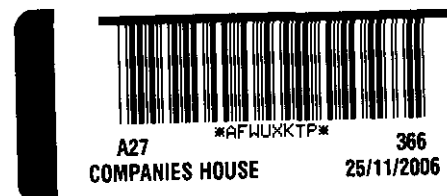


Registration number 4248607

Anslow Forge Limited
Abbreviated accounts
for the year ended 31 May 2006



Anslow Forge Limited

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Anslow Forge Limited

Directors' report for the year ended 31 May 2006

The directors present their report and the accounts for the year ended 31 May 2006.

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.

After making enquiries the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Results and dividends

The results for the year are set out on page 4.

Directors and their interests

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

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

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

-the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Anslow Forge Limited

**Directors' report
for the year ended 31 May 2006**

..... continued

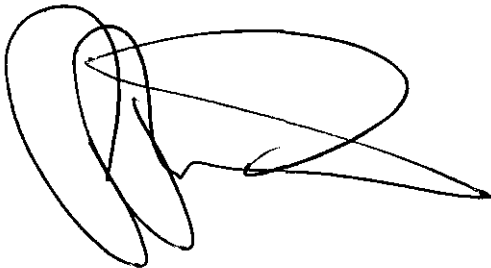
Auditors

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 17 November 2006 and signed on its behalf by

**P G Parkes
Secretary**

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a long, sweeping horizontal stroke that ends in a small upward flick.

**Independent auditors' report to Anslow Forge Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of Anslow Forge Limited for the year ended 31 May 2006 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 work has been undertaken so that we might state to the company 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 as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

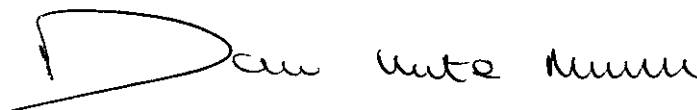
The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the 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 2006, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



**Daw White Murrall
Chartered Accountants and
Registered auditors**

Wolverhampton

17 November 2006

Anslow Forge Limited

**Abbreviated profit and loss account
for the year ended 31 May 2006**

		Continuing operations	
		2006	2005
	Notes	£	£
Gross profit		525,537	445,605
Administrative expenses		(223,659)	(293,832)
Operating profit	2	301,878	151,773
Investment income	3	100,000	-
Interest payable and similar charges	4	(31,046)	(39,759)
Profit on ordinary activities before taxation		370,832	112,014
Tax on profit on ordinary activities	6	(61,095)	(39,101)
Profit on ordinary activities after taxation and Retained profit for the year	13	309,737	72,913
Accumulated (loss)/profit brought forward		164,108	195,293
Reserve Movements		(282,792)	(104,098)
Retained profit carried forward		191,053	164,108

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 16 form an integral part of these financial statements.

Anslow Forge Limited

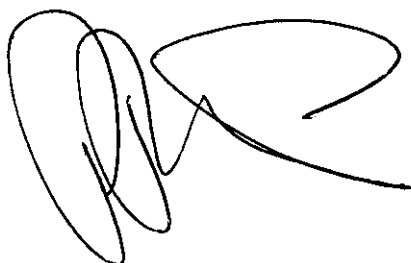
**Abbreviated balance sheet
as at 31 May 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		2,419,201		2,477,145
Investments	8		<u>20,000</u>		<u>20,000</u>
			2,439,201		2,497,145
Current assets					
Debtors	9	20,796		-	
Cash at bank and in hand		<u>2,667</u>		<u>1,286</u>	
		23,463		1,286	
Creditors: amounts falling due within one year	10	<u>(284,327)</u>		<u>(229,288)</u>	
Net current liabilities			<u>(260,864)</u>		<u>(228,002)</u>
Total assets less current liabilities			2,178,337		2,269,143
Creditors: amounts falling due after more than one year	11		<u>(310,962)</u>		<u>(394,206)</u>
Net assets			<u>1,867,375</u>		<u>1,874,937</u>
Capital and reserves					
Called up share capital	12		20,000		20,000
Revaluation reserve	13		1,656,322		1,690,829
Profit and loss account	13		<u>191,053</u>		<u>164,108</u>
Equity shareholders' funds	14		<u>1,867,375</u>		<u>1,874,937</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 17 November 2006 and signed on its behalf by

P G Parkes
Director



The notes on pages 7 to 16 form an integral part of these financial statements.

Anslow Forge Limited

**Cash flow statement
for the year ended 31 May 2006**

	Notes	2006 £	2005 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		301,878	151,773
Depreciation		23,437	20,128
(Increase) in debtors		(20,796)	125,303
Increase in creditors		3,890	(40,588)
Net cash inflow from operating activities		<u>308,409</u>	<u>256,616</u>
Cash flow statement			
Net cash inflow from operating activities		308,409	256,616
Returns on investments and servicing of finance	18	68,954	(39,759)
Taxation	18	(9,945)	-
Capital expenditure	18	-	(31,780)
		<u>367,418</u>	<u>185,077</u>
Equity dividends paid		(282,792)	(104,098)
Financing	18	-	-
Increase in cash in the year		<u>84,626</u>	<u>80,979</u>
Reconciliation of net cash flow to movement in net funds (Note 19)			
Increase in cash in the year		84,626	80,979
Net debt at 1 June 2005		<u>(497,920)</u>	<u>(578,899)</u>
Net debt at 31 May 2006		<u>(413,294)</u>	<u>(497,920)</u>

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2006

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 and comply with financial reporting standards of the Accounting Standards Board.

1.2. Changes in accounting policy

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

1.3. Turnover

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

1.4. 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

1.5. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Investments

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

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2006

..... continued

1.7. 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.

1.8. 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

	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	23,437	20,128
Operating lease rentals		
- Motor vehicles	7,936	3,312
Auditors' remuneration	3,004	7,500
	<u> </u>	<u> </u>

3. Income from investments

	2006	2005
	£	£
Income from subsidiary undertakings	<u>100,000</u>	<u>-</u>

Anslow Forge Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2006**

..... continued

4. Interest payable and similar charges	2006	2005
	£	£
Interest payable on loans < 1 yr	<u>31,046</u>	<u>39,759</u>
5. Employees		
Number of employees	2006	2005
The average monthly numbers of employees (including the directors) during the year were:		
Directors and management	<u>2</u>	<u>2</u>
Employment costs	2006	2005
	£	£
Wages and salaries	85,008	166,201
Social security costs	<u>18,050</u>	<u>19,394</u>
	<u>103,058</u>	<u>185,595</u>
5.1. Directors' emoluments	2006	2005
	£	£
Remuneration and other emoluments	<u>85,008</u>	<u>154,169</u>

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2006

..... continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2006	2005
	£	£
Current tax		
UK corporation tax	61,707	28,544
Adjustments in respect of previous periods	(612)	10,557
	<u>61,095</u>	<u>39,101</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (27 per cent). The differences are explained below:

	2006	2005
	£	£
Profit on ordinary activities before taxation	<u>370,832</u>	<u>112,014</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27% (31 May 2005 : 30%)	100,125	33,604
Effects of:		
Expenses not deductible for tax purposes	(548)	(57)
Capital allowances for period in excess of depreciation	5,518	(5,138)
Utilisation of tax losses	(16,388)	-
Adjustments to tax charge in respect of previous periods	(612)	10,557
Subsidiary franked investment income	(27,000)	-
Current tax charge for period	<u>61,095</u>	<u>38,966</u>

Anslow Forge Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2006**

..... continued

7. Tangible fixed assets	Land and buildings freehold £	Motor vehicles £	Total £
Cost/revaluation			
At 1 June 2005	2,500,000	31,780	2,531,780
At 31 May 2006	<u>2,500,000</u>	<u>31,780</u>	<u>2,531,780</u>
Depreciation			
At 1 June 2005	50,000	4,635	54,635
Charge for the year	50,000	7,944	57,944
At 31 May 2006	<u>100,000</u>	<u>12,579</u>	<u>112,579</u>
Net book values			
At 31 May 2006	<u>2,400,000</u>	<u>19,201</u>	<u>2,419,201</u>
At 31 May 2005	<u>2,450,000</u>	<u>27,145</u>	<u>2,477,145</u>

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

	2006 £	2005 £
Cost	230,000	230,000
Depreciation	<u>-</u>	<u>-</u>
Net book value	<u>230,000</u>	<u>230,000</u>

8. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 June 2005		
At 31 May 2006	<u>20,000</u>	<u>20,000</u>
Net book values		
At 31 May 2006	<u>20,000</u>	<u>20,000</u>
At 31 May 2005	<u>20,000</u>	<u>20,000</u>

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2006

..... continued

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	288,724	92,870
Platts Forge Limited	(93,705)	(62,898)

9. Debtors

	2006	2005
	£	£
Trade debtors	16,346	-
Prepayments and accrued income	4,450	-
	<u>20,796</u>	<u>-</u>

Anslow Forge Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2006**

..... continued

10. Creditors: amounts falling due within one year	2006 £	2005 £
Bank loan	105,000	105,000
Amounts owed to group undertaking	56,310	71,919
Corporation tax	90,250	39,101
Other taxes and social security costs	6,530	1,268
Accruals and deferred income	26,237	12,000
	<u>284,327</u>	<u>229,288</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	2006 £	2005 £
Bank loan	<u>310,962</u>	<u>394,206</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	202,962	286,206
	<u>415,962</u>	<u>499,206</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 is repayable in monthly instalments at 2% over base.

12. Share capital	2006 £	2005 £
Authorised equity		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid equity		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Anslow Forge Limited

Notes to the abbreviated financial statements for the year ended 31 May 2006

..... continued

13. Equity Reserves	Revaluation reserve £	Profit and loss account £	Total £
At 1 June 2005	1,690,829	164,108	1,854,937
Retained profit for the year		309,737	309,737
Other movements	(34,507)	-	(34,507)
Equity dividends		(282,792)	(282,792)
At 31 May 2006	<u>1,656,322</u>	<u>191,053</u>	<u>1,847,375</u>

14. Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the year	309,737	72,913
Dividends	(282,792)	(104,098)
	26,945	(31,185)
Other recognised gains or losses	(34,507)	(34,507)
Net addition to shareholders' funds	(7,562)	(65,692)
Opening shareholders' funds	1,874,937	1,940,629
Closing shareholders' funds	<u>1,867,375</u>	<u>1,874,937</u>

15. Financial commitments

At 31 May 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Other 2006 £	2005 £
Expiry date:		
Between one and five years	<u>7,936</u>	<u>7,936</u>

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 2006 consolidated group bank borrowing amounted to £2,011,706 (2005 - £2,827,963).

Anslow Forge Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2006**

..... continued

17. Transactions with directors

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

18. Gross cash flows

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest paid	(31,046)	(39,759)
Dividends received	100,000	-
	<u>68,954</u>	<u>(39,759)</u>
Taxation		
Corporation tax paid	(10,557)	-
Corporation tax repaid	612	-
	<u>(9,945)</u>	<u>-</u>
Capital expenditure		
Payments to acquire tangible assets	-	(31,780)
Financing		
New long term bank loan	83,244	72,046
Repayment of long term bank loan	(83,244)	(72,046)
	<u>-</u>	<u>-</u>

Anslow Forge Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2006**

..... continued

19. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	1,286	1,381		2,667
Debt due within one year	(105,000)	-	-	(105,000)
Debt due after one year	(394,206)	-	83,244	(310,962)
	(499,206)	-	83,244	(415,962)
Net funds	(497,920)	1,381	83,244	(413,295)