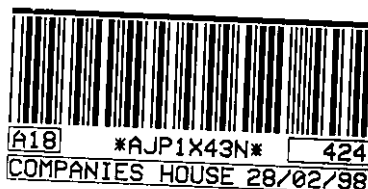


Registered Number 896979
England and Wales

REES INDUSTRIES LIMITED
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 30 APRIL 1997

Index

Page	1	Officers & Professional Advisers.
	2	Directors Report.
	3	Accountants Report.
	4	Profit and Loss Account.
	5	Balance Sheet.
	6 & 7	Notes to the Accounts.



REES INDUSTRIES LIMITED
YEAR ENDED 30 APRIL 1997
OFFICERS & PROFESSIONAL ADVISERS

DIRECTORS	R.R. Davies Esq. Mrs M.E.Davies
OTHER DIRECTORSHIPS	R.R.Davies Esq:- Rees Metals Limited
SECRETARY	Miss S. Davies
REGISTERED OFFICE	Saron Works Bynea Llanelli
ACCOUNTANTS	Messrs Rimmer & May Chartered Accountants
BANKERS	Midland Bank plc Llanelli

REES INDUSTRIES LIMITED
REPORT OF THE DIRECTORS 1997

Report and Accounts

The Directors have pleasure in submitting their Annual Report and the accounts of the company for the year ended 30 April 1997.

Business Review

The company did not trade during the year. Its profit arose from rental income and Bank Deposit interest and its results for the year were as follows:-

	<u>1997</u>	<u>1996</u>
Profit before Taxation	6557	4773
Corporation tax	1771	1439
Profit for the financial year	<u>4786</u>	<u>3334</u>

Directors and Directors Interests

The Directors who served during the year and their interests in the share capital of the company were as follows:-

	<u>Ordinary Shares of £1 each</u>	
	<u>30/4/97</u>	<u>30/4/96</u>
R R Davies Esq	1250	1250
Mrs M E Davies	-	-

Mrs M E Davies retires from the board by rotation and, being eligible, offers herself for re-election.

Dividends

The Directors do not propose the payment of a dividend for the year ended 30 April 1997 (1996 NIL).

Post Balance Sheet Event

The directors sold Mayday Engineering works in October 1997 for £54,000. There is an anticipated capital gains tax liability of £8200 in respect of the sale.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on.....19.12.98.....and signed on their behalf by

.....*S. Davies*.....S Davies (Secretary)

ACCOUNTANTS REPORT TO THE SHAREHOLDERS OF
REES INDUSTRIES LIMITED

In accordance with instructions given us, we have prepared the accounts set out on pages 4 to 7 from the accounting records of Rees Industries Limited and from information and explanations supplied to us by the directors of the company.

We have not carried out an audit in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts, nor are we able to provide any assurance that the accounting records and the accounts are free from material misstatement.

Rimmer & May

Rimmer and May
Chartered Accountants
19 Murray Street
LLANELLI

Date 27/2/08

REES INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
Rental Income		8912	7225
Administrative expenses		2370	2466
		<hr/>	<hr/>
Profit on Ordinary Activities before Interest		6542	4759
Interest receivable		20	14
		<hr/>	<hr/>
		6562	4773
Interest Payable	2	5	-
		<hr/>	<hr/>
Profit on Ordinary Activities before tax	3	6557	4773
Taxation on Profit on Ordinary Activities	4	1771	1439
		<hr/>	<hr/>
Profit for the financial year		4786	3334
		<hr/> <hr/>	<hr/> <hr/>

All of the company's operations in the above two financial years derived from continuing operations.
The company has no recognised gains or losses other than the profit for the above two years.
A statement of the movement on reserves appears as note 10 to the financial statements.

The notes on pages 6 and 7 form an integral part of these accounts

REES INDUSTRIES LIMITED
BALANCE SHEET AS AT 30 APRIL 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Tangible Assets	5	31793	32675
CURRENT ASSETS			
Amounts due from Associated Companies:-			
Rees Metals Ltd	6	68661	62727
Directors Current Account	7	1	1
Cash at Bank		563	-
Bank Deposit Account		1693	1784
		<u>70918</u>	<u>64512</u>
CREDITORS Amounts falling due within one year			
Bank Overdraft		-	88
Trade Creditors & Accrued expenses		940	470
Corporation Tax payable		1764	1408
Llanelli Foundry Limited	8	616	616
		<u>3320</u>	<u>2582</u>
NET CURRENT ASSETS		<u>67598</u>	<u>61930</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>99391</u>	<u>94605</u>
CAPITAL AND RESERVES			
Called Up Share Capital	9	2500	2500
Profit and Loss Account	10	96891	92105
SHAREHOLDERS FUNDS - ALL EQUITY	11	<u>99391</u>	<u>94605</u>

For the financial year ended 30 April 1997 the company was entitled to exemption from audit under section 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985 so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of
the board of directors

.....*R.R. Davies*..... R R Davies (Director)

Approved by the Board.....19-2-98.....

The notes on pages 6 and 7 form an integral part of these accounts.

REES INDUSTRIES LIMITED
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of Accounting

The accounts have been prepared under the historical cost accounting rules.

(b) Depreciation and Amortisation

Depreciation is calculated so as to write off the cost of tangible fixed assets other than freehold property on the reducing balance method at the following rates:-

Plant and Machinery 25%

Office Equipment 25%

Depreciation on freehold property is calculated so as to write off the cost by equal instalments over its expected useful life of 50 years

2. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u>	<u>1996</u>
On Bank Overdraft	5	-
	<u>=====</u>	<u>=====</u>

3. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging or crediting the following:-

Depreciation of Tangible Fixed Assets	882	890
	<u>=====</u>	<u>=====</u>

4. TAXATION

Taxation based on profit for the year:-

Corporation tax at 24%/21% (1996 25%/24%)	1764	1408
Interest on overdue tax	7	31
	<u>1771</u>	<u>1439</u>

5. TANGIBLE FIXED ASSETS

Cost:-

	<u>Freehold</u>	<u>Plant &</u>	<u>Office</u>	<u>Total</u>
At 1 May 1996 & 30 April 1997	<u>42862</u>	<u>34362</u>	<u>2472</u>	<u>79696</u>

Accumulated Depreciation

At 1 May 1996	10285	34286	2450	47021
Charge for year	857	19	6	882

At 30 April 1997	<u>11142</u>	<u>34305</u>	<u>2456</u>	<u>47903</u>
------------------	--------------	--------------	-------------	--------------

Net Book Value:-

At 30 April 1997	<u>31720</u>	<u>57</u>	<u>16</u>	<u>31793</u>
------------------	--------------	-----------	-----------	--------------

At 30 April 1996	<u>32577</u>	<u>76</u>	<u>22</u>	<u>32675</u>
------------------	--------------	-----------	-----------	--------------

REES INDUSTRIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)

6. ASSOCIATED COMPANIES

Rees Metals Limited

Rees Metals owns 1250 Ordinary Shares in Rees Industries Limited which represents 50% of the total share capital of Rees Industries Limited. R R Davies, a director of Rees Industries Limited, is also a director of Rees Metals Limited.

Transactions with this company during the year were as follows:-

Balance 1 May 1996		62727
Add Rees Industries Rental Income banked in Rees Metals Ltd	7341	
Rental of assets	<u>1000</u>	<u>8341</u>
		71068
Less Management Charge	1000	
Cheque paid by Rees Metals on behalf of Rees Industries	<u>1407</u>	<u>2407</u>
		<u>68661</u>

7. DIRECTORS CURRENT ACCOUNT

The directors current accounts are interest free.

The balance on these accounts (which are repayable on demand) comprise the following:-

	<u>1997</u>	<u>1996</u>
R R Davies	<u>1</u>	<u>1</u>

The maximum amount due on the above account during the year was as follows:-

R R Davies	<u>1</u>	<u>1</u>
------------	----------	----------

8. RELATED PARTIES

Llanelli Foundry Limited is a company whose director is a brother of Mr R R Davies, a director of Rees Industries Limited. There were no transactions with this company during the year.

9. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
Authorised		
2500 Ordinary Shares of £1 each	2500	2500
	<u> </u>	<u> </u>
Allotted Called Up & Fully Paid		
2500 Ordinary Shares of £1 each	2500	2500
	<u> </u>	<u> </u>

10. STATEMENT OF MOVEMENT ON RESERVES

	<u>Profit and Loss Account</u>
At 1 May 1996	92105
Profit for the financial year	4786
At 30 April 1997	<u>96891</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>1997</u>	<u>1996</u>
Profit for the financial year	4786	3334
Opening Shareholders' Funds	94605	91271
Closing Shareholders' Funds	<u>99391</u>	<u>94605</u>

12. POST BALANCE SHEET EVENT

The directors sold Mayday Engineering works for £54,000 in October 1997. No adjustment has been made in these accounts to reflect the sale proceeds received and no provision has been made for the anticipated capital gains tax due on sale of £8200.

REES INDUSTRIES LIMITED
DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1997

		<u>1997</u>	<u>1996</u>
Operating Income			
Rental of Premises	7912		6225
Rental of Assets	1000	8912	1000 7225
	—		—
Administrative Expenses			
Accountancy	470		558
Management expenses	1000		1000
Sundries	18		18
Depreciation of Plant & Machinery	19		26
Depreciation of Office Equipment	6		7
Depreciation of Freehold Property	857		857
	—	2370	— 2466
		—	—
		6542	4759
Interest Receivable			
Deposit Account Interest		20	14
		—	—
		6562	4773
Interest Payable			
Bank Charges & Interest		5	-
		—	—
Net Profit for the year		<u>6557</u>	<u>4773</u>