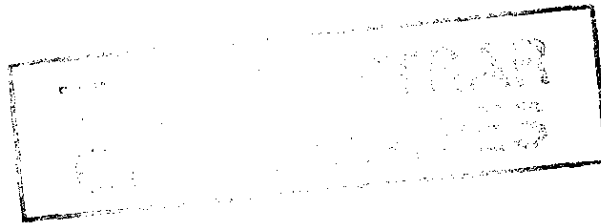


**ALPHA SOLWAY LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR**  
**31ST DECEMBER 2004**



**ARMSTRONG WATSON**  
Chartered Accountants & Registered Auditors  
Fairview House  
Victoria Place  
Carlisle  
Cumbria  
CA1 1HP

# **ALPHA SOLWAY LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 2004**

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**ALPHA SOLWAY LIMITED****INDEPENDENT AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes, together with the financial statements of the company for the year ended 31st December 2004 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 it in a special 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 for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 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 Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and 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 accounts and that the abbreviated accounts 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 financial statements.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

CARLISLE

8<sup>th</sup> April 2005

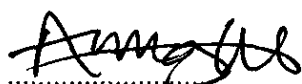
ARMSTRONG WATSON  
Chartered Accountants  
& Registered Auditors

**ALPHA SOLWAY LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31ST DECEMBER 2004**

|                                                                | Note     | 2004<br>£        | 2003<br>£        |
|----------------------------------------------------------------|----------|------------------|------------------|
| <b>FIXED ASSETS</b>                                            | <b>2</b> |                  |                  |
| Tangible assets                                                |          | 421,985          | 435,566          |
| Investments                                                    |          | 461,906          | 461,906          |
|                                                                |          | <u>883,891</u>   | <u>897,472</u>   |
| <b>CURRENT ASSETS</b>                                          |          |                  |                  |
| Stocks                                                         |          | 346,823          | 303,710          |
| Debtors                                                        |          | 479,562          | 423,364          |
| Cash at bank and in hand                                       |          | 93,401           | 120,001          |
|                                                                |          | <u>919,786</u>   | <u>847,075</u>   |
| <b>CREDITORS: Amounts falling due within one year</b>          | <b>3</b> | <u>388,576</u>   | <u>306,309</u>   |
| <b>NET CURRENT ASSETS</b>                                      |          | <u>531,210</u>   | <u>540,766</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |          | <u>1,415,101</u> | <u>1,438,238</u> |
| <b>CREDITORS: Amounts falling due after more than one year</b> | <b>4</b> | 432,479          | 507,883          |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                  |          | 7,100            | 8,600            |
|                                                                |          | <u>975,522</u>   | <u>921,755</u>   |
| <b>CAPITAL AND RESERVES</b>                                    |          |                  |                  |
| Called-up equity share capital                                 | <b>5</b> | 800              | 1,270            |
| Share premium account                                          |          | 544,500          | 544,500          |
| Revaluation reserve                                            |          | 121,540          | 121,540          |
| Other reserves                                                 |          | 4,700            | 4,230            |
| Profit and loss account                                        |          | 303,982          | 250,215          |
| <b>SHAREHOLDERS' FUNDS</b>                                     |          | <u>975,522</u>   | <u>921,755</u>   |

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 6 April 2005 and are signed on their behalf by:



MR A WRIGHT



MR MW GIBBONS

# ALPHA SOLWAY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2004

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

#### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                     |                            |
|---------------------|----------------------------|
| Freehold Property   | - 2% straight line         |
| Plant & Machinery   | - 10% straight line        |
| Fixtures & Fittings | - 10% to 25% straight line |

#### Stocks

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

#### Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

**ALPHA SOLWAY LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST DECEMBER 2004****1. ACCOUNTING POLICIES** *(continued)***Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**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:

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.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**Research and development expenditure**

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred.

**ALPHA SOLWAY LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST DECEMBER 2004****2. FIXED ASSETS**

|                                             | <b>Tangible<br/>Assets<br/>£</b> | <b>Investments<br/>£</b> | <b>Total<br/>£</b> |
|---------------------------------------------|----------------------------------|--------------------------|--------------------|
| <b>COST OR VALUATION</b>                    |                                  |                          |                    |
| At 1st January 2004                         | 695,243                          | 901,419                  | 1,596,662          |
| Additions                                   | 11,108                           | –                        | 11,108             |
| Disposals                                   | (13,676)                         | –                        | (13,676)           |
| <b>At 31st December 2004</b>                | <b>692,675</b>                   | <b>901,419</b>           | <b>1,594,094</b>   |
| <b>DEPRECIATION AND AMOUNTS WRITTEN OFF</b> |                                  |                          |                    |
| At 1st January 2004                         | 259,677                          | 439,513                  | 699,190            |
| Charge for year                             | 23,535                           | –                        | 23,535             |
| On disposals                                | (12,522)                         | –                        | (12,522)           |
| <b>At 31st December 2004</b>                | <b>270,690</b>                   | <b>439,513</b>           | <b>710,203</b>     |
| <b>NET BOOK VALUE</b>                       |                                  |                          |                    |
| <b>At 31st December 2004</b>                | <b>421,985</b>                   | <b>461,906</b>           | <b>883,891</b>     |
| At 31st December 2003                       | 435,566                          | 461,906                  | 897,472            |

**Aggregate capital and reserves**

|                         | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|-------------------------|-------------------|-------------------|
| Vienna Holdings Limited | 33,233            | 33,233            |

The company owns 100% of the issued share capital of Vienna Holdings Limited, a company incorporated in Scotland.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

**3. CREDITORS: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

|                           | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|---------------------------|-------------------|-------------------|
| Bank loans and overdrafts | 44,444            | 14,815            |
| Finance leases            | –                 | 1,491             |
|                           | <b>44,444</b>     | <b>16,306</b>     |

**4. CREDITORS: Amounts falling due after more than one year**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

|                           | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|---------------------------|-------------------|-------------------|
| Bank loans and overdrafts | 347,281           | 385,185           |

**ALPHA SOLWAY LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST DECEMBER 2004****4. CREDITORS: Amounts falling due after more than one year (continued)**

Included within creditors falling due after more than one year is an amount of £197,736 (2003 - £235,640) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

**5. SHARE CAPITAL****Authorised share capital:**

|                                      | 2004         | 2003         |
|--------------------------------------|--------------|--------------|
|                                      | £            | £            |
| 55,000 Ordinary shares of £0.10 each | <u>5,500</u> | <u>5,500</u> |

**Allotted, called up and fully paid:**

|                               | 2004         |            | 2003          |              |
|-------------------------------|--------------|------------|---------------|--------------|
|                               | No           | £          | No            | £            |
| Ordinary shares of £0.10 each | <u>8,000</u> | <u>800</u> | <u>12,700</u> | <u>1,270</u> |

**Purchase of Own Shares**

On the 20th August 2004, the company purchased 4,700 Ordinary Shares of £0.10 each for £47,000.