

AS 9100 QUALITY

THE AUDIT EDITION

INSIDE THIS ISSUE:

<i>The Audit Edition</i>	1
<i>Audit Edition Cont.</i>	2
<i>One To One</i>	2
<i>Rolls Royce Scorecards</i>	2
<i>Ongoing Investment</i>	3
<i>It's Freezing Out Here</i>	3
<i>'A Toast' To Hughie Wilkie</i>	4
<i>Rolling Updates</i>	4
<i>Testimonials</i>	4

The tail end of 2009 and the beginning of 2010 were undoubtedly dominated by audits; with SC21 (supply chain 21st century), BSI 9100 renewal (aerospace approval) and ISO 14001 (environmental approval) audits all falling within days of one another. The first of the audit inundation was SC21, making it a good place to start.

For those of you who are unsure, SC21 is a programme aimed at promoting excellence within the aerospace and defence supply chains. The organisation is partly run by the primes, one of which nominated us to begin the process. The audit, which looked at the company across the board, yielded a final manufacturing excellence assessment score of 462, which at the point of assessment, was the 4th highest score from all the companies that Selex Galileo had undertaken a manufacturing excellence assessment of, from across the UK. See graph far right. With the main audit now complete, the company is on the final stretch. We hope to join the select few who have achieved an actual award by April.

Audit carried out by:

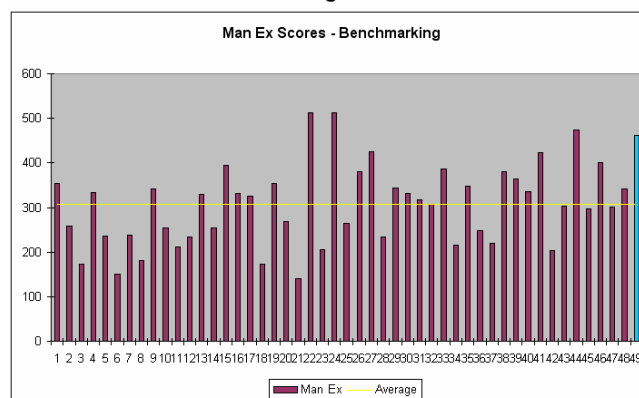
Robert Cowan - Scottish Manufacturing Advisory Service

Peter Laurie - Selex Galileo Strategic Procurement

For many years Castle has been ISO 14001 compliant, but unable to attain the full

top level commitment to managing the environmental impact of our operations. That said, receiving 14001 does not mark the end of the process, but simply another beginning. A

SC21 Development & Performance - Diagnostics
Benchmarking Information



See Castle's Benchmark Score Far Right, In Typical Castle Blue. 4th Highest At Point Of Assessment.

accreditation until the completion of two bundled areas. The planning required to achieve the full accreditation began three years ago with the major infrastructure work coupled together with the expansion of our site last summer. However delays to the building work had a knock-on effect to the lengthy application process, resulting in final auditing having only taken place at the turn of the year. The audit was carried out with Castle receiving the award with just a few minors and no majors.

Receiving 14001 marks a major change for the company, and highlights a

BSI accreditation whether 14001 or 9100 does not simply award compliance, but also a mindset, one which constantly seeks to improve. While this is a trait Castle has in abundance, it has not historically been applied to this area. In order for Castle to stride forward and not merely take steps, both the employees and the management of Castle must recognise their obligation to protect the environment; identifying problems, and providing solutions at every level.

Explanations of the function of the bunds and some of Castle's environmental solutions can be found in the previous newsletter edition, Dec 09.

See over the page for cont.



9100 & 14001 Certification



AUDIT EDITION CONTINUED

The last of the audits was the BSI AS 9100 rev B, aerospace approval renewal.

The audit looked at several key areas including: Quality Management Systems; Sales Department; Procurement;

Manufacturing Process's and Infrastructure to name a few. The audit went very well with no major non-conformances and one minor. The minor concerned Castle's limited formalised process for dealing with poor performing suppliers, but

this has now been addressed with a solution intergrated into our production control system; coming on-line soon.

"The audit went very well with no majors and one minor."

ONE TO ONE

Over the last month the MD has been taking time to see every employee in the company. If you haven't been seen already, you will be soon. Not to worry, the meeting is not so much about us but more about you; to see how you are getting on. The meetings have so far gone very well with a number of

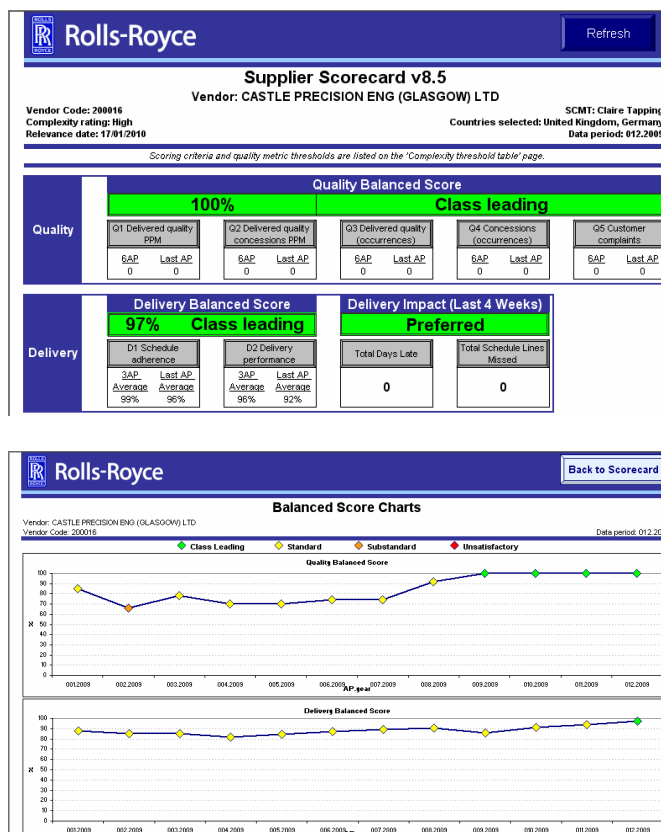
people identifying various problems around the factory concerning everything from individual process's to the water in the washing up area's being too hot. Many of the identified problems have been taken on board and already actioned with results hopefully filtering through soon. For those of

you who have been seen already, minutes of the meeting will arrive soon for you to reflect on but not to strain over, as these meetings will be an ongoing process; so that the question you forgot to ask, or couldn't answer, can be resolved next time.

ROLLS SCORECARDS

Every month the company receives the Rolls-Royce scorecard measuring our quality and on time delivery performance. The company recognises these metrics as being an important reflection of our efforts towards excellence. Whilst the following scorecard speaks for itself, it is the graph showing our progression towards and maintenance of excellence, that we can be most proud of. The scorecards can now also be found on the DNC system in your Company News/Employee Binder folder, which will display a rolling six months.

Having reached the top, the challenge now is to maintain our very high standards.



"an important reflection of our efforts towards excellence"

ONGOING INVESTMENT

Almost 12 months ago, the entire toolroom was picked up and relocated to the refurbished 257 building next door. The modernised facility provided more space, allowing for optimisation of the sections layout and ultimately having a positive impact on efficiency and productivity. In an effort to continue the forward momentum, and as part of the company's investment strategy, the section has recently taken delivery of several new machines. The most recent of these have been an XYZ 1632 surface grinder, a Dugard surface grinder (still to come), two Gate PBH 2000 conventional vertical mills and an XYZ Proturn SLX 555 1.75m

lathe. The mills and lathe both feature relatively sophisticated DRO's with the lathe also having a semi-CNC capability. The aim of this investment is not simply to have a world class toolroom facility, but also to provide the basis of our apprenticeship scheme as it was years past. Instead of apprentices going straight from college to the CNC machines, this year's 1st years will be based in the toolroom utilising our adjacent CNC Training Centre and AV Training Room facilities. The toolroom, CNC Training Centre and AV facility investments are part of an overall strategy to take our training back to fundamentals whilst providing the most rounded apprenticeship scheme we can.



“an overall strategy to take our training back to fundamentals”

COULD DO WITH A SMALL FIRE; IT'S FREEZING OUT HERE!

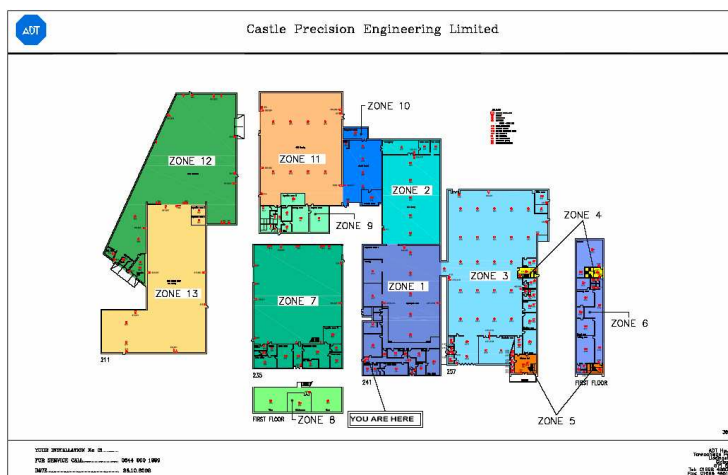
As part of last year's major refurbishment programme and in compliance with our insurers requirements for the expanded site, Castle has completely stripped out and replaced its fire alarm system and procedures. The new system comprises of over 150 smoke and heat detectors, and 34 emergency break glass boxes around the facility. The transition to the new system was not as smooth as we had hoped or expected, as many can attest to the several outer winter anyone can remember. The false alarms were attributed to general day to day routine, such as welding, cutting with neat oils and the odd repair to the roof.

However 6 months on and with much patience, tweaks and adjustments, the system is now fully operational. As part of the change, several members of staff have been trained and certified in the use of fire extinguishers. Alarm tests are carried out every Friday at 12.30 and all staff

allocated to foreman and senior managers for role count on evacuation. However, some things do not change, even with training the company policy states that fire fighting is still a last resort and to be left to the professionals. No fireman Sam's please.

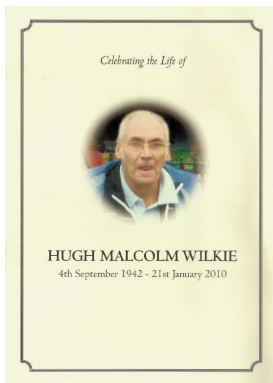


It's freezing out here; darn global warming.





Hughie Wilkie 1983



At the next Castle night out raise a glass and wish him 'aw the best'



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HUGHIE WILKIE A TOAST

FROM FACTORY MANAGER WILLIAM BALLINGALL

Hughie Wilkie or 'Auld Hughie' as he was known to all of us at Castle sadly passed away in January. Hughie was one of the true characters engineering throws up from time to time; old school with the fingers to show for it. Hughie worked in Castle

for almost 30 years before taking ill and passing on. Not one of life's born communicators he never the less passed on his wealth of knowledge to generations of Castle apprentices. Never too busy to take the time to show how it should be

done, always working at 100 miles an hour and expecting the same of his trainees, Hughie was a genuine guy who will be sadly missed. At the next Castle night out raise a glass and wish him 'aw the best'

ROLLING UPDATES

The new NT6600 mill-turn is in transit having left the port of Yokohama late January. Our brand new flagship machine left Japan in no less than nine crates, the heaviest of which weighed in at forty-two tonnes. Much progress has been made in Japan with regards to the hobbing facility, with testing and development set to continue in Castle's 211 facility. Expect arrival late March. See image top right.

Our cleanroom facility should be structurally completed by the 1st week

in March, with full completion later in the month. Testing and certification will be carried out to ensure the rooms BS EN 14644 ISO standard compliance, with training over the coming months. See image bottom right.

While work loading in the company has improved, as we intimated it would in the last newsletter, the climb has been slower than expected. The good news however is that we can now see the light at the end of the recession tunnel and the company will be taking advantage of this quieter



spell by running all the training schemes we planned to run before, but were always too busy to pull people away.



TESTIMONIALS

I have just been told that RR has taken delivery of 3 shafts in the central stores. May i take this opportunity to thank you all for the magnificent efforts made to make this delivery happen on time.

K Y Lau Programme Manager Rotatives Rolls Royce
(Message received as part of an overall thank you to

Rolls Royce internal sites and Castle Precision)

Many thanks for hosting today's visit. It was terrific. You have a phenomenal story to tell - based on great IT, great attitude, track record, innovation and great products. This is a genuinely world class business...

Jim Mather MSP Argyll and Bute, Minister for Enterprise, Energy and Tourism.