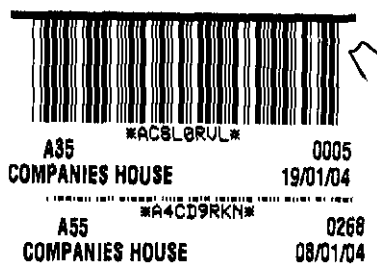


ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2003

FOR

TEPARAY PRECISION SHEET METAL LIMITED



TEPARAY PRECISION SHEET METAL LIMITED

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for the year ended 31 August 2003

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TEPARAY PRECISION SHEET METAL LIMITED

COMPANY INFORMATION
for the year ended 31 August 2003

DIRECTORS:

Mr T W Belcher
Mr R D Belcher
Mr T R W Belcher

SECRETARY:

Mr T R W Belcher

REGISTERED OFFICE:

1-5 Fowler Road
Hainault
Ilford
Essex
IG6 3UT

REGISTERED NUMBER:

02596921

AUDITORS:

RAFFINGERS
Chartered Certified Accountants
Registered Auditors
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

TEPARAY PRECISION SHEET METAL LIMITED

REPORT OF THE DIRECTORS **for the year ended 31 August 2003**

The directors present their report with the financial statements of the company for the year ended 31 August 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production of precision sheet metal fabrications.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

Interim dividends per share on the "B" Ordinary £1 shares were paid as follows:

£20.83	- 31 August 2003
£20.83	- 31 July 2003
£20.83	- 30 June 2003
£37.50	- 31 May 2003
£20.83	- 30 April 2003
£17.75	- 5 April 2003
£13.95	- 28 February 2003
£16.91	- 31 January 2003
£12.26	- 31 December 2002
£12.27	- 30 November 2002
£15.65	- 31 October 2002
£12.26	- 30 September 2002
£221.87	

The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the "A" Ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 August 2003 will be £167,354.

DIRECTORS

The directors during the year under review were:

Mr T W Belcher
Mr R D Belcher
Mr T R W Belcher

The beneficial interests of the directors holding office on 31 August 2003 in the issued share capital of the company were as follows:

	31.8.03	1.9.02
"A" Ordinary £1 shares		
Mr T W Belcher	60	60
Mr R D Belcher	20	20
Mr T R W Belcher	20	20
"B" Ordinary £1 shares		
Mr T W Belcher	300	300
Mr R D Belcher	300	300
Mr T R W Belcher	300	300

TEPARAY PRECISION SHEET METAL LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 August 2003

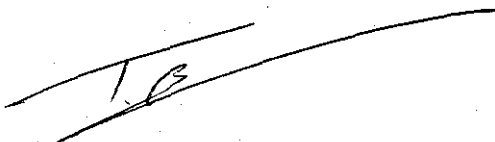
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

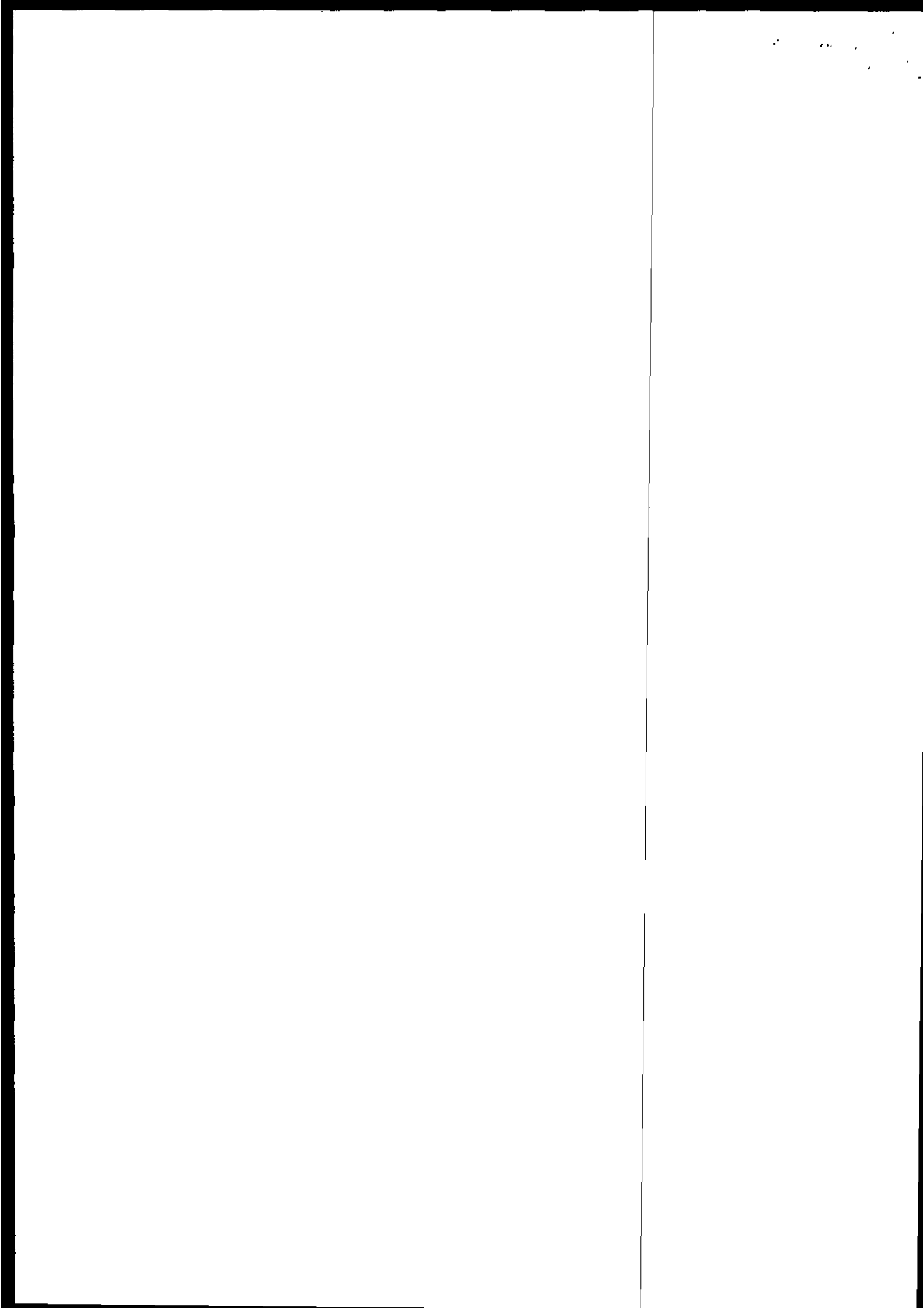
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

ON BEHALF OF THE BOARD:

A handwritten signature in dark ink, appearing to read 'T R W Belcher', is written over a horizontal line.

Mr T R W Belcher - SECRETARY

Dated: 16 December 2003



TEPARAY PRECISION SHEET METAL LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO
TEPARAY PRECISION SHEET METAL LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to seventeen, together with the full financial statements of the company for the year ended 31 August 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to seventeen are properly prepared in accordance with that provision.



RAFFINGERS
Chartered Certified Accountants
Registered Auditors
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

Dated: 19 December 2003

TEPARAY PRECISION SHEET METAL LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**
for the year ended 31 August 2003

		2003	2002
	Notes	£	£
GROSS PROFIT		1,408,875	1,183,917
Administrative expenses		1,033,617	1,031,370
OPERATING PROFIT	3	375,258	152,547
Interest receivable and similar income		874	937
		376,132	153,484
Interest payable and similar charges	4	70,228	67,482
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		305,904	86,002
Tax on profit on ordinary activities	5	57,516	14,739
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		248,388	71,263
Dividends	6	167,354	52,191
		81,034	19,072
Retained profit brought forward		385,972	366,900
RETAINED PROFIT CARRIED FORWARD		<u>£467,006</u>	<u>£385,972</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

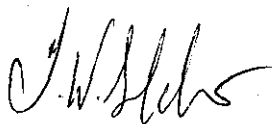
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

TEPARAY PRECISION SHEET METAL LIMITED**ABBREVIATED BALANCE SHEET****31 August 2003**

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		896,587		839,932
CURRENT ASSETS:					
Stocks	8	335,426		240,360	
Debtors	9	798,274		1,168,869	
Cash at bank		1,811		81,473	
		1,135,511		1,490,702	
CREDITORS: Amounts falling due within one year	10	1,081,783		1,465,409	
NET CURRENT ASSETS:			53,728		25,293
TOTAL ASSETS LESS CURRENT LIABILITIES:			950,315		865,225
CREDITORS: Amounts falling due after more than one year	11		(436,673)		(439,282)
PROVISIONS FOR LIABILITIES AND CHARGES:	15		(45,636)		(38,971)
			£468,006		£386,972
CAPITAL AND RESERVES:					
Called up share capital	16		1,000		1,000
Profit and loss account			467,006		385,972
SHAREHOLDERS' FUNDS:	18		£468,006		£386,972

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

ON BEHALF OF THE BOARD:


Mr T W Belcher - DIRECTOR



Mr R D Belcher - DIRECTOR

Approved by the Board on 16 December 2003

The notes form part of these financial statements

TEPARAY PRECISION SHEET METAL LIMITED

CASH FLOW STATEMENT
for the year ended 31 August 2003

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		844,500		(166,423)
Returns on investments and servicing of finance	2		(69,354)		(66,545)
Taxation			(8,151)		(7,753)
Capital expenditure and financial investment	2		(52,142)		(66,051)
Equity dividends paid			(167,354)		(52,191)
			<u>547,499</u>		<u>(358,963)</u>
Financing	2		(691,462)		367,074
(Decrease)/Increase in cash in the period			<u>£(143,963)</u>		<u>£8,111</u>
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period		(143,963)		8,111	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>691,462</u>		<u>(367,074)</u>	
Change in net debt resulting from cash flows			547,499		(358,963)
New finance leases			(247,126)		(319,989)
Movement in net debt in the period			300,373		(678,952)
Net debt at 1 September			<u>(1,105,435)</u>		<u>(426,483)</u>
Net debt at 31 August			<u>£(805,062)</u>		<u>£(1,105,435)</u>

The notes form part of these financial statements

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 August 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	375,258	152,547
Depreciation charges	237,184	234,658
Loss on sale of fixed assets	4,129	9,362
Increase in stocks	(95,066)	(54,906)
Decrease/(Increase) in debtors	371,895	(86,149)
Decrease in creditors	(48,900)	(421,935)
Net cash inflow/(outflow) from operating activities	<u>844,500</u>	<u>(166,423)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	874	937
Interest paid	(25,573)	(23,561)
Interest element of hire purchase payments	<u>(44,655)</u>	<u>(43,921)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(69,354)</u>	<u>(66,545)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(55,292)	(68,051)
Loan to company pension scheme	(1,100)	-
Sale of tangible fixed assets	<u>4,250</u>	<u>2,000</u>
Net cash outflow for capital expenditure	<u>(52,142)</u>	<u>(66,051)</u>
Financing		
New loan taken out in year	-	72,251
Loan repayments in year	(271,968)	(192,259)
Amount introduced by directors	6,576	412
Net factoring advances received	-	486,670
Net factoring advances repaid	<u>(426,070)</u>	<u>-</u>
Net cash (outflow)/inflow from financing	<u>(691,462)</u>	<u>367,074</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 August 2003

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.02 £	Cash flow £	Other non-cash changes £	At 31.8.03 £
Net cash:				
Cash at bank	81,473	(79,662)		1,811
Bank overdraft	-	(64,301)		(64,301)
	<u>81,473</u>	<u>(143,963)</u>		<u>(62,490)</u>
Debt:				
Hire purchase	(627,576)	199,717	(247,126)	(674,985)
Debts falling due within one year	<u>(559,332)</u>	<u>491,745</u>	<u>-</u>	<u>(67,587)</u>
	<u>(1,186,908)</u>	<u>691,462</u>	<u>(247,126)</u>	<u>(742,572)</u>
Total	<u><u>(1,105,435)</u></u>	<u><u>547,499</u></u>	<u><u>(247,126)</u></u>	<u><u>(805,062)</u></u>

Analysed in Balance Sheet

Cash at bank	81,473	1,811
Bank overdraft	-	(64,301)
Hire purchase within one year	(188,294)	(238,312)
after one year	(439,282)	(436,673)
Debts falling due within one year	<u>(559,332)</u>	<u>(67,587)</u>
	<u><u>(1,105,435)</u></u>	<u><u>(805,062)</u></u>

4. ANALYSIS OF NET DEBT

Closing net debt includes amounts disclosed in the notes to the accounts as other creditors totalling £67,587 (2002 - £559,332). This is made up of factoring advances and directors' loan accounts.

5. MAJOR NON-CASH TRANSACTIONS

During the year the company entered into hire purchase arrangements in respect of assets with a total capital value at the inception of the arrangements of £247,126 (2002 - £319,989).

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2003

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	1,334,321	1,404,447
Social security costs	126,747	134,908
Other pension costs	11,027	11,660
	<u>1,472,095</u>	<u>1,551,015</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2003

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2003	2002
Sheet metal workers	44	39
Production and management	7	6
Selling and distribution	4	3
Administration	14	13
	<u>—</u>	<u>—</u>
	69	61
	<u>==</u>	<u>==</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2003	2002
	£	£
Hire of plant and machinery	15,848	19,849
Depreciation - owned assets	49,404	56,942
Depreciation - assets on hire purchase contracts	187,780	177,716
Loss on disposal of fixed assets	4,129	9,362
Auditors' remuneration	18,000	17,575
	<u>==</u>	<u>==</u>
Directors' emoluments	14,112	146,805
Directors' pension contributions to money purchase schemes	9,000	9,000
	<u>==</u>	<u>==</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3
	<u>==</u>	<u>==</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	66	32
Factoring interest	20,540	17,568
Pension scheme loan interest	4,967	5,961
Hire purchase interest	44,655	43,921
	<u>==</u>	<u>==</u>
	70,228	67,482
	<u>==</u>	<u>==</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2003

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
UK corporation tax	50,851	8,151
Deferred tax:		
Origination and reversal of timing differences	6,665	6,588
Tax on profit on ordinary activities	<u>57,516</u>	<u>14,739</u>

UK corporation tax has been charged at 19% (2002 - 19.01%).

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>305,904</u>	<u>86,002</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.265% (2002 - 19.010%)	58,932	16,349
Effects of:		
Expenses not deductible for tax purposes	1,030	2,173
Capital allowances for year in excess of depreciation	(8,410)	(10,371)
Adjustment from standard tax rates above to actual rates utilised on taxable profits	<u>(701)</u>	<u>-</u>
Current tax charge	<u>50,851</u>	<u>8,151</u>

Factors that may affect future tax charges

Based on current capital investment plans, the company expects to continue claiming capital allowances in excess of depreciation in future years.

6. DIVIDENDS

	2003 £	2002 £
Equity shares:		
900 "B" Ordinary shares of £1 each		
Interim - "B" Ordinary shares	167,354	52,191
	<u>167,354</u>	<u>52,191</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2003

7. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 September 2002	1,472,452	129,074	67,148	1,668,674
Additions	270,850	8,568	23,000	302,418
Disposals	(5,454)	(1,990)	(18,333)	(25,777)
At 31 August 2003	1,737,848	135,652	71,815	1,945,315
DEPRECIATION:				
At 1 September 2002	715,270	78,009	35,463	828,742
Charge for year	211,490	13,472	12,222	237,184
Eliminated on disposals	(3,708)	(957)	(12,533)	(17,198)
At 31 August 2003	923,052	90,524	35,152	1,048,728
NET BOOK VALUE:				
At 31 August 2003	814,796	45,128	36,663	896,587
At 31 August 2002	757,182	51,065	31,685	839,932

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 September 2002	1,015,860	38,815	1,054,675
Additions	251,584	23,000	274,584
Transferred to ownership	(9,500)	(28,315)	(37,815)
At 31 August 2003	1,257,944	33,500	1,291,444
DEPRECIATION:			
At 1 September 2002	370,051	17,149	387,200
Charge for year	180,307	7,473	187,780
Transferred to ownership	(5,047)	(13,540)	(18,587)
At 31 August 2003	545,311	11,082	556,393
NET BOOK VALUE:			
At 31 August 2003	712,633	22,418	735,051
At 31 August 2002	645,809	21,666	667,475

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 August 2003

8. STOCKS

	2003	2002
	£	£
Raw materials	126,761	75,300
Work in progress	208,665	165,060
	<u>335,426</u>	<u>240,360</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade debtors	770,061	1,134,660
Other debtors	14,380	14,187
Prepayments	13,833	20,022
	<u>798,274</u>	<u>1,168,869</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank loans and overdrafts (see note 12)	64,301	-
Hire purchase contracts (see note 13)	238,312	188,294
Trade creditors	480,466	581,897
Other creditors	67,602	563,719
Social security and other taxes	128,288	80,022
Taxation	50,851	8,151
Accrued expenses	51,963	43,326
	<u>1,081,783</u>	<u>1,465,409</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
	£	£
Hire purchase contracts (see note 13)	<u>436,673</u>	<u>439,282</u>

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2003	2002
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>64,301</u>	<u>-</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2003

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2003 £	2002 £
Gross obligations repayable:		
Within one year	268,685	217,710
Between one and five years	466,953	467,419
	<u>735,638</u>	<u>685,129</u>
Finance charges repayable:		
Within one year	30,373	29,416
Between one and five years	30,280	28,137
	<u>60,653</u>	<u>57,553</u>
Net obligations repayable:		
Within one year	238,312	188,294
Between one and five years	436,673	439,282
	<u>674,985</u>	<u>627,576</u>

The following payments are committed to be paid within one year:

	Operating leases	
	2003 £	2002 £
Expiring:		
Between one and five years	136,128	134,518
	<u>136,128</u>	<u>134,518</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2003 £	2002 £
Hire purchase contracts	674,985	627,576
Factored debts	60,600	486,670
	<u>735,585</u>	<u>1,114,246</u>

Hire purchase contracts are secured by the assets over which the agreements relate. The factoring advances are secured on trade debtors.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred tax	45,636	38,971
	<u>45,636</u>	<u>38,971</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 August 2003

15. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £	
Balance at 1 September 2002	38,971	
Deferred tax charge for year in profit and loss account	6,665	
Balance at 31 August 2003	45,636	
Deferred tax provision	2003	2002
	£	£
Deferred tax	45,636	38,971
	45,636	38,971

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2003	2002
			£	£
1,000	"A" Ordinary	£1	1,000	1,000
1,000	"B" Ordinary	£1	1,000	1,000
			2,000	2,000
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003	2002
			£	£
100	"A" Ordinary	£1	100	100
900	"B" Ordinary	£1	900	900
			1,000	1,000

17. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,027 (2002 - £11,660).

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2003

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	248,388	71,263
Dividends	(167,354)	(52,191)
Net addition to shareholders' funds	81,034	19,072
Opening shareholders' funds	386,972	367,900
Closing shareholders' funds	468,006	386,972
Equity interests	468,006	386,972