

AJS AERO ENGINEERING LIMITED

COMPANY NUMBER 3578430

REPORT OF THE DIRECTOR

AND UNAUDITED ACCOUNTS

FOR THE YEAR ENDED

31 MAY 2003

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 2003.

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 £10,000 (2002 - £14,500).

4. DIRECTOR

The Director of the Company throughout the year was Andrew J. Smith. He held 1 Ordinary Share of £1 at 01 June 21002 and 31 May 2003.

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:

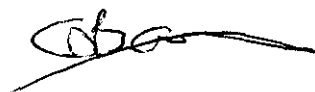
- . Select suitable accounting policies and then apply them consistently;
- . Make judgements and estimates that are reasonable and prudent;
- . state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements; and
- . 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.

6. TAXATION

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Signed on behalf of the Board of Directors:



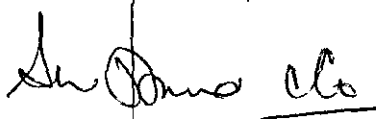
Miss E. Bath, Secretary

Approved by the Board 05 July 2003

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 2003, 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 fulfil your statutory responsibilities, from accounting records and information and explanations supplied to us.

Sheppard + Co.



Chartered Accountants and Registered Auditors

611, Fishponds Road,
Fishponds,
Bristol BS16 3AA

05 July 2003

AJS AERO ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2003

	<u>NOTES</u>	<u>2003</u> £	<u>2002</u> £
TURNOVER	2	38,340	25,284
COST OF SALES		0	0
GROSS PROFIT		38,340	25,284
Less: Operating Expenses		-16,149	-14,278
OPERATING PROFIT BEFORE TAXATION		22,191	10,874
Interest Receivable		31	0
Profit before Taxation		22,222	10,874
TAXATION	8	-2,844	-1,195
PROFIT FOR THE YEAR		19,378	9,679
RETAINED PROFITS BROUGHT FORWARD		1,406	6,227
SUBTOTALS		20,784	15,906
LESS DIVIDENDS		-10,000	-14,500
RETAINED PROFITS CARRIED FORWARD		10,784	1,406
		=====	=====

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 2003

	<u>NOTES</u>	<u>2003</u> £	<u>2002</u> £
FIXED ASSETS:			
Tangible Assets	4	1,950	2,575
		-----	-----
CURRENT ASSETS:			
Bank Balances		12,140	1,802
Debtors and Prepayments	5	1,000	1,000
		-----	-----
Total Current Assets		13,240	2,802
CURRENT LIABILITIES:			
Amounts falling due within one year	6	-4,304	-3,969
		-----	-----
Net Current Assets (Liabilities)		9,436	-1,167
		-----	-----
TOTAL ASSETS LESS LIABILITIES		10,786	1,408
		=====	=====
Represented by:			
CAPITAL AND RESERVES:			
Called up Share Capital	7	2	2
Profit and Loss Account	8	10,784	1,406
		-----	-----
TOTAL CAPITAL AND RESERVES		10,786	1,408
		=====	=====

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 05 July 2003, 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 2003

1. ACCOUNTING POLICIES

1.1 Basis of Accounting – The accounts for the year ended 31 May 2003 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>2003</u>	<u>2002</u>
Director's Remuneration	£11,165	£5,502
Director's Pension Contributions	0	0
Depreciation	654	855
Auditors' Remuneration	0	0

4. TANGIBLE FIXED ASSETS

	<u>Motor Vehicle</u>	<u>Equipment</u>	<u>Total</u>
	£	£	£
<u>Cost:</u>			
At 31 May 2002	5,000	3,159	8,159
Additions	0	29	29
Disposals	0	0	0
	-----	-----	-----
At 31 May 2003	5,000	3,188	8,188
	-----	-----	-----
<u>Depreciation:</u>			
At 31 May 2002	3,425	2,159	5,584
Charge for the Year	395	259	654
Disposals	0	0	0
	-----	-----	-----
At 31 May 2003	3,820	2,418	6,238
	-----	-----	-----
<u>Net Book Values at 31 May 2003:</u>	£1,180	£770	£1,950
	=====	=====	=====

AJS AERO ENGINEERING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2003

5. DEBTORS

	<u>2003</u>	<u>2002</u>
Corporation Tax	£1,000	£1,000
Director's Loan Account	0	0
	-----	-----
Totals	1,000	1,000
	=====	=====

6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2003</u>	<u>2002</u>
Corporation Tax	£3,047	£1,233
Other Taxes and Social Security Costs	52	1,972
Other Creditors	1,205	764
	-----	-----
Totals	4,304	3,969
	=====	=====

7. SHARE CAPITAL

Authorised Share Capital at 31 May 2003 and 2002 was £100, made up of 100 Ordinary Shares of £1 each.

Allotted, Called up and Fully Paid Capital at 31 May 2003 and 2002 was 2 Ordinary Shares of £1 each.

8. TAXATION

Taxation is provided on current profits at the rate of 19% per on profits from 01 April 2002, and 20% on profits up to 31 March 2002.

9. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities at either 31 May 2003 or 2002.

The Director had not entered into any commitments not reflected in the accounts for the year ended 31 May 2003 or 2002.

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