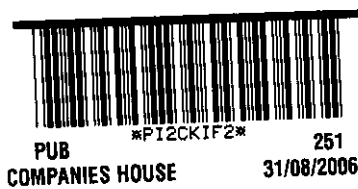


REGISTERED NUMBER: 03072868 (England and Wales)

Abbreviated Accounts
for the year ended 31 October 2005
for
CELTIC GATEWAY LIMITED



CELTIC GATEWAY LIMITED

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CELTIC GATEWAY LIMITED

Company Information
for the year ended 31 October 2005

DIRECTORS:

P E Bailey
A E Griffiths

SECRETARY:

A E Griffiths

REGISTERED OFFICE:

The Gatehouse
Melrose Hall
Cypress Drive
St Mellons
Cardiff
CF3 0EG

REGISTERED NUMBER:

03072868 (England and Wales)

AUDITORS:

KTS OWENS THOMAS LIMITED
Chartered Accountants and Registered Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

**Report of the Independent Auditors to
Celtic Gateway Limited
Under Section 247B of the Companies Act 1985**



We have examined the abbreviated accounts set out on pages four to six, together with the financial statements of Celtic Gateway Limited for the year ended 31 October 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 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 work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and 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 abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Other information

On 31.8.2006 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 October 2005 prepared under Section 226 of the Companies Act 1985, and our report included the following paragraph:

"Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the continuation of support from the company's bankers and parent undertaking. In view of the significance of this support we consider that it should be drawn to your attention but our opinion is not qualified in this respect."

KTS OWENS THOMAS LIMITED
Chartered Accountants and Registered Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

KTS Owens Thomas Limited

31st August 2006

CELTIC GATEWAY LIMITED**Abbreviated Balance Sheet****31 October 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Investments	2	326,512	-
CURRENT ASSETS			
Stocks		3,877,169	4,199,323
Debtors		2,955,160	2,968,066
Cash at bank		111,201	2,453,080
		6,943,530	9,620,469
CREDITORS			
Amounts falling due within one year	3	(2,766,656)	(4,912,589)
NET CURRENT ASSETS		4,176,874	4,707,880
TOTAL ASSETS LESS CURRENT LIABILITIES		4,503,386	4,707,880
CREDITORS			
Amounts falling due after more than one year	3	(5,370,000)	(4,986,191)
NET LIABILITIES		(866,614)	(278,311)
CAPITAL AND RESERVES			
Called up share capital	4	189,288	189,288
Share premium		28,758	28,758
Profit and loss account		(1,084,660)	(496,357)
SHAREHOLDERS' FUNDS		(866,614)	(278,311)

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:
.....
P E Bailey - DirectorApproved by the Board on 24 August 2006

The notes form part of these abbreviated accounts

CELTIC GATEWAY LIMITED

Notes to the Abbreviated Accounts for the year ended 31 October 2005

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

In preparing these financial statements, the directors have considered the appropriateness of the going concern basis of preparation. The Company relies upon the support of its bankers and parent undertaking to provide sufficient funding to enable the Company to continue to meet its liabilities as and when they fall due. The parent undertaking has pledged such support and the directors are confident that continued support will be forthcoming from the Company's bankers. On that basis, the directors have prepared the financial statements on the going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. FIXED ASSET INVESTMENTS

	Listed investments £
COST	
Additions	510,000
Impairments	(183,488)
At 31 October 2005	<u>326,512</u>
NET BOOK VALUE	
At 31 October 2005	<u><u>326,512</u></u>

CELTIC GATEWAY LIMITED

Notes to the Abbreviated Accounts - continued for the year ended 31 October 2005

3. CREDITORS

The following secured debts are included within creditors:

	2005	2004
	£	£
Bank loans	<u>5,370,000</u>	<u>4,986,191</u>

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005	2004
			£	£
68,096	Ordinary A	£1	68,096	68,096
68,096	Ordinary B	£1	68,096	68,096
53,096	Ordinary C	£1	<u>53,096</u>	<u>53,096</u>
			<u>189,288</u>	<u>189,288</u>

The holders of the 'A' and 'B' shares are entitled to appoint two directors each and the 'C' shares one director. In all other respects the shares rank pari passu.

5. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Bailey Investments Limited, a company incorporated in England & Wales.

6. TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the year ended 31 October 2005:

	£
P E Bailey	
Balance outstanding at start of year	-
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>419,543</u>