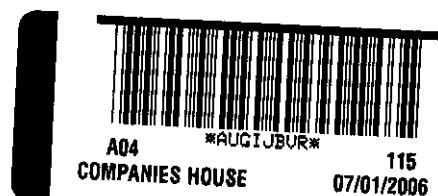


PENDEFORD METAL SPINNINGS LIMITED

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
31 JULY 2005**

COMPANY NUMBER: 1013760



PENDEFORD METAL SPINNINGS LIMITED

The following reproduces the text of the accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 5) have been prepared.

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF PENDEFORD METAL SPINNINGS LIMITED**

In accordance with the engagement letter dated November 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile financial statements that we have been engaged to compile, report to the Company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 and the Company's board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 July 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Bentley Jennison

Bentley Jennison

Chartered Accountants

3 Hollinswood Court
Stafford Park 1
Telford
TF3 3BD

5 December 2005

PENDEFORD METAL SPINNINGS LIMITED

ABBREVIATED BALANCE SHEET

As at 31 July 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible fixed assets	2	113,710	126,991
Investments	3	30,321	28,277
		<u>144,031</u>	<u>155,268</u>
CURRENT ASSETS			
Stocks		252,713	161,609
Debtors		336,862	318,016
Cash in hand		153	171
		<u>589,728</u>	<u>479,796</u>
CREDITORS: amounts falling due within one year	4	<u>(455,227)</u>	<u>(389,270)</u>
NET CURRENT ASSETS		<u>134,501</u>	<u>90,526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>278,532</u>	<u>245,794</u>
CREDITORS: amounts falling due after more than one year	4	<u>(1,042)</u>	<u>(1,955)</u>
NET ASSETS		<u><u>277,490</u></u>	<u><u>243,839</u></u>
CAPITAL AND RESERVES			
Called up share capital	5	750	750
Share premium account		14,023	14,023
Capital redemption reserve		250	250
Profit and loss account		262,467	228,816
SHAREHOLDERS' FUNDS		<u><u>277,490</u></u>	<u><u>243,839</u></u>

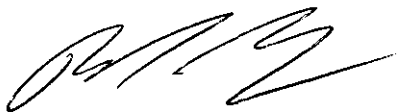
PENDEFORD METAL SPINNINGS LIMITED

ABBREVIATED BALANCE SHEET

As at 31 July 2005

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 July 2005 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on *December 1st, 2005* and signed on its behalf.



R W Humphries
Director

The notes on pages 4 to 5 form part of these financial statements.

PENDEFORD METAL SPINNINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 July 2005

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	2.5% reducing balance
Plant and equipment	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20 - 33% reducing balance

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

1.7 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.8 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

PENDEFORD METAL SPINNINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 July 2005

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Investments

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

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 August 2004	340,341
Additions	3,748
	<hr/>
At 31 July 2005	344,089
	<hr/>
Depreciation	
At 1 August 2004	213,350
Charge for the year	17,029
	<hr/>
At 31 July 2005	230,379
	<hr/>
Net book value	
At 31 July 2005	113,710
	<hr/>
At 31 July 2004	126,991
	<hr/>

3. FIXED ASSET INVESTMENTS

	£
Cost	
At 1 August 2004	28,277
Additions	2,044
	<hr/>
At 31 July 2005	30,321
	<hr/>

4. CREDITORS

Creditors include secured liabilities of £93,070 (2004 £84,830)

5. SHARE CAPITAL

	2005 £	2004 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
750 Ordinary shares of £1 each	750	750
	<hr/>	<hr/>