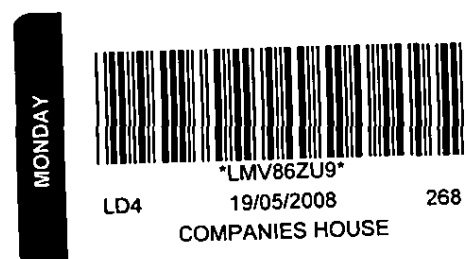


**Delta Engineering Holdings Limited**

**Financial Statements**

for the year ended 29 December 2007



**Company Registration No. 751922**

**Delta Engineering Holdings Limited**  
**OFFICERS AND PROFESSIONAL ADVISERS**

J Kempster  
N Pritchard

**Secretary**

Delta (DCC) Limited

**Registered Office**

Bridewell Gate  
c/o Delta plc  
9 Bridewell Place  
London  
EC4V 6AW

**Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
2 New Street Square  
London  
EC4A 3BZ

## **Delta Engineering Holdings Limited**

### **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the Company together with the financial statements and auditors' report, for the year ended 29 December 2007 (the "year") The comparative period is for the year ended 30 December 2006

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

#### **Principal activities and business review**

The principal activity of the Company is to act as an investment holding and management company The company is also an agent of Delta Industries Limited, a fellow subsidiary company The directors do not anticipate any significant changes in the company's business for the foreseeable future

#### **Results and dividends**

The profit for the financial year after taxation was £2,264 (2006 £nil)

The directors do not recommend the payment of a dividend (2006 £nil)

#### **Directors**

The directors who served throughout the year and subsequently, were as follows

J Kempster (appointed 30 October 2007)

N Pritchard (appointed 31 March 2008)

M Luton (resigned 30 October 2007)

P Marriott (resigned 31 March 2008)

#### **Directors' declaration**

In accordance with the provisions of s234ZA of the Companies Act 1985, as far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

#### **Risk management**

The directors, having evaluated the risks facing the Company, have adopted risk management policies that seek to mitigate these risks in a cost-effective manner

**Delta Engineering Holdings Limited**  
**DIRECTORS' REPORT**

**Auditors**

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors

A resolution to re-appoint Deloitte & Touche LLP as auditors to the company will be proposed at the Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink that reads "Delta (DCC) Ltd". The signature is written in a cursive, flowing style.

Delta (DCC) Ltd  
Bridewell Gate  
c/o Delta plc  
9 Bridewell Place  
London  
EC4V 6AW

45105/ 2008

**Delta Engineering Holdings Limited**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditors' report to the members of  
Delta Engineering Holdings Limited**

We have audited the financial statements of Delta Engineering Holdings Limited for the year ended 29 December 2007 which comprise the profit and loss account the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*Deloitte & Touche LLP*  
Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London  
15 May 2008

**Delta Engineering Holdings Limited**  
**PROFIT AND LOSS ACCOUNT**  
Year ended 29 December 2007

	Notes	Year ended 29 December 2007 £	Year ended 30 December 2006 £
Income from shares in group undertakings	4	1,726,767	-
Impairment to valuation of investments	5	(1,724,503)	-
<b>Profit on ordinary activities before taxation</b>	3	<b>2,264</b>	-
Taxation	5	-	-
<b>Retained profit for the year</b>		<b>2,264</b>	-

All results are derived from discontinued operations in both the current and preceding year

There is no difference between the result on ordinary activities before taxation and the retained result for the year stated above, and their historical cost equivalents

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

**Delta Engineering Holdings Limited**  
**BALANCE SHEET**  
As at 29 December 2007

	Notes	Year ended 29 December 2007 £	Year ended 30 December 2006 £
<b>Fixed assets</b>			
Investments – in subsidiary undertakings	7	1,513,433	3,237,936
Investments – in joint ventures	8	-	4,451
		<u>1,513,433</u>	<u>3,242,387</u>
<b>Current assets</b>			
Debtors –due within one year	9	45,016,704	45,010,853
<b>Current liabilities</b>			
Creditors –due within one year	10	(1,513,401)	(3,238,768)
<b>Net current assets</b>		<u>43,503,303</u>	<u>41,772,085</u>
<b>Net assets</b>		<u>45,016,736</u>	<u>45,014,472</u>
<b>Capital and reserves</b>			
Called-up share capital	11	1,000,000	1,000,000
Profit and loss account	12	44,016,736	44,014,472
<b>Shareholders' funds</b>	13	<u>45,016,736</u>	<u>45,014,472</u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

15/05/ 2008



J Kempster  
Director



**Delta Engineering Holdings Limited**  
**NOTES TO THE ACCOUNTS**  
Year ended 29 December 2007

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by section 228 of the Companies Act 1985 because it is a wholly-owned subsidiary of Delta plc which prepares consolidated financial statements which are publicly available.

**Investments**

The Company accounts for investments in subsidiary undertakings by the equity method, whereby the original cost of the investments is adjusted for the movement in underlying net assets applicable to the investments since their date of acquisition with an adjustment to the company's revaluation reserve, except where the investment is considered to be impaired. In such cases an impairment charge is recorded as a reduction in the Company's profit and loss account.

**Foreign currency**

Transactions in overseas currencies are translated at the exchange rate ruling at the date of the transaction or, where forward foreign exchange contracts have been taken out, at the contractual rates. Overseas assets and liabilities are translated into sterling at the rates ruling on the last day of the financial year.

**Taxation**

The profit and loss account charge is calculated at current rates of corporation tax on the profits for the year. Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax is measured on a non-discounted basis.

**Cash flow statement**

The Company's ultimate parent company, Delta plc, produces consolidated financial statements that are publicly available. The company is therefore exempt under the terms of FRS 1 (Revised) from presenting a cashflow statement.

**Related party transactions**

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Delta plc group.

**Delta Engineering Holdings Limited**  
**NOTES TO THE ACCOUNTS**  
Year ended 29 December 2007

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The Company had no employees during the year (2006 none) None of the directors received any remuneration for their services to the Company (2006 £nil)

**3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Audit fees for the audit of the Company's annual accounts of £1,750 (2006 £nil) were borne by the ultimate parent company

**4. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	Year ended 29 December 2007 £	Year ended 30 December 2006 £
Interim liquidation distributions received from subsidiary undertakings	1,725,368	-
Writeback of provision against investment in joint venture	1,399	-
	<u>1,726,767</u>	<u>-</u>

**5. TAXATION**

	Year ended 29 December 2007 £	Year ended 30 December 2006 £
<b>Current tax</b>		
UK corporation tax	-	-
	<u>-</u>	<u>-</u>
	Year ended 29 December 2007 £	Year ended 30 December 2006 £
Profit on ordinary activities before tax	<u>2,264</u>	<u>-</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 30%)	679	-
Non-taxable distributions received from shares in group undertakings	(518,030)	-
Impairment to valuation of investments	<u>517,351</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

**Delta Engineering Holdings Limited**  
**NOTES TO THE ACCOUNTS**  
Year ended 29 December 2007

**6 PRINCIPAL INVESTMENTS**

The Company has investments in the following subsidiary undertakings. All principal group investments are held directly by the Company and the Company holds 100% of the ordinary shares of this entity. The subsidiaries mentioned below are non-trading companies incorporated in England and Wales.

**Subsidiary undertakings**

Aldway Eleven Limited  
Delta Capillary Products Limited  
Aldway Building Products Limited  
Investment Tooling International Limited  
Altus Engineering Company (Corsham) Limited (in liquidation)  
Aldway (DBB) Limited (in liquidation)  
Druryway Samba Limited (in liquidation)  
Aldway Nine Limited (in liquidation)  
Aldway Industrial Products Limited (in liquidation)  
Investment Engineering Limited (in liquidation)  
Lancashire Repetition Limited (in liquidation)  
Aldway NVSP Limited (in liquidation)  
Thomas Porter & Son (Glasgow) Limited (in liquidation)  
Aldway Ten Limited (in liquidation)

**Joint Venture**

The Bowling Back Land Company Limited (application to strike off filed 31 October 2007)

**7. FIXED ASSET INVESTMENTS – SUBSIDIARY UNDERTAKINGS**

	<b>£</b>
<b>Cost</b>	
At 30 December 2006	3,237,936
Impairment to valuation of subsidiaries in liquidation	(1,724,503)
	<u>1,513,433</u>
At 29 December 2007	<u>1,513,433</u>
<b>Net book value</b>	
At 29 December 2007	<u>1,513,433</u>
At 30 December 2006	<u>3,237,936</u>

The net book value of shares is equivalent to the issued share capital and reserves of the subsidiary undertaking.

**Delta Engineering Holdings Limited**  
**NOTES TO THE ACCOUNTS**  
Year ended 29 December 2007

**8 FIXED ASSET INVESTMENTS – JOINT VENTURE**

	At 29 December 2007 £	At 30 December 2006 £
Cost	2,017,929	1,607,380
Loans	-	415,000
Provisions against investment in joint venture	(2,017,929)	(2,017,929)
<b>Net book value</b>	<b>-</b>	<b>4,451</b>

During the year, the loan to the joint venture, The Bowling Back Land Company Limited, was repaid in a cash and equity consideration transaction. The net investment in The Bowling Back Land Company Limited after this transaction was completed was £nil. On 31 October 2007, an application to strike off The Bowling Back Land Company Limited from the register of companies was filed with Companies House.

**9. DEBTORS: AMOUNTS DUE IN LESS THAN ONE YEAR**

	Year ended 29 December 2007 £	Year ended 30 December 2006 £
Amounts owed by ultimate parent company	<u>45,016,704</u>	<u>45,010,853</u>

**10. CREDITORS: AMOUNTS DUE IN LESS THAN ONE YEAR**

	Year ended 29 December 2007 £	Year ended 30 December 2006 £
Amounts owed to fellow subsidiary undertakings	<u>(1,513,401)</u>	<u>(3,238,768)</u>

**Delta Engineering Holdings Limited**  
**NOTES TO THE ACCOUNTS**  
Year ended 29 December 2007

**11 CALLED-UP SHARE CAPITAL**

	Ordinary shares £
<b>Authorised</b>	
At 30 December 2006 and 29 December 2007	
1,000,000 ordinary shares of £1 each	1,000,000
<b>Allotted, issued and fully paid:</b>	
At 30 December 2006 and 29 December 2007	
1,000,000 ordinary shares of £1 each	1,000,000

**12. RESERVES**

	Profit and loss account £
Balance at 30 December 2006	44,014,472
Retained profit for the year	2,264
<b>Balance at 29 December 2007</b>	<b>44,016,736</b>

**13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	Year ended 29 December 2007 £	Year ended 30 December 2006 £
Profit for the financial year	2,264	-
Net increase to shareholders' funds	-	-
Opening shareholders' funds	45,016,736	45,014,475
Closing shareholders' funds	45,016,736	45,014,475

**14. CONTINGENT LIABILITIES**

The company is registered under the group registration for Value Added Tax and is jointly liable for the amount of tax of £52,000 at 29 December 2007 (2006 £63,000) in respect of the holding company and certain UK group undertakings

The company is an agent of Delta Industries Limited. In the event that Delta Industries Limited fails to meet any obligations that the Company has entered into on its behalf the company will be responsible for any such liabilities arising

**15. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY**

The immediate parent company and ultimate parent company and ultimate controlling entity is Delta plc, a company incorporated in the United Kingdom and registered in England and Wales. Delta plc is the parent undertaking of the largest and smallest group which includes the Company and for which group accounts are

**Delta Engineering Holdings Limited**  
**NOTES TO THE ACCOUNTS**  
**Year ended 29 December 2007**

prepared Copies of the consolidated financial statements of Delta plc can be obtained at the registered office,  
Bridewell Gate, 9 Bridewell Place, London, EC4V 6AW