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COMPANY REGISTRATION NUMBER 363901

**THE PARK ENGINEERING COMPANY
(WOLVERHAMPTON) LIMITED
FINANCIAL STATEMENTS**

30TH JUNE 2005

GRIFFITHS AND PEGG

Chartered Accountants
42/43 Reddal Hill Road
Cradley Heath
West Midlands
B64 5JS



THE PARK ENGINEERING COMPANY (WOLVERHAMPTON)
LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2005

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Profit and loss account	4
Balance sheet	5 to 6
Notes to the financial statements	7 to 13

**THE PARK ENGINEERING COMPANY (WOLVERHAMPTON)
LIMITED**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mrs P P Roberts Mr N P Roberts
Company secretary	Mrs P P Roberts
Registered office	6 Portersfield Road Cradley Heath West Midlands B64 7BW
Accountants	Griffiths and Pegg Chartered Accountants 42/43 Reddal Hill Road Cradley Heath West Midlands B64 5JS
Bankers	Lloyds TSB 7 High Street Lye West Midlands DY9 8JU

THE PARK ENGINEERING COMPANY (WOLVERHAMPTON) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2005

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30th June 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of component manufacturing.

Trading profits have increased from last year. The directors are confident that this trend will continue.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2005	2004
	£	£
Dividends paid on ordinary shares	26,000	15,000

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	30 June 2005	1 July 2004
Mrs P P Roberts	600	600
Mr N P Roberts	2,000	2,000

RETIREMENT OF DIRECTORS

In accordance with the Articles of Association, Mr N P Roberts will retire from the board and, being eligible, will stand for re-appointment.

FIXED ASSETS

The movements in fixed assets are shown in the notes to the financial statements.

THE PARK ENGINEERING COMPANY (WOLVERHAMPTON) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH JUNE 2005

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

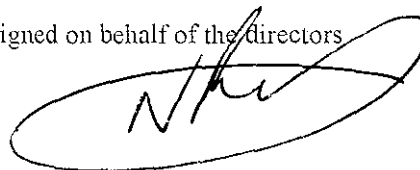
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

Registered office:
6 Portersfield Road
Cradley Heath
West Midlands
B64 7BW

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'N P Roberts', enclosed within a large, loopy oval shape.

Mr N P Roberts
Director

Approved by the directors on 16th February 2006

**THE PARK ENGINEERING COMPANY (WOLVERHAMPTON)
LIMITED**

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2005

	Note	2005 £	2004 £
TURNOVER	2	336,044	275,432
Cost of sales		(150,947)	(125,862)
GROSS PROFIT		185,097	149,570
Administrative expenses		(118,254)	(135,564)
Other operating income		—	889
OPERATING PROFIT	3	66,843	14,895
Interest receivable and similar income		2,916	2,639
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		69,759	17,534
Tax on profit on ordinary activities	6	(13,396)	(1,678)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		56,363	15,856
Dividends	7	(26,000)	(15,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>30,363</u>	<u>856</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on page 4 form part of these financial statements.

**THE PARK ENGINEERING COMPANY (WOLVERHAMPTON)
LIMITED**

BALANCE SHEET

30TH JUNE 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	8	40,649	46,326
CURRENT ASSETS			
Stocks	9	1,368	1,395
Debtors	10	77,058	79,384
Cash at bank and in hand		132,283	91,216
		<u>210,709</u>	<u>171,995</u>
CREDITORS: Amounts falling due within one year	11	<u>103,386</u>	<u>100,612</u>
NET CURRENT ASSETS		<u>107,323</u>	<u>71,383</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>147,972</u>	<u>117,709</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	3,200	3,300
		<u>144,772</u>	<u>114,409</u>

The Balance sheet continues on the following page.
The notes on page 5 form part of these financial statements.

THE PARK ENGINEERING COMPANY (WOLVERHAMPTON) LIMITED

BALANCE SHEET *(continued)*

30TH JUNE 2005

	Note	2005 £	2004 £
CAPITAL AND RESERVES			
Called-up equity share capital	15	2,600	2,600
Other reserves	16	3,400	3,400
Profit and loss account	17	138,772	108,409
SHAREHOLDERS' FUNDS	18	<u>144,772</u>	<u>114,409</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the directors on the 16th February 2006 and are signed on their behalf by:



.....
MR N P ROBERTS

THE PARK ENGINEERING COMPANY (WOLVERHAMPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

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:

Leasehold Property	2% per annum - straight line
Plant and Machinery	10% per annum - reducing balance
Vending Machine	10% per annum - reducing balance
Motor Vehicles	25% per annum - reducing balance
Office Equipment	5% per annum - reducing balance
Computer Equipment	33.3% per annum - straight line

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.

Pension costs

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a percentage of earnings.

THE PARK ENGINEERING COMPANY (WOLVERHAMPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2005

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company, and arose wholly within the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Depreciation of owned fixed assets	6,483	7,644
Loss on disposal of fixed assets	157	—
Profit on disposal of fixed assets	—	(889)
	<u> </u>	<u> </u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2005	2004
	No	No
Production	6	6
Administration	1	1
Selling	1	1
	<u> </u>	<u> </u>
	8	8

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	146,798	134,774
Social security costs	6,500	7,549
Staff pension costs	1,667	1,667
	<u> </u>	<u> </u>
	154,965	143,990

**THE PARK ENGINEERING COMPANY (WOLVERHAMPTON)
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2005

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Emoluments receivable	66,943	72,672
Value of company pension contributions to money purchase schemes	1,667	1,667
	<u>68,610</u>	<u>74,339</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004
	No	No
Defined benefit schemes	<u>2</u>	<u>2</u>

6. TAXATION ON ORDINARY ACTIVITIES

	2005	2004
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at -19% (2004 - 9.48%)	13,496	1,578
Total current tax	13,496	1,578
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	(100)	100
Tax on profit on ordinary activities	<u>13,396</u>	<u>1,678</u>

7. DIVIDENDS

The following dividends have been paid in respect of the year:

	2005	2004
	£	£
Dividend paid on ordinary shares	<u>26,000</u>	<u>15,000</u>

THE PARK ENGINEERING COMPANY (WOLVERHAMPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2005

8. TANGIBLE FIXED ASSETS

	Brought forward 1 Jul 04 £	Additions £	Disposals £	Carried forward 30 Jun 05 £
COST				
Plant and Machinery	55,268	—	—	55,268
Vending Machine	550	350	(550)	350
Motor Vehicles	23,857	—	—	23,857
Office Equipment	5,805	613	—	6,418
Leasehold Property	12,198	—	—	12,198
Improvement to leasehold property	1,125	—	—	1,125
	<u>98,803</u>	<u>963</u>	<u>(550)</u>	<u>99,216</u>
	Brought forward 1 Jul 04 £	Charges £	Disposals £	Carried forward 30 Jun 05 £
DEPRECIATION				
Plant and Machinery	(29,022)	(2,625)	—	(31,647)
Vending Machine	(393)	(35)	393	(35)
Motor Vehicles	(10,859)	(3,250)	—	(14,109)
Office Equipment	(4,291)	(280)	—	(4,571)
Leasehold Property	(7,272)	(244)	—	(7,516)
Improvement to leasehold property	(640)	(49)	—	(689)
	<u>(52,477)</u>	<u>(6,483)</u>	<u>393</u>	<u>(58,567)</u>
			Brought forward 1 Jul 04 £	Carried forward 30 Jun 05 £
NET BOOK VALUE				
Plant and Machinery			26,246	23,621
Vending Machine			157	315
Motor Vehicles			12,998	9,748
Office Equipment			1,514	1,847
Leasehold Property			4,926	4,682
Improvement to leasehold property			485	436
			<u>46,326</u>	<u>40,649</u>

Capital Commitments

There were no capital commitments contracted but not provided for in the financial statements (2004 £Nil).

**THE PARK ENGINEERING COMPANY (WOLVERHAMPTON)
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2005

9. STOCKS

	2005	2004
	£	£
Raw materials	605	960
Work in progress	763	435
	<u>1,368</u>	<u>1,395</u>

10. DEBTORS

	2005	2004
	£	£
Trade debtors	75,758	77,884
Prepayments and accrued income	1,300	1,500
	<u>77,058</u>	<u>79,384</u>

11. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	259	2,652
Trade creditors	18,981	41,477
Other creditors including taxation and social security:		
Corporation tax	13,496	1,578
PAYE and social security	3,851	4,143
VAT	12,358	5,772
Other creditors	2,344	—
Directors' current accounts	47,197	39,590
	<u>79,246</u>	<u>51,083</u>
Accruals and deferred income	4,900	5,400
	<u>103,386</u>	<u>100,612</u>

12. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2005	2004
	£	£
Provision brought forward	3,300	3,200
Profit and loss account movement arising during the year	(100)	100
Provision carried forward	<u>3,200</u>	<u>3,300</u>

**THE PARK ENGINEERING COMPANY (WOLVERHAMPTON)
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2005

12. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Excess of taxation allowances over depreciation on fixed assets	3,200	3,300
	<u>3,200</u>	<u>3,300</u>

13. CONTINGENCIES

There were no contingent liabilities known to or anticipated by the directors at 30th June 2005 (2004 NIL). There were no legal actions in progress against the company or pending.

14. RELATED PARTY TRANSACTIONS

The company was under the control of Mr N P Roberts throughout the current and previous year. Mr Roberts is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

15. SHARE CAPITAL

Authorised share capital:

	2005 £	2004 £
6,000 Ordinary shares of £1 each	6,000	6,000

Allotted, called up and fully paid:

	2005 No	£	2004 No	£
Ordinary shares of £1 each	2,600	2,600	2,600	2,600

16. OTHER RESERVES

	2005 £	2004 £
Capital redemption reserve	3,400	3,400

**THE PARK ENGINEERING COMPANY (WOLVERHAMPTON)
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2005

17. PROFIT AND LOSS ACCOUNT

	2005	2004
	£	£
Balance brought forward	108,409	223,058
Retained profit for the financial year	30,363	856
Purchase of own shares	—	(115,505)
Balance carried forward	<u>138,772</u>	<u>108,409</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Profit for the financial year	56,363	15,856
Dividends	(26,000)	(15,000)
	<u>30,363</u>	<u>856</u>
Purchase of own equity shares	—	(3,400)
Premium on purchase of own equity shares	—	(112,105)
	<u>—</u>	<u>(115,505)</u>
Net addition/(reduction) to shareholders' equity funds	<u>30,363</u>	<u>(114,649)</u>
Opening shareholders' equity funds	114,409	229,058
Closing shareholders' equity funds	<u>144,772</u>	<u>114,409</u>