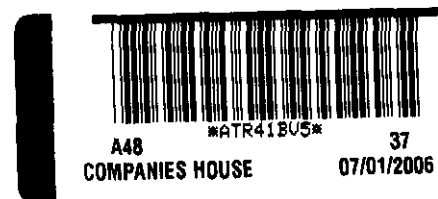


DE HAVILLAND FABRICATION & WELDING LIMITED
REGISTERED NO: 3203844

REPORTS AND FINANCIAL STATEMENTS
FOR
THE YEAR ENDED
31ST MAY 2005



DE HAVILLAND FABRICATION & WELDING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MAY 2005

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DE HAVILLAND FABRICATION & WELDING LIMITED

DIRECTORS' REPORTS

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of fabrication and welding.

In the opinion of the directors, the results for the year are satisfactory. The directors intend to continue the policy of keeping overheads under control and concentrate on increasing the turnover.

In the opinion of the directors the state of affairs of the company is satisfactory.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £7,931 (2004 £41,613). The directors recommend that no dividend be paid for the year and that the profit be added to accumulated reserves.

DIRECTORS

The directors who have been in office throughout the year are listed below together with their beneficial interests in the ordinary share capital of the company.

	<u>Ordinary Shares of £1 each</u>	
	<u>31st May 2005</u>	<u>31st May 2004</u>
J. E. JEWELL	1	1
W. C. RYAN	1	1
C. E. OWEN	1	1

FIXED ASSETS

Movements in fixed assets in the year are disclosed in the notes to the financial statements.

BY ORDER OF THE BOARD



J. E. JEWELL
Secretary
21 October 2005

DE HAVILLAND FABRICATION & WELDING LIMITED

STATEMENT OF 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 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.

BY ORDER OF THE BOARD



J. E. JEWELL
Secretary
21 October 2005

DE HAVILLAND FABRICATION & WELDING LIMITED

ACCOUNTING POLICIES

31ST MAY 2005

The financial statements have been prepared in accordance with applicable Accounting Standards issued by U. K. accountancy bodies.

Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting.

Turnover

Turnover represents net invoiced sales of goods and services, excluding Value Added Tax.

Tangible fixed assets

Tangible fixed assets are stated on the balance sheet at cost less depreciation.

Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives on the following methods at the following rates:-

Leasehold improvements	over the life of the lease	
Office equipment	25%	reducing balance method
Motor vehicles	25%	reducing balance method
Plant and machinery	10%	reducing balance method

Stocks

Stocks are stated in the balance sheet at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided, using the liability method, only to the extent that there is reasonable probability that it will become payable in the foreseeable future.

Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The amount outstanding at any time under the terms of the financing agreement is shown (net of financing cost) as an obligation of the company to the finance house. The interest element of the rental obligations is charged to profit and loss account over the period of the contract. Rentals paid under operating leases are charged to income as incurred.

Pensions

The company operates a defined contribution scheme, contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

DE HAVILLAND FABRICATION & WELDING LIMITED

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

	<u>NOTES</u>	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
TURNOVER	1	616,477	742,806
Cost of sales		<u>513,831</u>	<u>588,964</u>
GROSS PROFIT		102,646	153,842
OTHER OPERATING EXPENSES			
Administrative expenses		<u>88,133</u>	<u>98,478</u>
OPERATING PROFIT	2	14,513	55,364
Interest payable and similar charges	4	<u>5,699</u>	<u>1,923</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,814	53,441
Tax on profit on ordinary activities	5	<u>883</u>	<u>11,828</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	7,931	41,613
RETAINED PROFIT AT 1ST JUNE 2004		<u>83,342</u>	<u>41,729</u>
RETAINED PROFIT AT 31ST MAY 2005		<u>91,273</u>	<u>83,342</u>

There were no recognised gains or losses other than the results for the current year.

There were no acquisitions or discontinued operations during the current year.

DE HAVILLAND FABRICATION & WELDING LIMITED

BALANCE SHEET

31ST MAY 2005

	<u>NOTES</u>	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
FIXED ASSETS			
Tangible fixed assets	6	92,134	99,168
CURRENT ASSETS			
Stock	7	6,000	6,000
Debtors	8	203,751	258,342
Bank		<u>33,468</u>	<u>12,163</u>
		243,219	276,505
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	9	<u>218,989</u>	<u>251,460</u>
NET CURRENT ASSETS		<u>24,230</u>	<u>25,045</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		116,364	124,213
CREDITORS: Amounts falling due after more than one year	9	<u>16,667</u> 99,697	<u>33,333</u> 90,880
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	10	<u>8,421</u>	<u>7,535</u>
NET ASSETS		<u>91,276</u>	<u>83,345</u>
CAPITAL AND RESERVES			
Called up share capital	11	3	3
Profit and loss account		<u>91,273</u>	<u>83,342</u>
Shareholders funds equity interest	12	<u>91,276</u>	<u>83,342</u>

The financial statements were approved by the board of directors on 21 October 2005.

For the year in question, the company was entitled to exemption from an audit under section 249A(1) 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:

- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- 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 and 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 the Act relating to financial statements, so far as applicable to the company

J. E. JEWELL
W. C. RYAN

) DIRECTORS

J. E. Jewell
W. C. Ryan
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DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2005

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are both attributable to the principal activity of the company and as a result of the continuing operations of the company. All turnover and profit was generated within the United Kingdom.

2. OPERATING PROFIT

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
The operating profit is stated after charging:		
Auditors' remuneration	-	-
Rent	33,943	29,033
Hire of plant and machinery	127	2,430
Depreciation charge for the year:		
- Tangible owned fixed assets	11,831	12,309
- Tangible fixed assets held under finance leases and hire purchase contracts	=	=

3. DIRECTORS AND EMPLOYEES

The average monthly number of employees (including directors) during the year was 19 (2004 - 19)

Staff costs (for the above persons):

Wages and salaries	378,293	366,838
Social security costs	36,048	34,956
Pension costs	5,965	4,625
	<u>420,306</u>	<u>406,419</u>

The remuneration paid to directors during the year (including pension contributions and benefits in kind was): - 7,500

4. INTEREST PAYABLE AND SIMILAR CHARGES

On bank loans, overdrafts and other loans:

Repayable within 5 years not by instalments	1,763	1,783
Repayable within 5 years by instalments	<u>3,936</u>	<u>140</u>
	5,699	1,923
On finance leases and hire purchase contracts	-	-
	<u>5,699</u>	<u>1,923</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2005</u> £	<u>2004</u> £
U. K. Corporation tax at 23.75%		
Current	20	7,071
(Over) / Under provision in previous years	(23)	1,511
Deferred	<u>886</u>	<u>3,246</u>
	<u>883</u>	<u>11,828</u>

6. TANGIBLE FIXED ASSETS

	<u>Leasehold Improvements</u> £	<u>Office Equipment</u> £	<u>Motor Vehicles</u> £	<u>Plant and Machinery</u> £	<u>Total</u> £
COST					
As at 1st June 2004	10,945	5,660	13,770	125,702	156,077
Additions	-	2,547	-	2,250	4,797
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30th May 2005	<u>10,945</u>	<u>8,207</u>	<u>13,770</u>	<u>127,952</u>	<u>160,874</u>
DEPRECIATION					
As at 1st June 2004	1,053	4,089	8,432	43,335	56,909
Charged	995	1,039	1,335	8,462	11,831
Reversed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30th May 2005	<u>2,048</u>	<u>5,128</u>	<u>9,767</u>	<u>51,797</u>	<u>68,740</u>
NET BOOK VALUE					
As at 30th May 2004	<u>9,892</u>	<u>1,571</u>	<u>5,338</u>	<u>82,367</u>	<u>99,168</u>
As at 30th May 2005	<u>8,897</u>	<u>3,079</u>	<u>4,003</u>	<u>76,155</u>	<u>92,134</u>

The net book value of tangible fixed assets includes an amount of £NIL (2004-£NIL) in respect of assets held under finance leases and hire purchase contracts.

7. STOCKS

	<u>2005</u> £	<u>2004</u> £
Stocks comprise:		
Work in progress	-	-
Raw materials	<u>6,000</u>	<u>6,000</u>
	<u>6,000</u>	<u>6,000</u>

8. DEBTORS

Amounts falling due within one year:		
Trade debtors	136,343	225,836
Prepayments	67,408	32,506
Corporation tax recoverable	<u>-</u>	<u>-</u>
	<u>203,751</u>	<u>258,342</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. CREDITORS

	<u>2005</u> £	<u>2004</u> £
Amounts falling due within one year:		
Trade creditors	75,358	113,824
Accruals	9,650	10,915
Corporation tax	20	7,071
Social security and other taxes	27,142	39,495
Finance leases and hire purchase contracts	-	-
Directors' loan accounts	<u>546</u>	<u>685</u>
	112,716	171,990
Bank loans and overdraft	<u>106,273</u>	<u>79,470</u>
	<u>218,989</u>	<u>251,460</u>
Amounts falling due after more than one year:		
Finance leases and hire purchase contracts	-	-
Bank loans	<u>16,667</u>	<u>33,333</u>
	<u>16,667</u>	<u>33,333</u>

The bank loan and obligations under finance leases and hire purchase contracts, which are secured, are as follows:

Due in less than one year	16,667	16,667
Due between one and five years	<u>16,667</u>	<u>33,333</u>

10. DEFERRED TAXATION

Tax effect of timing differences:

Excess of tax allowances over depreciation	<u>8,421</u>	<u>7,535</u>
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11. CALLED-UP SHARE CAPITAL

Authorised:

1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
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Allotted, called up and fully paid:

2 Ordinary shares of £1 each	<u>3</u>	<u>3</u>
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11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

Opening shareholders funds	83,345	41,732
Profit for year	<u>7,931</u>	<u>41,613</u>
Closing shareholders funds	<u>91,276</u>	<u>83,345</u>

12. CAPITAL COMMITMENTS

There were no known capital commitments at the balance sheet date.

13. CONTINGENT LIABILITIES

There were no known contingent liabilities at the balance sheet date.

DE HAVILLAND FABRICATION & WELDING LIMITED

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

	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
TURNOVER	616,477	742,806
COST OF SALES		
Opening stock	6,000	18,791
Purchases and consumables	42,056	70,974
Wages and national insurance	414,341	394,294
Sub contract	56,760	106,631
Carriage	674	4,274
Closing stock	<u>(6,000)</u>	<u>(6,000)</u>
	<u>513,831</u>	<u>588,964</u>
GROSS PROFIT	102,646	153,842
OVERHEAD EXPENSES		
Directors remuneration	-	7,500
Staff pension	5,965	4,625
Heat and light	4,030	9,999
Rent & rates	43,590	43,107
Telephone	4,232	4,476
Postage and stationery	1,506	1,142
Staff beverages	284	878
Legal and professional	2,101	678
Bad debts	-	(355)
Insurance	5,740	5,618
Motor expenses	-	1,385
Repairs and renewals	5,877	896
Advertising	358	295
Workwear	199	1,316
Sundry expenses	350	10
Bank charges	1,635	1,962
Leasing fees	740	2,220
Disposal account	-	480
Depreciation	<u>11,831</u>	<u>12,309</u>
	<u>88,438</u>	<u>98,541</u>
OPERATING PROFIT	14,208	55,301
INTEREST		
Bank overdraft	1,763	1,783
Bank deposit interest	(305)	(63)
Bank loan	3,936	140
Hire purchase	<u>-</u>	<u>-</u>
	<u>5,394</u>	<u>1,860</u>
NET PROFIT	<u>8,814</u>	<u>53,441</u>