

AJS AERO ENGINEERING LIMITED

COMPANY NUMBER 3578430

REPORT OF THE DIRECTOR

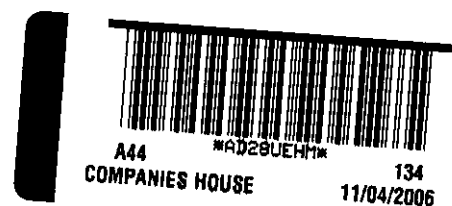
AND UNAUDITED ACCOUNTS

FOR THE YEAR ENDED

31 MAY 2005

Registered Office:

Cottestone,  
Wotton Road,  
Rangeworthy,  
South Gloucestershire,  
BRISTOL BS37 7LX



AJS AERO ENGINEERING LIMITED

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## AJS AERO ENGINEERING LIMITED

### REPORT OF THE DIRECTOR

The Director submits his report and the unaudited accounts for the year ended 31 May 2005.

#### 1. REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company was incorporated on 09 June 1998 and commenced trading in June 1998. Its principal activity is aircraft engineering.

#### 2. RESULTS

Details of the results for the year are given in the attached accounts.

#### 3. DIVIDENDS

The Director recommends the payment of a dividend of £7,200 (2004 - £29,000).

#### 4. DIRECTOR

The Director of the Company throughout the year was Mr Andrew J. Smith. He held 1 Ordinary Share of £1 at 01 June 2004 and 31 May 2005.

#### 5. DIRECTOR'S RESPONSIBILITIES

Company law requires the Director to prepare accounts 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 the financial statements, the Director is required to:

- . Select suitable accounting policies and then apply them consistently;
- . Make judgements and estimates that are reasonable and prudent;
- . state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements; and
- . Prepare the financial statements on the going concern basis, unless it is inappropriate to assume 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 allow him to ensure that the accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Advantage has been taken in the preparation of the Director's report of special exemptions applicable to small companies conferred by Part VII of the Companies Act 1985.

Signed on behalf of the Board of Directors:



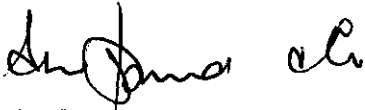
Miss E. Bath, Secretary

Approved by the Board 31 March 2006

ACCOUNTANTS' REPORT TO THE DIRECTOR OF AJS AERO ENGINEERING LIMITED

As described on pages 1 and 4, you are responsible for the preparation of accounts for the year ended 31 May 2005, set out on pages 3 to 6, and you consider that the Company is exempt from an audit under the requirements of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfill your statutory responsibilities, from accounting records and information and explanations supplied to us.



Sheppard + Co.

Accountants

31 March 2006

227, Lodge Causeway,  
Fishponds,  
Bristol BS16 3QW

AJS AERO ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2005

	<u>NOTES</u>	<u>2005</u> £	<u>2004</u> £
TURNOVER	2	46,071	48,842
COST OF SALES		0	0
GROSS PROFIT		46,071	48,842
Less: Operating Expenses		-41,183	-14,109
OPERATING PROFIT BEFORE TAXATION		4,888	34,733
Interest Receivable		644	167
Profit from Ordinary Activities before Taxation		5,532	34,900
TAXATION	8	0	-5,739
PROFIT FROM ORDINARY ACTIVITIES FOR THE YEAR		5,532	29,161
RETAINED PROFITS BROUGHT FORWARD		10,945	10,784
SUBTOTALS		16,477	39,945
LESS DIVIDENDS		-7,200	-29,000
RETAINED PROFITS CARRIED FORWARD		£9,277	£10,945
		=====	=====

Continuing Operations – None of the Company's activities was acquired or discontinued during the above financial periods.

Total Recognised Gains and Losses – The Company has no recognised gains or losses for the above financial periods which are not reflected in these accounts.

The notes on pages 5 to 6 are an integral part of these Accounts

AJS AERO ENGINEERING LIMITED

BALANCE SHEET AT 31 MAY 2005

	<u>NOTES</u>	<u>2005</u> £	<u>2004</u> £
FIXED ASSETS:			
Tangible Assets	4	1,000	1,815
CURRENT ASSETS:			
Debtors and Prepayments	5	1,000	3,257
Cash at Bank and in Hand		22,396	14,443
Total Current Assets		23,396	17,700
CURRENT LIABILITIES:			
Amounts falling due within one year	6	-15,117	-8,568
Net Current Assets		8,279	9,132
TOTAL ASSETS LESS LIABILITIES		£9,279	£10,947
		=====	=====
Represented by:			
CAPITAL AND RESERVES:			
Called up Share Capital	7	2	2
Profit and Loss Account	8	9,277	10,945
TOTAL CAPITAL AND RESERVES		£9,279	£10,947
		=====	=====

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 accounts for the financial year. The Director acknowledges his responsibility for:

- (a) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- (b) preparing accounts 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 of the Companies Act 1985, and which otherwise comply with the requirements of the Act relating to accounts, as far as applicable to the Company.

Advantage has been taken, in the preparation of these financial statements, of the special exemptions applicable to small companies on the grounds that, in the Director's opinion, the Company qualifies as a small company under Sections 246 and 247 of the Companies Act 1985.

The financial statements were approved by the Board of Directors on 31 March 2006, and signed on its behalf by:



Andrew J. Smith (Director)

The notes on pages 5 to 6 are an integral part of these Accounts.

## AJS AERO ENGINEERING LIMITED

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

#### 1. ACCOUNTING POLICIES

**1.1 Basis of Accounting** – The accounts have been prepared under the historical cost convention. The accounts 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 Financial Reporting Standard 1 "Cash Flow Statements".

**1.2 Tangible Fixed Assets and Depreciation** – Tangible Fixed Assets are recorded at cost. Depreciation on such assets, which comprises office equipment and motor vehicles, is provided in order to write off the cost of each asset over its estimated useful life, at the rate of 25% per annum of the cost of the asset.

#### 2. TURNOVER

Turnover represents the amounts invoiced to customers, less returns, for commission, goods and services provided, and is exclusive of Value Added Tax. All sales were made to customers located in the European Union.

#### 3. OPERATING PROFIT

Operating Profit is stated after charging:

	<u>2005</u>	<u>2004</u>
Director's Remuneration	£34,585	£10,912
Director's Pension Contributions	0	0
Depreciation	358	606
Auditors' Remuneration	0	0

#### 4. TANGIBLE FIXED ASSETS

	<u>Motor Vehicle</u>	<u>Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost:</u>			
At 31 May 2004	5,000	3,659	8,659
Additions	0	428	428
Disposals	-5,000	0	-5,000
At 31 May 2005	0	4,087	4,087
<u>Depreciation:</u>			
At 31 May 2004	4,115	2,729	6,844
Charge for the Year	0	358	358
Disposals	-4,115	0	-4,115
At 31 May 2005	0	3,087	3,087
NET BOOK VALUES AT 31 MAY 2005	0	1,000	1,000
	=====	=====	=====

AJS AERO ENGINEERING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005

5. DEBTORS

	<u>2005</u>	<u>2004</u>
Corporation Tax Recoverable	£1,000	£1,000
Director's Loan Account	0	2,257
	-----	-----
Totals	1,000	3,257
	=====	=====

6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2005</u>	<u>2004</u>
Corporation Tax	£0	£5,882
Other Taxes and Social Security Costs	13,851	1,981
Other Creditors	500	705
Director's Loan Account	766	0
	-----	-----
Totals	15,117	8,568
	=====	=====

7. SHARE CAPITAL

Authorised Share Capital at 31 May 2005 and 2004 was £100, made up of 100 Ordinary Shares of £1 each.

Allotted, Called up and Fully Paid Capital at 31 May 2005 and 2004 was 2 Ordinary Shares of £1 each.

8. MOVEMENT ON RESERVES

The movement on the Profit and Loss Account was as follows:

Balance at 01 June 2004	£10,945
Profit for the Year	5,532
Less Dividends	-7,200
	-----
Balance at 31 May 2005	9,277
	=====

9. TAXATION

Taxation is provided on current profits at the current rate of 19%, as follows:

	<u>2005</u>	<u>2004</u>
Current Taxation	£0	£5,882
Prior Years	0	-143
	-----	-----
Total	0	5,739
	=====	=====

10. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities at either 31 May 2005 or 2004. The Director had not entered into any commitments not reflected in the accounts for the year ended 31 May 2005 or 2004.

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