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Company Registration No. 1261082 (England and Wales)

HARRY WEST (PREES) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2005



HARRY WEST (PREES) LIMITED

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HARRY WEST (PREES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2005

The directors present their report and financial statements for the year ended 31 May 2005.

Principal activities and review of the business

The company carries on business as agricultural engineers and fabricators of industrial components.

The results for the year and the financial position at the year end were considered to be very disappointing by the directors who expect to see a return to profitability in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 June 2004:

H West
J West
A West
A W Soan
J Whitfield

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	31 May 2005	1 June 2004
H West	6,000	6,000
J West	2,000	2,000
A West	2,000	2,000
A W Soan	-	-
J Whitfield	2,000	2,000

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Dalby Jackson Hesketh be reappointed as auditors of the company will be put to the Annual General Meeting.

Other matters

As a result of information received after the year-end, the Investment as shown in the Balance Sheet has been written down to Nil.

HARRY WEST (PREES) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

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:

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

By order of the board

.....*B Shone*.....

B Shone

Secretary

Date21/2/06.....

HARRY WEST (PREES) LIMITED

INDEPENDENT AUDITORS' REPORT TO HARRY WEST (PREES) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the year ended 31 May 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

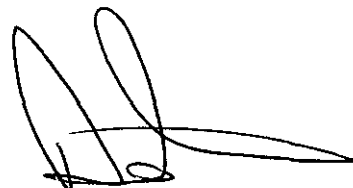
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

29/2/06



DALBY JACKSON HESKETH

Chartered Accountants
Registered Auditor

HARRY WEST (PREES) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2005

	Notes	2005 £	2004 £
Gross profit		625,556	734,854
Administrative expenses		(824,461)	(916,428)
Operating loss	2	(198,905)	(181,574)
Other interest receivable and similar income		30,813	36,249
Amounts written off investments	4	(223,600)	-
Loss on ordinary activities before taxation		(391,692)	(145,325)
Tax on loss on ordinary activities	5	-	725
Loss on ordinary activities after taxation	13	(391,692)	(144,600)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

HARRY WEST (PREES) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	6		289,847		377,955
Investments	7		-		150,000
			<u>289,847</u>		<u>527,955</u>
Current assets					
Stocks	8	840,467		779,747	
Debtors	9	412,958		711,495	
Cash at bank and in hand		579,797		1,084,531	
		<u>1,833,222</u>		<u>2,575,773</u>	
Creditors: amounts falling due within one year	10	(1,120,359)		(1,709,326)	
Net current assets			<u>712,863</u>		<u>866,447</u>
Total assets less current liabilities			<u>1,002,710</u>		<u>1,394,402</u>
Capital and reserves					
Called up share capital	12		50,000		50,000
Profit and loss account	13		952,710		1,344,402
Shareholders' funds - equity interests	14		<u>1,002,710</u>		<u>1,394,402</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on21/2/06....

.....*H West*.....

Mr H West
Director

HARRY WEST (PREES) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

	2005		2004	
	£	£	£	£
Net cash outflow from operating activities		(464,447)		(98,865)
Returns on investments and servicing of finance				
Interest received	30,813		36,249	
Net cash inflow for returns on investments and servicing of finance		30,813		36,249
Taxation		-		725
Capital expenditure				
Payments to acquire tangible assets	-		(96,418)	
Payments to acquire investments	(73,600)		(150,000)	
Receipts from sales of tangible assets	2,500		27,000	
Net cash outflow for capital expenditure		(71,100)		(219,418)
Net cash outflow before management of liquid resources and financing		(504,734)		(281,309)
Management of liquid resources				
Bank deposits	100,000		(50,000)	
		100,000		(50,000)
Decrease in cash in the year		404,734		(331,309)

HARRY WEST (PREES) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

1	Reconciliation of operating loss to net cash outflow from operating activities	2005	2004
		£	£
	Operating loss	(198,905)	(181,574)
	Depreciation of tangible assets	85,429	87,363
	Loss on disposal of tangible assets	179	1,682
	Increase in stocks	(60,720)	(62,701)
	Decrease/(increase) in debtors	298,537	(167,356)
	(Decrease)/Increase in creditors within one year	(588,967)	223,721
	Net cash outflow from operating activities	(464,447)	(98,865)

2	Analysis of net funds	1 June 2004	Cash flow	Other non-cash changes	31 May 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	884,531	(404,734)	-	479,797
	Liquid resources:				
	Bank deposits	200,000	(100,000)	-	100,000
	Net funds	1,084,531	(504,734)	-	579,797

3	Reconciliation of net cash flow to movement in net funds	2005	2004
		£	£
	Decrease in cash in the year	(404,734)	(331,309)
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(100,000)	50,000
	Movement in net funds in the year	(504,734)	(281,309)
	Opening net funds	1,084,531	1,365,840
	Closing net funds	579,797	1,084,531

HARRY WEST (PREES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. None of the company's turnover related to exports.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	7.5% on cost; land Nil
Plant and machinery	Straight line over 5 years
Fixtures, fittings and equipment	Straight line over 3 years
Motor vehicles	Straight line over 5 years

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

HARRY WEST (PREES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

2	Operating loss	2005	2004
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	85,429	87,363
	Loss on disposal of tangible assets	179	1,682
	Operating lease rentals	12,000	12,000
	Auditors' remuneration	12,000	13,291
	and after crediting:		
	Government grants	1,516	1,516
		<u> </u>	<u> </u>
3	Investment income	2005	2004
		£	£
	Bank interest	30,813	36,236
	Other interest	-	13
		<u> </u>	<u> </u>
		30,813	36,249
		<u> </u>	<u> </u>
4	Amounts written off investments	2005	2004
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	223,600	-
		<u> </u>	<u> </u>

An impairment review was carried out on the investment in Vital Earth Group Limited during the year, as a result, the whole of the carrying value of the investment of £223,600 has been written off.

HARRY WEST (PREES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

5	Taxation	2005 £	2004 £
	Domestic current year tax		
	Adjustment for prior years	-	(725)
	Current tax charge	-	(725)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(391,692)	(145,325)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2004: 0.00%)	-	-
	Effects of:		
	Other tax adjustments	-	(725)
	Current tax charge	-	(725)

The company has estimated losses of £ 276,283 (2004: £ 148,946) available for carry forward against future trading profits.

6	Tangible fixed assets	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
	Cost					
	At 1 June 2004	314,062	428,690	9,902	306,159	1,058,813
	Disposals	-	(7,980)	-	(30,399)	(38,379)
	At 31 May 2005	314,062	420,710	9,902	275,760	1,020,434
	Depreciation					
	At 1 June 2004	190,029	333,438	8,250	149,141	680,858
	On disposals	-	(7,980)	-	(27,720)	(35,700)
	Charge for the year	1,195	32,896	1,652	49,686	85,429
	At 31 May 2005	191,224	358,354	9,902	171,107	730,587
	Net book value					
	At 31 May 2005	122,838	62,356	-	104,653	289,847
	At 31 May 2004	124,033	95,252	1,652	157,018	377,955

Included in freehold land and buildings is £116,507 (2004 - £116,507) in respect of non-depreciable land and buildings.

HARRY WEST (PREES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

7 Fixed asset investments

	Unlisted investments £
Cost	
At 1 June 2004	150,000
Additions	73,600
Disposals	(223,600)
	<hr/>
At 31 May 2005	-
Net book value	
At 31 May 2005	-
	<hr/>
At 31 May 2004	150,000
	<hr/>

8 Stocks	2005 £	2004 £
Finished goods and goods for resale	840,467	779,747
	<hr/>	<hr/>

9 Debtors	2005 £	2004 £
Trade debtors	364,817	620,900
Amounts owed by participating interests	-	51,600
Other debtors	300	650
Prepayments and accrued income	47,841	38,345
	<hr/>	<hr/>
	412,958	711,495
	<hr/>	<hr/>

HARRY WEST (PREES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

10 Creditors: amounts falling due within one year	2005 £	2004 £
Trade creditors	547,336	1,143,788
Taxes and social security costs	69,860	104,659
Directors' current accounts	113,888	79,063
Other creditors	319,287	312,575
Accruals and deferred income	69,988	69,241
	<u>1,120,359</u>	<u>1,709,326</u>

11 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2005 £	2004 £
Contributions payable by the company for the year	<u>2,860</u>	<u>3,894</u>

12 Share capital	2005 £	2004 £
Authorised		
50,000 Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
50,000 Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2004	1,344,402
Retained loss for the year	<u>(391,692)</u>
Balance at 31 May 2005	<u>952,710</u>

HARRY WEST (PREES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

14 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Loss for the financial year	(391,692)	(144,600)
Opening shareholders' funds	1,394,402	1,539,002
Closing shareholders' funds	1,002,710	1,394,402

15 Financial commitments

At 31 May 2005 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2006:

	2005 £	Other 2004 £
Operating leases which expire:		
Between two and five years	11,091	11,091

16 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	108,492	112,335
Company pension contributions to money purchase schemes	-	940
	108,492	113,275

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2004 - 3).

HARRY WEST (PREES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
Sales	3	3
Production	38	48
Admin	12	13
	<u>53</u>	<u>64</u>

Employment costs

	2005 £	2004 £
Wages and salaries	891,372	1,040,707
Social security costs	85,593	98,660
Other pension costs	2,860	3,894
	<u>979,825</u>	<u>1,143,261</u>