

Registration number 4248607

Anslow Forge Limited

Abbreviated accounts

for the year ended 31 May 2005



Anslow Forge Limited

Contents

	Page
Directors' report	1
Auditors' report	2
Abbreviated profit and loss account	3
Abbreviated balance sheet	4
Cash flow statement	5
Notes to the financial statements	6 - 14

Anslow Forge Limited

Directors' report for the year ended 31 May 2005

The directors present their report and the accounts for the year ended 31 May 2005.

Principal activity and review of the business

The principal activity of the company is the holding company for a group of companies whose principal activities are that of the manufacture and supply of forgings.

Results and dividends

The results for the year are set out on page 3.

The directors have paid an interim dividend amounting to £104,098 and they do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/05/05	01/06/04
R M Adams	10,000	10,000
P G Parkes	10,000	10,000

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

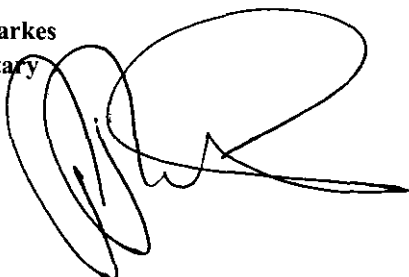
Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Daw White Murrall be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on and signed on its behalf by

P G Parkes
Secretary





DAW WHITE MURRALL
CHARTERED ACCOUNTANTS

1 GEORGE STREET
SNOW HILL
WOLVERHAMPTON
WV2 4DG

We have examined the abbreviated accounts set out on pages 3 to 14 together with the financial statements of Anslow Forge Limited for the year ended 31 May 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts 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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 May 2005, and the abbreviated accounts on pages 3 to 14 are properly prepared in accordance with that provision.

Daw White Murrall
Chartered Accountants and
Registered auditors
1 George Street
Snow Hill
Wolverhampton
WV2 4DG

Anslow Forge Limited

**Abbreviated profit and loss account
for the year ended 31 May 2005**

		Continuing operations	
		Year ended 31/05/05	Period ended 31/05/04
	Notes	£	£
Gross profit		445,605	230,338
Administrative expenses		(293,832)	(151,501)
Operating profit	2	151,773	78,837
Interest payable and similar charges	3	(39,759)	(23,276)
Profit on ordinary activities before taxation		112,014	55,561
Tax on profit on ordinary activities	5	(39,101)	-
Profit on ordinary activities after taxation		72,913	55,561
Dividends	6	(104,098)	-
(Loss)/retained profit for the year		(31,185)	55,561
Retained profit brought forward		195,293	139,732
Retained profit carried forward		164,108	195,293
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		72,913	55,561
Unrealised movement on revaluation of property		-	1,250,000
Total recognised gains relating to the year		72,913	1,305,561

The notes on pages 6 to 14 form an integral part of these financial statements.

Anslow Forge Limited

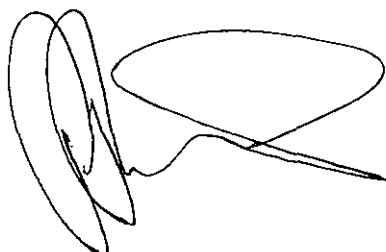
**Abbreviated balance sheet
as at 31 May 2005**

		31/05/05		31/05/04	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		2,477,145		2,500,000
Investments	8		20,000		20,000
			<u>2,497,145</u>		<u>2,520,000</u>
Current assets					
Debtors	9	-		125,303	
Cash at bank and in hand		1,286		-	
		<u>1,286</u>		<u>125,303</u>	
Creditors: amounts falling due within one year	10	<u>(229,288)</u>		<u>(238,422)</u>	
Net current liabilities			<u>(228,002)</u>		<u>(113,119)</u>
Total assets less current liabilities			2,269,143		2,406,881
Creditors: amounts falling due after more than one year	11		<u>(394,206)</u>		<u>(466,252)</u>
Net assets			<u>1,874,937</u>		<u>1,940,629</u>
Capital and reserves					
Called up share capital	12		20,000		20,000
Revaluation reserve	13		1,690,829		1,725,336
Profit and loss account	13		164,108		195,293
Equity shareholders' funds	14		<u>1,874,937</u>		<u>1,940,629</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 20 October 2005 and signed on its behalf by

P G Parkes
Director



The notes on pages 6 to 14 form an integral part of these financial statements.

Anslow Forge Limited

**Cash flow statement
for the year ended 31 May 2005**

		Year ended 31/05/05 £	Period ended 31/05/04 £
	Notes		
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		151,773	78,837
Depreciation		20,128	-
Decrease in debtors		125,303	(21,808)
(Decrease) in creditors		(40,588)	(41,934)
Net cash inflow from operating activities		<u>256,616</u>	<u>15,095</u>
Cash flow statement			
Net cash inflow from operating activities		256,616	15,095
Returns on investments and servicing of finance	18	(39,759)	(23,276)
Capital expenditure	18	(31,780)	-
		<u>185,077</u>	<u>(8,181)</u>
Equity dividends paid		(104,098)	-
Financing	18	-	-
Increase in cash in the year		<u>80,979</u>	<u>(8,181)</u>
Reconciliation of net cash flow to movement in net funds (Note 19)			
Increase in cash in the year		80,979	(8,181)
Net debt at 1 June 2004		(578,899)	(570,718)
Net debt at 31 May 2005		<u>(497,920)</u>	<u>(578,899)</u>

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2005

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over fifty years
Motor vehicles	-	25% straight line

1.4. Investments

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

1.5. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2005

..... continued

1.6. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Operating profit	Year ended 31/05/05 £	Period ended 31/05/04 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	20,128	-
Operating lease rentals		
- Motor vehicles	3,312	-
Auditors' remuneration	7,500	5,000
	<u> </u>	<u> </u>

3. Interest payable and similar charges	Year ended 31/05/05 £	Period ended 31/05/04 £
Interest payable on loans < 1 yr	39,759	23,276
	<u> </u>	<u> </u>

4. Employees

Number of employees	Year ended 31/05/05	Period ended 31/05/04
The average monthly numbers of employees (including the directors) during the year were:		
Directors and management	2	2
	<u> </u>	<u> </u>
Employment costs	31/05/05 £	31/05/04 £
Wages and salaries	166,201	93,680
Social security costs	19,394	10,993
	<u>185,595</u>	<u>104,673</u>

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2005

..... continued

	Year ended 31/05/05 £	Period ended 31/05/04 £
4.1. Directors' emoluments		
Remuneration and other emoluments	154,169	79,167

5. Tax on profit on ordinary activities

	Year ended 31/05/05 £	Period ended 31/05/04 £
Analysis of charge in period		
Current tax		
UK corporation tax	28,544	-
Adjustments in respect of previous periods	10,557	-
	<u>39,101</u>	<u>-</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	112,014	55,561
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 May 2004 : 19%)	33,604	10,557
Effects of:		
Expenses not deductible for tax purposes	78	-
Capital allowances for period in excess of depreciation	(5,138)	-
Adjustments to tax charge in respect of previous periods	10,557	-
Current tax charge for period	<u>39,101</u>	<u>10,557</u>

Anslow Forge Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2005**

..... continued

6. Dividends	Year ended 31/05/05 £	Period ended 31/05/04 £
Dividends on equity shares:		
Ordinary shares - interim paid	104,098	-
	<u> </u>	<u> </u>
 7. Tangible fixed assets	 Land and buildings freehold £	 Motor vehicles £
		Total £
Cost/revaluation		
At 1 June 2004	2,500,000	- 2,500,000
Additions	-	31,780 31,780
	<u> </u>	<u> </u>
At 31 May 2005	2,500,000	31,780 2,531,780
	<u> </u>	<u> </u>
Depreciation		
Charge for the year	50,000	4,635 54,635
	<u> </u>	<u> </u>
At 31 May 2005	50,000	4,635 54,635
	<u> </u>	<u> </u>
Net book values		
At 31 May 2005	2,450,000	27,145 2,477,145
	<u> </u>	<u> </u>
At 31 May 2004	2,500,000	- 2,500,000
	<u> </u>	<u> </u>

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	31/05/05 £	31/05/04 £
Cost	230,000	230,000
Depreciation	-	-
	<u> </u>	<u> </u>
Net book value	-	230,000
	<u> </u>	<u> </u>

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2005

..... continued

8. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 June 2004		
At 31 May 2005	20,000	20,000
Net book values		
At 31 May 2005	20,000	20,000
At 31 May 2004	20,000	20,000

8.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking			
Smethwick Drop Forge Limited	Manufacture and supply of forgings	Ordinary	100%
Platts Forge Limited	Manufacture and supply of forgings	Ordinary	100%

Both companies are registered in England and Wales.

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit /(loss) for the year £
Smethwick Drop Forge Limited	295,404	648,510
Platts Forge Limited	(30,807)	(58,962)

9. Debtors	31/05/05 £	31/05/04 £
Amount owed by connected companies	-	115,303
Other debtors	-	10,000
	-	125,303

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2005

..... continued

10. Creditors: amounts falling due within one year	31/05/05 £	31/05/04 £
Bank overdraft	-	7,647
Bank loan	105,000	105,000
Amounts owed to group undertaking	71,919	105,356
Corporation tax	39,101	-
Other taxes and social security costs	1,268	12,387
Accruals and deferred income	12,000	8,032
	<u>229,288</u>	<u>238,422</u>

The bank borrowings are secured by a fixed and floating charge over the assets of the company under the banks standard debenture.

11. Creditors: amounts falling due after more than one year	31/05/05 £	31/05/04 £
Bank loan	<u>394,206</u>	<u>466,252</u>
Loans		
Repayable in one year or less, or on demand (Note 10)	105,000	105,000
Repayable between one and two years	108,000	108,000
Repayable between two and five years	286,206	337,000
Repayable in five years or more	-	21,252
	<u>499,206</u>	<u>571,252</u>

The bank borrowings are secured by a fixed and floating charge over the assets of the company under the banks standard debenture.

The bank loan, the aggregate total of which amounts to £499,206 (2004 £571,252), is repayable in monthly instalments at 2% over base.

Anslow Forge Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2005**

..... continued

12. Share capital	31/05/05	31/05/04
	£	£
Authorised		
50,000 Ordinary shares of 1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
20,000 Ordinary shares of 1 each	<u>20,000</u>	<u>20,000</u>
13. Equity Reserves	Revaluation reserve	Profit and loss account
	£	£
At 1 June 2004	1,725,336	195,293
(Loss)/retained profit for the year		(31,185)
Other movements	(34,507)	-
At 31 May 2005	<u>1,690,829</u>	<u>164,108</u>
		<u>1,854,937</u>
14. Reconciliation of movements in shareholders' funds	31/05/05	31/05/04
	£	£
Profit for the year	72,913	55,561
Dividends	(104,098)	-
	(31,185)	55,561
Other recognised gains or losses	(34,507)	1,250,000
Net addition to shareholders' funds	(65,692)	1,305,561
Opening shareholders' funds	<u>1,940,629</u>	<u>635,068</u>
Closing shareholders' funds	<u>1,874,937</u>	<u>1,940,629</u>

Anslow Forge Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2005**

..... continued

15. Financial commitments

At 31 May 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Other	
	31/05/05	31/05/04
	£	£
Expiry date:		
Between one and five years	7,936	-

16. Contingent liabilities

Anslow Forge Limited has undertaken an unlimited cross company guarantee dated 10th May 2002 in respect of the bank borrowings of the group. At the 31st May 2005 consolidated group bank borrowing amounted to £2,827,963 (2004 - £3,488,918).

17. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	31/05/05	31/05/04	in year
	£	£	£
P G Parkes	-	10,000	-

The bank borrowings are in part guaranteed by charges over certain life policies of R M Adams and P G Parkes.

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2005

..... continued

18. Gross cash flows

	31/05/05	31/05/04
	£	£
Returns on investments and servicing of finance		
Interest paid	(39,759)	(23,276)
	<u> </u>	<u> </u>
Capital expenditure		
Payments to acquire tangible assets	(31,780)	-
	<u> </u>	<u> </u>
Financing		
New long term bank loan	72,046	40,185
Repayment of long term bank loan	(72,046)	(40,185)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

19. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	-	1,286		1,286
Overdrafts	(7,647)	7,647		-
	<u> </u>	<u> </u>		<u> </u>
	(7,647)	8,933		1,286
Debt due within one year	(105,000)	-	-	(105,000)
Debt due after one year	(466,252)	-	72,046	(394,206)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(571,252)	-	72,046	(499,206)
Net funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(578,899)	8,933	72,046	(497,920)