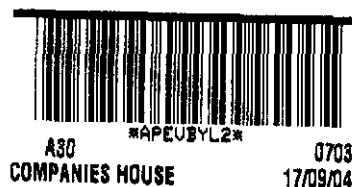


Company Registration No. 00413721 (England and Wales)

THREE WAYS ENGINEERING WORKS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

Finn-Kelcey & Chapman
Chartered Accountants
Stourside Place
Station Road
Ashford Kent



THREE WAYS ENGINEERING WORKS LIMITED

COMPANY INFORMATION

Directors

R Keyse
I M Keyse

Secretary

R Keyse

Company number

00413721

Registered office

Stourside Place
Station Road
Ashford Kent

Accountants

Finn-Kelcey & Chapman
Stourside Place
Station Road
Ashford Kent

THREE WAYS ENGINEERING WORKS LIMITED

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THREE WAYS ENGINEERING WORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

The directors present their report and financial statements for the year ended 30 June 2003.

Principal activities

The principal activity of the Company was that of garage operators, until September 1999.

Directors

The following directors have held office since 1 July 2002:

R Keyse
I M Keyse

Directors' interests

The directors present their report and financial statements for the year ended 30 June 2003.

	Ordinary shares of £ 1 each	
	30 June 2003	1 July 2002
R Keyse	1,151	1,151
I M Keyse	1,105	1,105

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


R Keyse

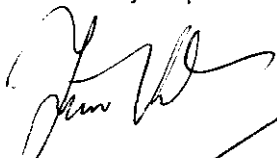
Director

15 September 2004

THREE WAYS ENGINEERING WORKS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF THREE WAYS ENGINEERING WORKS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2003, set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Finn-Kelcey & Chapman

Chartered Accountants

15 September 2004

Stourside Place
Station Road
Ashford Kent

THREE WAYS ENGINEERING WORKS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 £	2002 £
Administrative expenses		(12,933)	9,581
Other operating income		28,485	19,508
Operating profit	2	15,552	29,089
Other interest receivable and similar income	3	26	-
Interest payable and similar charges		(164)	(396)
Profit on ordinary activities before taxation		15,414	28,693
Tax on profit on ordinary activities	4	(1,741)	610
Profit on ordinary activities after taxation		13,673	29,303
Dividends		(14,551)	(98,000)
Retained loss for the year	9	(878)	(68,697)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Note of historical cost profits and losses

	2003 £	2002 £
Reported profit on ordinary activities before taxation	15,414	28,693
Realisation of property revaluation gains of previous years	775	87,975
Historical cost profit on ordinary activities before taxation	16,189	116,668
Historical cost (loss)/profit for the year retained after taxation, extraordinary items and dividends	(103)	19,278

THREE WAYS ENGINEERING WORKS LIMITED

BALANCE SHEET AS AT 30 JUNE 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5		85,000		85,000
Current assets					
Debtors	6	3,008		97	
Cash at bank and in hand		1,618		9,440	
		<u>4,626</u>		<u>9,537</u>	
Creditors: amounts falling due within one year	7	<u>(3,534)</u>		<u>(7,567)</u>	
Net current assets			1,092		1,970
Total assets less current liabilities			<u>86,092</u>		<u>86,970</u>
Capital and reserves					
Called up share capital	8	2,256		2,256	
Revaluation reserve	9	83,749		84,524	
Profit and loss account	9	87		190	
Shareholders' funds - equity interests	10		<u>86,092</u>		<u>86,970</u>

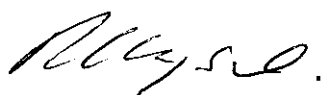
In preparing these financial statements:

- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2003 in accordance with section 249B(2), and
- 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 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, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 15 September 2004

R Keyse
Director



THREE WAYS ENGINEERING WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has not revalued its investment properties at the year end. This is not in accordance with SSAP.19, which requires that such properties be included at open market value. Any surplus or deficit arising from a valuation would increase or decrease, respectively, the amounts shown in the balance sheet for investment properties and revaluation reserve. Property valuations are not obtained and therefore it is not practicable to quantify the effects of the departure.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties which are included in the balance sheet at their 1996 revalued amount.

Land and buildings Freehold

NIL depreciation

Although this accounting policy is in accordance with SSAP.19, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view.

2 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Directors' emoluments	5,000	4,839
and after crediting:		
Profit on disposal of tangible assets	-	(29,314)

3 Investment income

	2003	2002
	£	£
Bank interest	26	-

THREE WAYS ENGINEERING WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

4	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	1,138	(603)
	Adjustment for prior years	603	(7)
	Current tax charge	1,741	(610)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	15,414	28,693
	<i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 10.00%)</i>	2,929	2,869
	Effects of:		
	Tax losses utilised	(119)	62
	Adjustments to previous periods	603	(610)
	Other tax adjustments	(1,672)	(2,931)
		(1,188)	(3,479)
	Current tax charge	1,741	(610)

The company has estimated losses of £ 36,080 (2002: £ 36,701) available for carry forward against future trading profits.

5	Tangible fixed assets	Land and buildings £
	Cost or valuation	
	At 1 July 2002 & at 30 June 2003	85,000
	Depreciation	
	At 1 July 2002 & at 30 June 2003	-
	Net book value	
	At 30 June 2003	85,000
	At 30 June 2002	85,000

Freehold properties were revalued at 7th June 1996 on the basis of an open market valuation for existing use by Caxtons, Chartered Surveyors.

THREE WAYS ENGINEERING WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

6 Debtors	2003	2002
	£	£
Other debtors	3,008	97
	<u> </u>	<u> </u>
7 Creditors: amounts falling due within one year	2003	2002
	£	£
Taxation and social security	1,138	-
Other creditors	2,396	7,567
	<u> </u>	<u> </u>
	3,534	7,567
	<u> </u>	<u> </u>
8 Share capital	2003	2002
	£	£
Authorised		
30,000 Ordinary shares of £1 each	30,000	30,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
2,256 Ordinary shares of £1 each	2,256	2,256
	<u> </u>	<u> </u>
9 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 July 2002	84,524	190
Retained loss for the year	-	(878)
Transfer from revaluation reserve to profit and loss account	(775)	775
	<u> </u>	<u> </u>
Balance at 30 June 2003	83,749	87
	<u> </u>	<u> </u>

THREE WAYS ENGINEERING WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

10 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the financial year	13,673	29,303
Dividends	(14,551)	(98,000)
Other recognised gains and losses	775	87,975
Net depletion in shareholders' funds	(103)	19,278
Opening shareholders' funds	86,970	67,692
Closing shareholders' funds	86,092	86,970