

D.G. O'Brien UK Limited
Financial Statements
30 September 2006



BISHOP FLEMING
Chartered Accountants & Registered Auditors
16 Queen Square
Bristol
BS1 4NT

D.G. O'Brien UK Limited

Financial Statements

Year ended 30 September 2006

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D.G. O'Brien UK Limited

Officers and Professional Advisers

The Board of Directors	Mr D E Dunfee
Company Secretary	Mr M J Ryan
Registered Office	Unit 30 Hither Green Industrial Estate Clevedon North Somerset BS21 6XU
Auditor	Bishop Fleming Chartered Accountants & Registered Auditors 16 Queen Square Bristol BS1 4NT

D.G. O'Brien UK Limited

The Director's Report

Year ended 30 September 2006

The director has pleasure in presenting his report and the financial statements of the company for the year ended 30 September 2006.

Principal activities

The principal activity of the company during the year was production and sale of specifically designed electrical cables and plugs for use in nautical applications.

Director

The director who served the company during the year was as follows:

Mr D E Dunfee

The director did not have any interest in the share capital of the company during the year. For details of the parent company please see Note 13.

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director 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 year.*

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the *financial position of the company* and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

In so far as the director is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A resolution to re-appoint Bishop Fleming as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

D.G. O'Brien UK Limited

The Director's Report *(continued)*

Year ended 30 September 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

Unit 30

Hither Green Industrial Estate

Clevedon

North Somerset

BS21 6XU

Signed by



Mr D E Dunfee
Director

Approved by the director on

09 Feb 2007

D.G. O'Brien UK Limited**Independent Auditor's Report to the Shareholders of
D.G. O'Brien UK Limited****Year ended 30 September 2006**

We have audited the financial statements of D.G. O'Brien UK Limited for the year ended 30 September 2006 on pages 6 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Director's Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 director 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 misstatement, 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.

D.G. O'Brien UK Limited


**Independent Auditor's Report to the Shareholders of
D.G. O'Brien UK Limited** *(continued)*

Year ended 30 September 2006

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.



Bishop Fleming
Chartered Accountants
& Registered Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 9 February 2007

D.G. O'Brien UK Limited**Profit and Loss Account****Year ended 30 September 2006**

	Note	2006 £	2005 £
Turnover	2	2,677,336	1,133,244
Cost of sales		2,028,440	805,829
Gross profit		648,896	327,415
Administrative expenses		461,731	255,951
Other operating income		(41,649)	(28,712)
Operating profit	3	228,814	100,176
Interest receivable and similar income		5,981	3,516
Profit on ordinary activities before taxation		234,795	103,692
Tax on profit on ordinary activities	4	63,989	26,931
Profit for the financial year		170,806	76,761


The notes on pages 8 to 12 form part of these financial statements.

D.G. O'Brien UK Limited**Balance Sheet****30 September 2006**

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	5	26,242	27,648
Current assets			
Stocks		177,315	93,974
Debtors	6	773,237	519,333
Cash at bank and in hand		188,094	202,497
		<u>1,138,646</u>	<u>815,804</u>
Creditors: Amounts falling due within one year	7	<u>570,817</u>	<u>320,187</u>
Net current assets		<u>567,829</u>	<u>495,617</u>
Total assets less current liabilities		<u>594,071</u>	<u>523,265</u>
Creditors: Amounts falling due after more than one year	8	<u>—</u>	<u>100,000</u>
		<u>594,071</u>	<u>423,265</u>
Capital and reserves			
Called-up equity share capital	11	3,200	3,200
Profit and loss account	12	590,871	420,065
Shareholders' funds		<u>594,071</u>	<u>423,265</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved and signed by the director on 09 Feb 2007


Mr D E Dunfee
Director

D.G. O'Brien UK Limited**Notes to the Financial Statements****Year ended 30 September 2006**

1. Accounting policies**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

(b) Turnover

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

(c) Fixed assets

All fixed assets are initially recorded at cost.

(d) Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Leasehold improvements	- 25% on cost
Computer equipment	- 33% on cost
Workshop tools	- 33% - 100% on cost
Office equipment	- 33% on cost

(e) Stocks

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

(f) 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.

(g) 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.

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.

(h) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

D.G. O'Brien UK Limited**Notes to the Financial Statements****Year ended 30 September 2006****2. Turnover**

Overseas turnover amounted to 32.39% (To 30 September 2005 - 56.73%) of the total turnover for the year.

3. Operating profit

Operating profit is stated after charging:

	2006	2005
	£	£
Depreciation of owned fixed assets	18,246	27,091
Auditor's fees	3,200	3,600

4. Taxation on ordinary activities**(a) Analysis of charge in the year**

	2006	2005
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	63,989	26,931
Total current tax	63,989	26,931

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%).

	2006	2005
	£	£
Profit on ordinary activities before taxation	234,795	103,692
Profit/(loss) on ordinary activities by rate of tax	70,439	31,107
Expenses not deductible for tax purposes	372	-
Depreciation for period in excess of capital allowances	401	3,335
Marginal relief	(7,223)	(10,593)
Adjustments to tax charge in respect of previous periods	-	3,082
Total current tax (note 4(a))	63,989	26,931

D.G. O'Brien UK Limited**Notes to the Financial Statements****Year ended 30 September 2006****5. Tangible fixed assets**

	Leasehold improvements £	Computer equipment £	Workshop tools £	Office equipment £	Total £
Cost					
At 1 October 2005	14,625	21,498	77,944	30,992	145,059
Additions	—	4,701	—	12,139	16,840
At 30 September 2006	<u>14,625</u>	<u>26,199</u>	<u>77,944</u>	<u>43,131</u>	<u>161,899</u>
Depreciation					
At 1 October 2005	10,933	19,055	63,919	23,504	117,411
Charge for the year	3,657	1,753	5,412	7,424	18,246
At 30 September 2006	<u>14,590</u>	<u>20,808</u>	<u>69,331</u>	<u>30,928</u>	<u>135,657</u>
Net book value					
At 30 September 2006	<u>35</u>	<u>5,391</u>	<u>8,613</u>	<u>12,203</u>	<u>26,242</u>
At 30 September 2005	<u>3,692</u>	<u>2,443</u>	<u>14,025</u>	<u>7,488</u>	<u>27,648</u>

6. Debtors

	2006 £	2005 £
Trade debtors	573,444	287,040
Amounts owed by group undertakings	183,436	215,758
VAT recoverable	—	3,043
Other debtors	16,357	13,492
	<u>773,237</u>	<u>519,333</u>

7. Creditors: Amounts falling due within one year

	2006 £	2005 £
Trade creditors	67,244	16,372
Amounts owed to group undertakings	228,436	154,239
Corporation tax	60,920	26,931
Other taxation and social security	21,045	—
Other creditors	193,172	122,645
	<u>570,817</u>	<u>320,187</u>

8. Creditors: Amounts falling due after more than one year

	2006 £	2005 £
Other creditors	<u>—</u>	<u>100,000</u>

D.G. O'Brien UK Limited**Notes to the Financial Statements****Year ended 30 September 2006****9. Commitments under operating leases**

At 30 September 2006 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2006 £	2005 £
Operating leases which expire:		
Within 1 year	-	34,464
Within 2 to 5 years	33,630	734
	<u>33,630</u>	<u>35,198</u>

10. Related party transactions

During the year the following transactions were made with D.G. O'Brien Inc, a company incorporated in the USA, which retains a 100% interest in the share capital of D.G. O'Brien UK Limited:- recharges of £6,099 (2005 £4,281), purchases of £2,055,325 (2005 £721,356), and commissions receivable of £41,649 (2005 £28,712).

At the year end amounts due to the parent company totalled £228,436 (2005: £154,239) and amounts due from the company totalled £183,436 (2005: £215,758).

11. Share capital**Authorised share capital:**

	2006 £	2005 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>

12. Profit and loss account

	2006 £	2005 £
Balance brought forward	420,065	343,304
Profit for the financial year	170,806	76,761
Balance carried forward	<u>590,871</u>	<u>420,065</u>

13. Ultimate parent company

The ultimate parent company is D.G. O'Brien Inc, a company incorporated in the United States of America.

Copies of the consolidated accounts of the ultimate parent company are available from D.G.

D.G. O'Brien UK Limited

Notes to the Financial Statements

Year ended 30 September 2006

O'Brien Inc, One Chase Park, PO Box 159, Seabrook, New Hampshire, USA.