year</b>		<b><u>1,382,287</u></b>	<b><u>1,291,240</u></b>

Approved by the Trustees on 14 June 2005:

P W Singleton

M H Singleton

D J Singleton

D C Singleton

Namulas Pension Trustees Limited

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 2005**

**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**

	<b>2005</b>	<b>2004</b>
Employer - normal contributions	-	-
	=====	=====

**The Singleton Engineering Pension Scheme**  
**Notes to the Accounts (continued)**  
**For the year ended 16 March 2005**

<b>4. Expenditure</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Legal and professional	13,323	17,545
Rates	3,394	1,924
Insurance	9,710	6,915
Property repairs and maintenance	27,178	2,986
Property security	1,036	2,085
Bank charges	76	1,956
Bank interest	<u>21,032</u>	<u>12,495</u>
	<u><b>75,749</b></u>	<u><b>45,906</b></u>

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

<b>5. Investment Income</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Rent receivable	153,886	78,538
Bank and other interest receivable	1,307	765
Interest on loan to employer	<u>5,177</u>	<u>6,863</u>
	<u><b>160,370</b></u>	<u><b>86,166</b></u>

**6. Investments**

The movement in investments during the year were:

	<b>Non-designated</b>		<b>Designated</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market value at start of year	1,597,452	556,904	49,031	35,388
Purchases (disposals) at cost	69,490	543,687	6,000	6,000
Changes in market value	<u>823</u>	<u>496,861</u>	<u>5,603</u>	<u>7,643</u>
Market value at end of year	<u><b>1,667,765</b></u>	<u><b>1,597,452</b></u>	<u><b>60,634</b></u>	<u><b>49,031</b></u>

The purchases of designated investments amounting to £6,000 represents the contributions in the year to the managed funds. The purchases of non-designated investments includes the changes on bank and loan balances.

**The Singleton Engineering Pension Scheme**  
**Notes to the Accounts (continued)**  
**For the year ended 16 March 2005**

**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:

	2005 £	2004 £
Freehold property	1,395,000	1,395,000
Managed funds - National Mutual Life Assurance Society	60,634	49,031
Norwich Union	25,178	24,355
Loans (note 7)	79,045	83,868
Bank deposits	<u>168,542</u>	<u>94,229</u>
	<u>1,728,399</u>	<u>1,646,483</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

	2005 £	2004 £
Balance at start of year	83,868	137,130
Repayments in the year	10,000	60,125
Interest receivable	<u>5,177</u>	<u>6,863</u>
Balance at end of year	<u>79,045</u>	<u>83,868</u>

The loan constituted 5.7% (2004 : 6.5%) 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 2005**

**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.

	<b>2005</b>	<b>2004</b>
	<u>%</u>	<u>%</u>
Freehold property	101	108
Loan and interest due from sponsoring employer	6	6
Bank deposits	12	7

**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 of the sponsoring employer, Singleton Engineering (UK) Limited, and their dependants. The Company shares are held equally by the four Directors.

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 £46,235.