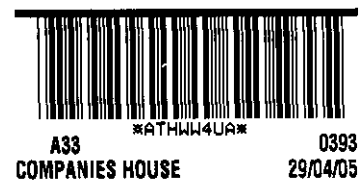


**DELSTAR ENGINEERING LTD**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2004**



**ENSORS**

Chartered Accountants & Registered Auditors  
Weavers  
Hamlet Road  
Haverhill  
CB9 8EE

# **DELSTAR ENGINEERING LTD**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2004**

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# **DELSTAR ENGINEERING LTD**

## **INDEPENDENT AUDITORS' REPORT TO THE COMPANY**

### **PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 2004 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 work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 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 Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### **BASIS OF OPINION**

We have carried out the procedures we consider 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 Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



ENSORS Chartered Accountants & Registered Auditors  
Weavers  
Hamlet Road  
Haverhill  
CB9 8EE

27 April 2005

# DELSTAR ENGINEERING LTD

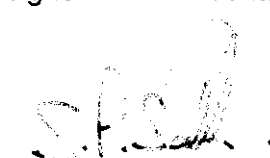
## ABBREVIATED BALANCE SHEET

31 DECEMBER 2004

	Note	£	2004 £	2003 £
<b>FIXED ASSETS</b>	<b>2</b>			
Tangible assets			583,260	583,024
<b>CURRENT ASSETS</b>				
Stocks		67,839		124,047
Debtors		415,695		459,939
Cash at bank and in hand		564,240		351,366
		<u>1,047,774</u>		<u>935,352</u>
<b>CREDITORS: Amounts falling due within one year</b>	<b>3</b>	<u>969,828</u>	<u>1,139,193</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>77,946</u>	<u>(203,841)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>661,206</u>	<u>379,183</u>
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	<b>4</b>		100	100
Profit and loss account			<u>661,106</u>	<u>379,083</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>661,206</u>	<u>379,183</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 4<sup>th</sup> April 2005 and are signed on their behalf by:

  
MR S P SADLER  
Director

The notes on pages 3 to 5 form part of these abbreviated accounts.

# **DELSTAR ENGINEERING LTD**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2004**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% Reducing balance
Fixtures and fittings	- 20% Reducing balance
Motor vehicles	- 40% Reducing balance
Computer equipment	- 33.33% Straight line

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their estimated residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

# **DELSTAR ENGINEERING LTD**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

### **YEAR ENDED 31 DECEMBER 2004**

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**DELSTAR ENGINEERING LTD**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2004**

**2. FIXED ASSETS**

	<b>Tangible Assets £</b>
<b>COST</b>	
At 1 January 2004	1,138,335
Additions	52,557
Disposals	(29,570)
<b>At 31 December 2004</b>	<b><u>1,161,322</u></b>
<b>DEPRECIATION</b>	
At 1 January 2004	555,311
Charge for year	41,079
On disposals	(18,328)
<b>At 31 December 2004</b>	<b><u>578,062</u></b>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2004</b>	<b><u>583,260</u></b>
At 31 December 2003	<u>583,024</u>

**3. CREDITORS: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2004 £</b>	<b>2003 £</b>
Bank loans and overdrafts	<b><u>297,139</u></b>	<u>220,000</u>

**4. SHARE CAPITAL**

**Authorised share capital:**

	<b>2004 £</b>	<b>2003 £</b>
100 Ordinary shares of £1 each	<b><u>100</u></b>	<u>100</u>

**Allotted, called up and fully paid:**

	<b>2004 No</b>	<b>£</b>	<b>2003 No</b>	<b>£</b>
Ordinary shares of £1 each	<b><u>100</u></b>	<b><u>100</u></b>	<u>100</u>	<u>100</u>