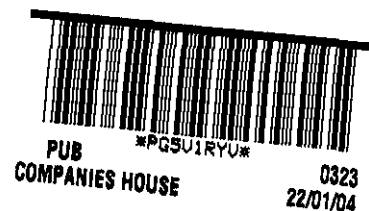


I. FLIGHT & SONS LIMITED

**108 CAE-PERLLAN ROAD,
NEWPORT,
NP20 3FT.**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2003**



CLARK R. DURBIN & CO.
CHARTERED ACCOUNTANTS

COMPANY NO. 1001504

I. FLIGHT & SONS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2003

I N D E X

Page

1	Details of Officers, Agents and Registered Office
2/2a	Report of the Directors
3	Report of the Accountants
4	Profit & Loss Account
5/6	Balance Sheet
7-9	Notes to the Accounts
10	Trading, Profit & Loss Account

I. FLIGHT & SONS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2003

DETAILS OF OFFICERS, AGENTS AND REGISTERED OFFICE

DIRECTORS	-	Gail Flight Lawrence Flight
SECRETARY	-	Gail Flight
REGISTERED OFFICE	-	108 Cae-perllan Road, Newport, NP20 3FT.
BANKERS	-	Lloyds Bank plc, 129 Chepstow Road, Maindee, Newport, NP19 8XN.
ACCOUNTANTS	-	Clark R. Durbin & Co., Chartered Accountants, 92 Western Avenue, Newport, NP20 3QZ.
COMPANY NO.	-	1001504

I. FLIGHT & SONS LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2003

REPORT OF THE DIRECTORS

The Directors submit here with the annual Report and Accounts for the year ended 31st March, 2003.

RESULTS

Results for the year are shown on page 4 of the Accounts.

DIVIDENDS

Dividends voted during 2003 were £14,000 (2002 : £22,000).

DIRECTORS

The Directors who held office during the year were as follows :

Gail Flight
Lawrence Flight

Director's Interests

The interests of the Directors and their families in the shares of the Company (as defined by the Companies Act 1985) are as follows :

	<u>2002</u>	<u>2003</u>
Gail Flight	1	1
Lawrence Flight	56	56

No contract existing during or at the end of the financial year in which a Director of the Company was materially interested.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be that of Haulage Contractors.

EXPORTS

No goods were exported during the year.

I. FLIGHT & SONS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2003

FIXED ASSETS

Movements in Fixed Assets are shown in Note 3 to the Accounts.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which 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 :

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) 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.

SMALL COMPANY EXEMPTIONS

In preparing the above report the Directors have taken advantage of special exemptions applicable to small companies.

**APPROVED BY THE BOARD OF DIRECTORS
AND SIGNED ON BEHALF OF THE BOARD BY :**

**G.E. FLIGHT
SECRETARY**

G. E. Flight

Date : 20-1-04....

I. FLIGHT & SONS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2003

**INDEPENDENT ACCOUNTANT'S REPORT TO THE SHAREHOLDERS
UNDER S249A(2) OF THE COMPANIES ACT 1985**

We have examined, without carrying out an audit, the Financial Statements for the year ended 31st March, 2003 set out on pages 4-8.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING
ACCOUNTANT**

As described on page 2, the company's directors are responsible for the preparation of the financial statements and they believe that the company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, to report our opinion as set out below, to the shareholders.

BASIS OF OPINION

We conducted our examination in accordance with the Statement of Standards for Reporting Accountants. This examination consisted of comparing the Financial Statements with the accounting records kept by the company, and making such limited enquiries as we considered necessary for the purpose of this report.

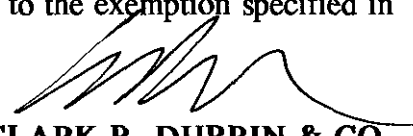
The examination was not an audit conducted in accordance with Auditing Standards. Accordingly, we do not express an audit opinion on the financial statements. Therefore, our examination does not provide any assurance that the accounting records and financial statements are free from material misstatement.

OPINION

In our opinion :

- 1) the Financial Statements are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985;
 - 2) having regard only to, and on the basis of, the information contained in those accounting records, the Financial Statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act;
- and
- 3) having regard only to, and on the basis of, the information contained in those accounting records, the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any categories of companies not entitled to the exemption specified in Section 249B(1).

92 Western Avenue,
Newport,
NP20 3QZ.


CLARK R. DURBIN & CO.
Chartered Accountants

20/1/2004

I. FLIGHT & SONS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2003

PROFIT & LOSS ACCOUNT

<u>2002</u>		<u>Notes</u>	
64,705	TURNOVER	2	88,402
40,730	<u>LESS</u> : Cost of Direct Services		48,791
<hr/>			<hr/>
23,975	GROSS PROFIT		39,611
<hr/>			<hr/>
STAFF COSTS			
	8,509	Directors' Salaries	3 7,332
	302	Social Security Costs	584
9,411	600	Pension Costs	600 8,516
<hr/>			<hr/>
14,564			31,095
1,573	Depreciation/Loss on sale of assets		4,766
5,865	Other Operating Charges		10,550
<hr/>			<hr/>
7,126	Operating Profit/Loss		15,779
1,632	Other Interest Receivable		833
(61)	Interest Payable & similar charges	10	1,072
<hr/>			<hr/>
8,697	Profit/(loss) on ordinary activities before taxation		15,540
930	Tax on ordinary activities	8	-
<hr/>			<hr/>
7,767			15,540
(22,000)	Less Dividends		(14,000)
68,226	Profit & Loss Brought Forward		53,993
<hr/>			<hr/>
53,993	Profit & Loss Carried Forward		55,533
<hr/>			<hr/>

I. FLIGHT & SONS LIMITED

BALANCE SHEET AT 31ST MARCH, 2003

2002

CAPITAL EMPLOYED

4,785	Fixed Assets (Note 10)	21,073
-------	------------------------	--------

CURRENT ASSETS

15,616	Debtors & Prepayments	23,114
4,055	Cash at Bank - Current Account	9,334
43,483	- Deposit Account	32,314
<hr/>		<hr/>
63,154		64,762

LESS CURRENT LIABILITIES

391	Director's Loan Account	1,983
10,586	Creditors (Note 10)	8,160
930	Corporation Tax (Note 8)	-
1,982	Loan	20,102
<hr/>		<hr/>

49,265	13,889	30,245	34,517
<hr/>	<hr/>	<hr/>	<hr/>

54,050			55,590
<hr/>			<hr/>

Represented by Capital & Reserves :

57	Share Capital	57
53,993	Reserves	55,533
<hr/>		<hr/>
54,050		55,590
<hr/>		<hr/>

L. FLIGHT & SONS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2003

Continued from previous page :

These Financial Statements were approved by the Board on

For the year in question, the Company was entitled to exemption from an audit under Section 249A(2) of the Companies Act 1985. No notice has been deposited under Section 249B(2) of the Act in relation to the financial statements for the financial year. The Directors acknowledge their responsibilities for :

- a) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- b) preparing financial statements which give a true and fair view of the state of affairs of the Company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the Company.

Advantage has been taken, in the preparation of the financial statements, of special exemptions applicable to small companies on the grounds that, in the Directors' opinion the Company qualifies as a small company under Section 246 and 247 of the Companies Act 1985.

.....
LAWRENCE FLIGHT
DIRECTOR

19/1/2004

The notes attached form part of these financial statements.

I. FLIGHT & SONS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2003

NOTES TO THE ACCOUNTS

1) ACCOUNTING POLICIES

The following statements outline the main accounting policies of the Company and in accordance with applicable accounting standards, the particular accounting policies adopted are described below.

a) Basis of Accounting

The historical cost convention has been used for the preparation of the Accounts with the assets carried in the Balance Sheet at the cost incurred at their date of acquisition.

b) Depreciation

Depreciation is calculated using the straight line method without any deduction for Government grants. The rates of depreciation used are estimated in order that the assets will be written off over their useful working life.

Vehicles	20% per annum
Equipment	15% per annum

c) Deferred Taxation

Only such deferred taxation as will become payable in the immediate future is accounted for by the Company. On this basis, in the opinion of the Directors, no provision for deferred taxation is at present required.

2) TURNOVER

Turnover comprises external invoices including Value Added Tax.

3) PROFIT BEFORE TAXATION

This is arrived at after charging :

	<u>2002</u>	<u>2003</u>
Directors' Remuneration	4,876	7,332
Accountant's Remuneration	825	920
Depreciation	1,573	5,337
	<hr/>	<hr/>
Av. no. of person employed	3	3

I. FLIGHT & SONS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2003

NOTES TO THE ACCOUNTS

	<u>Total</u>	<u>Tools</u>	<u>Hut</u>	<u>Motor Vehicles</u>	<u>Office Equipmt</u>
4) FIXED ASSETS					
Movements in fixed assets during the year were :					
Cost at 1.4.02	47,784	184	104	44,773	2,723
Additions	25,064	-	-	24,465	589
Disposals	(7,143)	-	-	(7,143)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31.3.03	65,615	184	104	62,095	3,312
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation at 1.4.02	42,999	184	104	40,230	2,481
Charge for Year	5,337	-	-	5,193	144
Released on Disposals	3,714	-	-	3,174	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	44,622	184	104	41,709	2,625
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Values :					
2003	21,073	-	-	20,386	887
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2002	4,785	-	-	4,543	242
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

I. FLIGHT & SONS LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2003

NOTES TO THE ACCOUNTS

5) SHARE CAPITAL **2002** **2003**

Authorised - 100 ordinary Shares of £1 each	100	100
	—	—

Issued Ordinary Shares of £1 each	57	57
	—	—

6) CONTINGENT LIABILITIES

There were no contingent liabilities known to the Directors at the Balance Sheet date.

7) CAPITAL EXPENDITURE

There were no commitments for Capital Expenditure other than those provided in the Accounts.

8) TAXATION

Corporation Tax has been provided for at the UK rate for small companies, i.e., 10%.

9) INTEREST PAYABLE & SIMILAR CHARGES

	<u>2002</u>	<u>2003</u>
Loan Interest	329	1,072
	—	—

10) CREDITORS - these include : **2002** **2003**

Taxation & Social Security	265	1,427
	—	—

I. FLIGHT & SONS LIMITED

TRADING, PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2003

2002

64,705	HAULAGE RECEIPTS	88,402
--------	------------------	--------

DEDUCT : Direct Costs

	21,200	Motor/Plant & Tipping Expenses	31,425	
40,730	19,530	Sub-contracted work & wages	17,366	48,791

23,975	Trading Profit for Year	39,611
--------	-------------------------	--------

DEDUCT EXPENSES OF OPERATING COMPANY :

8,509	Salary & Fees (Director's remuneration)	7,332
600	Pension	600
302	Social Security Costs	584
1,822	Insurances	6,415
624	Office Expenses	624
250	Printing/Stationery/Advertising	581
1,265	Telephone	1,232
845	Accountant's Fees	920
730	Sundries & Entertainment	644
61	Bank Charges	134
329	Loan Interest	1,072

Depreciation :

-	Loss on sale of Assets	(571)	
1,513	Motor Vehicles	5,193	
16,910	Fixtures & Equipment	144	24,904

7,065		14,707
1,632	Bank Interest	833

8,697		15,540
-------	--	--------