

Company Registration No. 3168991 (England and Wales)

Thermwood (Europe) Limited

**Abbreviated Accounts
For The Year Ended 31 July 2004**



THERMWOOD (EUROPE) LIMITED

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THERMWOOD (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THERMWOOD (EUROPE) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 July 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 them 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 the director and auditors

The director is 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 to report our opinion to you.

Basis of audit 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 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 Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

Garbutt & Elliott Limited

Garbutt & Elliott Limited

Chartered Accountants

Registered Auditors

16 DECEMBER 2004

Arabesque House
Monks Cross Drive
Huntington
York
YO32 9GW

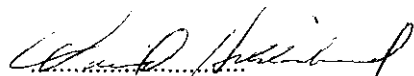
THERMWOOD (EUROPE) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 JULY 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	2		1,547		3,505
Current assets					
Stocks		122,358		102,031	
Debtors		114,309		109,686	
Cash at bank and in hand		207,686		34,522	
		<u>444,353</u>		<u>246,239</u>	
Creditors: amounts falling due within one year		<u>(589,860)</u>		<u>(611,621)</u>	
Net current liabilities			(145,507)		(365,382)
Total assets less current liabilities			<u>(143,960)</u>		<u>(361,877)</u>
Capital and reserves					
Called up share capital	3		62,290		62,290
Profit and loss account			(206,250)		(424,167)
Shareholders' funds			<u>(143,960)</u>		<u>(361,877)</u>

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

The financial statements were approved by the Board on 27 Sept 2004



D Hildenbrand
Director

THERMWOOD (EUROPE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention .

The parent company, Thermwood Corporation, has agreed to provide Thermwood (Europe) Limited with the necessary working capital for at least one year from the date of these financial statements and accordingly these financial statements have been prepared on a going concern basis.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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 less estimated residual value of each asset over its expected useful life, as follows:

Leasehold building improvements

Plant and machinery

Motor vehicles

3 - 6 years straight line

3 years straight line

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Fixed assets

	Tangible assets £
Cost	
At 1 August 2003 & at 31 July 2004	43,522
Depreciation	
At 1 August 2003	40,017
Charge for the year	1,958
At 31 July 2004	41,975
Net book value	
At 31 July 2004	1,547
At 31 July 2003	3,505

THERMWOOD (EUROPE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2004

3	Share capital	2004	2003
		£	£
	Authorised		
	500,000 Ordinary shares of £1 each	500,000	500,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	62,290 Ordinary shares of £1 each	62,290	62,290
		<u> </u>	<u> </u>

4 Ultimate parent company

The company is controlled by Thermwood Corporation incorporated in the USA. The ultimate controlling party is K J Susnjara, the majority shareholder in the parent company.