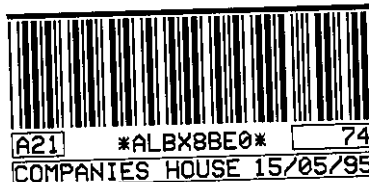


Company Number: 1279766 (England and Wales)

Airfast Engineering Services Limited  
Directors' Report and Financial Statements  
For the Year Ended 31st July 1994

Cook, Thompson & Co  
Registered Auditors and  
Chartered Accountants  
62a Chapel Ash  
Wolverhampton  
West Midlands



Airfast Engineering Services Limited

Company Information

Directors

R R Bills

T S Bills

Secretary

T S Bills

Registered Office

Providence Street  
Lye  
Stourbridge  
West Midlands

Operating Premises

Oldfields  
Congreve Road  
Cradley Heath  
Warley  
West Midlands

Parent Company

Raymond R Bills Limited  
Providence Street  
Lye  
Stourbridge  
West Midlands

Auditors

Cook, Thompson & Co  
Registered Auditors and  
Chartered Accountants  
62a Chapel Ash  
Wolverhampton  
West Midlands

Solicitors

George Green & Co  
195 High Street  
Cradley Heath  
Warley  
West Midlands

Bankers

National Westminster Bank PLC  
2 Hagley Road  
Halesowen  
West Midlands

Airfast Engineering Services Limited

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1-2. Directors' Report

3. Auditors' Report

4. Profit and Loss Account

5. Balance Sheet

6. Cash Flow Statement

7-11. Notes to the Financial Statements

The following pages do not form part  
of the Statutory Accounts

12. Trading Account

13. Schedule of Expenses

Airfast Engineering Services LimitedDirectors' ReportFor the Year Ended 31st July 1994

The Directors present their Report and Financial Statements for the year ended 31st July 1994.

Principal Activity and Review of the Business

The Company's principal activity continues to be that of General Engineers.

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

The Directors are disappointed to report a small drop in Turnover, but pleased to report a profit of £2,147 before tax.

Dividends

The Directors do not recommend payment of a dividend.

Future Developments

The Company does not plan any fundamental change to the range of services and goods supplied.

Fixed Assets

Details of movements in fixed assets are set out in note 7 to the Financial Statements.

Directors

The Directors who served during the year were R R Bills and T S Bills.

The Directors do not hold shares in the Company which is a wholly owned subsidiary of Raymond R Bills Limited. The Directors listed above are Directors of Raymond R Bills Limited and their shareholdings therein are shown in the Accounts of that Company.

Airfast Engineering Services LimitedDirectors' Report continuedFor the Year Ended 31st July 1994Directors' 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.

Auditors

The Auditors Cook, Thompson & Co will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This Report was approved by the Board on 19th April 1995.

Signed on behalf of the Board of Directors.

T S Bills



Company Secretary and Director

Airfast Engineering Services LimitedAuditors' ReportTo the Members of Airfast Engineering Services Limited

We have audited the Financial Statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective Responsibilities of Directors and Auditors

As described on page 2 the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our Audit, on those statements and to report our opinion to you.

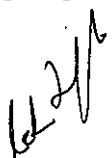
Basis of Opinion

We conducted our Audit in accordance with Auditing Standards issued by the Auditing Practices Board. An Audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our Audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs as at 31st July 1994 and of its Profit for the year then ended and have been properly prepared in accordance with Companies Act 1985.



Cook, Thompson & Co  
Registered Auditors and  
Chartered Accountants  
62a Chapel Ash  
Wolverhampton  
West Midlands

5th May 1995

Airfast Engineering Services LimitedProfit and Loss AccountFor the Year Ended 31st July 1994

	Notes	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
<u>Turnover</u>	2	164,837	167,837
Cost of Sales		(92,019)	(96,676)
<u>Gross Profit</u>		72,818	71,161
Administrative Expenses		(70,594)	(70,906)
<u>Operating Profit</u>	3	2,224	255
Interest Receivable		16	20
Interest Payable	5	( 93)	( 556)
<u>Profit/Loss on Ordinary Activities before Taxation</u>		2,147	( 281)
<u>Tax on Profit/Loss on Ordinary Activities</u>	6	( 637)	296
<u>Profit for the Financial Year</u>	13	<u>£1,510</u>	<u>£15</u>

All amounts relate to continuing activities.

There were no recognised Gains and Losses other than those included in the Profit and Loss Account.

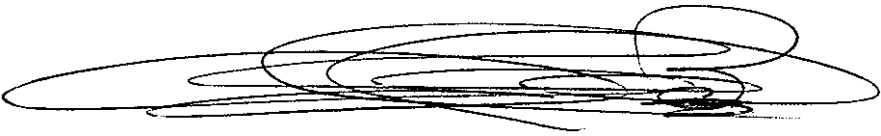
The notes on pages 7 to 11 form part of these Financial Statements.

Airfast Engineering Services LimitedBalance SheetAs at 31st July 1994

	Notes	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
<u>Tangible Fixed Assets</u>	7	<u>27,904</u>	<u>28,783</u>
<u>Current Assets</u>			
Stocks	8	7,430	7,257
Debtors	9	25,303	25,213
Cash at Bank and in Hand		<u>10,057</u>	<u>10,337</u>
		42,790	42,807
<u>Creditors: Amounts falling due within one year</u>	10	<u>(60,926)</u>	<u>(63,332)</u>
<u>Net Current Liabilities</u>		<u>(18,136)</u>	<u>(20,525)</u>
<u>Total Assets less Current Liabilities</u>		<u>£9,768</u>	<u>£8,258</u>
<u>Capital and Reserves</u>			
Called Up Share Capital	12	1,000	1,000
Profit and Loss Account	13	<u>8,768</u>	<u>7,258</u>
Shareholders' Funds	14	<u>£9,768</u>	<u>£8,258</u>

Approved by the Board of Directors on 19th April 1995  
and signed on its behalf.

R R Bills  
Director



The notes on pages 7 to 11 form part of these Financial Statements.

Airfast Engineering Services Limited  
Cashflow Statement  
For the Year Ended 31st July 1994

		<u>1994</u>	<u>1993</u>
	Notes	£	£
<u>Net Cash Inflow from Operating Activities</u>	17	12,336	4,272
<u>Returns on Investments and Servicing of Finance</u>			
Interest Received		16	20
Interest Paid including Interest on Hire Purchase Payments	( 93)	( 556)	
Net Cash Outflow from Returns on Investments and Servicing of Finance		( 77)	( 536)
<u>Taxation</u>			
Tax Repayment Received		296	-
<u>Investing Activities</u>			
Payments to acquire Tangible Fixed Assets excluding those on Finance Leases and Hire Purchase Contracts	(6,653)	(2,158)	
Receipts from Sale of Tangible Fixed Assets	<u>2,803</u>	<u>600</u>	
Net Cash Outflow from Investing activities		( <u>3,850</u> )	( <u>1,558</u> )
<u>Net Cash Inflow before Financing</u>		8,705	2,178
<u>Financing</u>			
Capital Element of Hire Purchase Payments	( 668)	(3,890)	
Change in Group Balances	( <u>8,317</u> )	( <u>11,547</u> )	
Net Cash Outflow from Financing		( <u>8,985</u> )	( <u>15,437</u> )
<u>Decrease in Cash and Cash Equivalents</u>	18	£( <u>280</u> )	£( <u>13,259</u> )

The notes on pages 7 to 11 form part of these Financial Statements.

Airfast Engineering Services Limited  
Notes to the Financial Statements  
For the Year Ended 31st July 1994

1. Accounting Policies

1.1 Basis of Preparation of Accounts

The Financial Statements are prepared under the historical cost convention and are in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the Company, net of Value Added Tax.

1.3 Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Plant and Machinery	15% Reducing Balance
Fixtures and Fittings	10% Reducing Balance
Office Furniture and Equipment	10% Reducing Balance
Motor Vehicles	25% Reducing Balance

1.4 Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over their expected useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to Profit and Loss Account as incurred.

1.6 Stocks and Work in Progress

Stocks and Work in Progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Costs include all direct costs.

1.7 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

Airfast Engineering Services Limited  
Notes to the Financial Statements  
For the Year Ended 31st July 1994

1.8 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2. Turnover

The whole of the Turnover and Profit before taxation is attributable to the principal activity of the Company, General Engineers.

All Sales were within the United Kingdom and are analysed as follows -

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Sales and Services	59,424	89,081
Group	<u>105,413</u>	<u>78,756</u>
	<u>164,837</u>	<u>167,837</u>

3. Operating Profit

The Operating Profit is stated after charging:

Depreciation of Tangible Fixed Assets	4,729	5,325
Profit on Disposal	-	( 42)
Operating Lease Rentals - Land and Buildings	8,955	8,715
Auditors Remuneration	<u>1,250</u>	<u>1,250</u>

4. Staff Costs

Staff Costs were as follows:-

Wages and Salaries	72,167	72,179
Social Security Costs	6,574	7,159
Other Pension Costs	-	996
	<u>78,741</u>	<u>80,334</u>

The Directors did not receive remuneration in the year. (1993 Nil).

The average weekly number of employees, excluding Directors during the year were as follows :-

	<u>No</u>	<u>No</u>
Management (Excluding Directors)	1	1
Administration	1	1
Engineers	<u>5</u>	<u>6</u>
	<u>7</u>	<u>8</u>
	<u>£</u>	<u>£</u>

5. Interest Payable

On Hire Purchase Contracts	<u>93</u>	<u>556</u>
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Airfast Engineering Services Limited  
Notes to the Financial Statements  
For the Year Ended 31st July 1994

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
6. <u>Taxation</u>		
<u>UK Current Year Taxation</u>		
UK Corporation Tax at 25%. (1993 25%)	( 637)	<u>296</u>

7. Tangible Fixed Assets

	<u>Plant etc</u> <u>£</u>	<u>Motor Vehicles</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>Cost</u>			
At 1st August 1993	54,875	8,215	63,090
Additions	6,653	-	6,653
Disposals	-	(6,642)	(6,642)
At 31st July 1994	<u>61,528</u>	<u>1,573</u>	<u>63,101</u>
<u>Depreciation</u>			
At 1st August 1993	29,780	4,527	34,307
Charge for the Year	4,508	221	4,729
Relating to Disposals	-	(3,839)	(3,839)
At 31st July 1994	<u>34,288</u>	<u>909</u>	<u>35,197</u>
<u>Net Book Values</u>			
At 31st July 1994	<u>27,240</u>	<u>664</u>	<u>27,904</u>
At 31st July 1993	<u>25,095</u>	<u>3,688</u>	<u>28,783</u>

The net book value of Tangible Fixed Assets is Nil, in respect of assets held under Hire Purchase Contracts. (1993 £7,044).

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
8. <u>Stocks</u>		
Raw Materials	2,904	2,964
Work in Progress	638	2,137
Finished Goods	3,888	2,156
	<u>7,430</u>	<u>7,257</u>
9. <u>Debtors</u>		
<u>Due within one year</u>		
Trade Debtors	23,935	23,622
Corporation Tax	-	296
Other Debtors	-	146
Prepayments and Accrued Income	<u>1,368</u>	<u>1,149</u>
	<u>25,303</u>	<u>25,213</u>

Airfast Engineering Services Limited  
Notes to the Financial Statements  
For the Year Ended 31st July 1994

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
10. <u>Creditors</u> : Amounts falling due within one year		
Net Obligations under Hire Purchase Contracts (Secured)	-	668
Trade Creditors	18,473	13,453
Amount owed to Parent Company	32,225	40,542
Corporation Tax	637	-
Other Taxation and Social Security	4,984	4,272
Other Creditors	2,107	1,979
Accruals and Deferred Income	2,500	2,418
	<u>60,926</u>	<u>63,332</u>
11. <u>Deferred Taxation</u> - not provided for		
Maximum Potential Liability		
Accelerated Capital Allowances	<u>2,774</u>	<u>2,555</u>
	<u>1994</u>	<u>1993</u>
12. <u>Share Capital</u>		
<u>Authorised</u>		
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<u>Allotted</u>		
Ordinary Shares of £1 each, fully paid	<u>1,000</u>	<u>1,000</u>
	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
13. <u>Profit and Loss Account</u>		
Balance at 1st August 1993	7,258	7,243
Profit Retained for the Year	<u>1,510</u>	<u>15</u>
Balance at 31st July 1994	<u>8,768</u>	<u>7,258</u>
14. <u>Reconciliation of Movement in Shareholders' Funds</u>		
Profit for the Year	1,510	15
Shareholders' Funds at 1st August 1993	<u>8,258</u>	<u>8,243</u>
Shareholders' Funds at 31st July 1994	<u>9,768</u>	<u>8,258</u>

Airfast Engineering Services Limited  
Notes to the Financial Statements  
For the Year Ended 31st July 1994

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
<b>15. <u>Contingent Liabilities</u></b>		
There are no Contingent Liabilities		
<b>16. <u>Capital Commitments</u></b>		
Contracted for	<u>Nil</u>	<u>Nil</u>
Authorised but not Contracted for	<u>Nil</u>	<u>Nil</u>
<b>17. <u>Reconciliation of Operating Profit to Net Cash Inflow from Operations</u></b>		
Operating Profit	2,224	255
Depreciation Charges	4,729	5,325
Profit on Disposal of Assets	-	( 42)
(Increase) Decrease in Stocks	( 173)	2,447
(Increase) Decrease in Debtors	( 386)	18,436
(Decrease) Increase in Creditors	5,942	(22,149)
	<u>12,336</u>	<u>4,272</u>
<b>18. <u>Analysis of Changes in Cash and Cash Equivalents during the year</u></b>		
Balance at 1st August 1993	10,337	23,596
Net Cash Outflow	( 280)	(13,259)
Balance at 31st July 1994	<u>10,057</u>	<u>10,337</u>
<b>19. <u>Holding Company</u></b>		
The Ultimate Holding Company is Raymond R Bills Limited which is incorporated in England and Wales.		
<b>20. <u>Transactions with Directors</u></b>		
The Company paid rent to Mr R R Bills of £8,715. (1993 £8,715) in the financial year. The rent is at commercial rates and subject to regular rent reviews.		
<b>21. <u>Post Balance Sheet Event</u></b>		
The Company has moved from Powke Lane Industrial Estate, Rowley Regis, to Congreve Road, Cradley Heath.		