

C House

Company Registration No. 3333718 (England and Wales)

SHED TWO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005



SHED TWO LIMITED

COMPANY INFORMATION

Directors	B Gold S Wye	(Appointed 30 November 2004)
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Secretary	P Unadkat
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Company number	3333718
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Registered office	Gold Group House Godstone Road Whyteleafe Surrey CR3 0GG
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Auditors	MRI Moores Rowland LLP 3 Sheldon Square London W2 6PS
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SHED TWO LIMITED

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SHED TWO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2005

The directors present their report and financial statements for the year ended 30 June 2005.

Principal activities

The principal activity of the company continued to be that of aircraft leasing. The company is experiencing a temporary suspension of trade and continues to look for further aircraft.

Directors

The following directors have held office since 1 July 2004:

B Gold	
S Wye	(Appointed 30 November 2004)
D Witchell	(Resigned 30 November 2004)
R Gold	(Resigned 25 January 2005)

Directors' interests

The directors' direct interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 June 2005	1 July 2004
B Gold	-	-
S Wye	-	-

A number of shares in the ultimate parent undertaking Gold Group International Limited are owned by trusts in which Gold family members are also included as potential beneficiaries. B Gold is a potential beneficiary of 5.1 percent of the issued share capital of Gold Group International Limited.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that MRI Moores Rowland LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

SHED TWO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

Directors' 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 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.

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

On behalf of the board



S Wye

Director

19-04-06

SHED TWO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SHED TWO LIMITED

We have audited the financial statements of Shed Two Limited on pages 4 to 10 for the year ended 30 June 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 directors' remuneration and transactions with the company is not disclosed. We read the directors' 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 United Kingdom 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MRI Moores Rowland LLP

MRI Moores Rowland LLP

Chartered Accountants
Registered Auditor

21-10-06

3 Sheldon Square
London
W2 6PS

SHED TWO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 £	2004 £
Cost of sales		(1,218)	(2,324)
Administrative expenses		(1,387)	7,093
Operating (loss)/profit	2	(2,605)	4,769
Other interest receivable and similar income	3	165	1,503
(Loss)/profit on ordinary activities before taxation		(2,440)	6,272
Tax on (loss)/profit on ordinary activities	4	731	(1,882)
(Loss)/profit on ordinary activities after taxation	10	(1,709)	4,390

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 6 to 10 form an integral part of these financial statements.

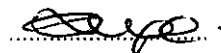
SHED TWO LIMITED

BALANCE SHEET AS AT 30 JUNE 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	5		59,386		60,604
Current assets					
Debtors	6	104,441		111,488	
Cash at bank and in hand		198		-	
		<u>104,639</u>		<u>111,488</u>	
Creditors: amounts falling due within one year	7	<u>(63,166)</u>		<u>(69,849)</u>	
Net current assets			41,473		41,639
Total assets less current liabilities			<u>100,859</u>		<u>102,243</u>
Provisions for liabilities and charges	8		<u>(8,180)</u>		<u>(7,855)</u>
			<u>92,679</u>		<u>94,388</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		92,677		94,386
Shareholders' funds - equity interests	11		<u>92,679</u>		<u>94,388</u>

These financial statements 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 19-04-06



S Wye
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

SHED TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard 1 Cash Flow Statements (revised) from the requirement to produce a cashflow statement on the grounds that it is a small company.

The company has taken advantage of the exemption in Financial Reporting Standard 1 Cash Flow Statements (revised) from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

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:

Aircraft	5% per annum, straight line
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1.4 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.5 Aircraft repairs and maintenance

Expenses incurred in the repair and maintenance of aircraft are charged to the profit and loss account when incurred.

1.6 Leasing of assets

Income receivable from the leasing of aircraft to charter companies is credited to the profit and loss account based on the number of hours these charter companies operate the aircraft during the period.

2 Operating (loss)/profit	2005	2004
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	1,218	2,324
Auditors' remuneration	1,400	1,542
and after crediting:		
Profit on disposal of tangible assets	-	(9,331)
	<hr/>	<hr/>
3 Investment income	2005	2004
	£	£
Bank interest	165	1,503
	<hr/>	<hr/>

SHED TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

4	Taxation	2005	2004
		£	£
	Domestic current year tax		
	Receipt in respect of group relief	(1,056)	(979)
	Current tax charge	(1,056)	(979)
	Deferred tax		
	Deferred tax charge/credit current year	325	2,861
		(731)	1,882
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(2,440)	6,272
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	(732)	1,882
	Effects of:		
	Depreciation add back	366	697
	Capital allowances	(690)	(759)
	Chargeable disposals	-	(2,799)
		(324)	(2,861)
	Current tax charge	(1,056)	(979)
5	Tangible fixed assets		
			Aircraft
			£
	Cost		
	At 1 July 2004 & at 30 June 2005		60,922
	Depreciation		
	At 1 July 2004		318
	Charge for the year		1,218
	At 30 June 2005		1,536
	Net book value		
	At 30 June 2005		59,386
	At 30 June 2004		60,604

SHED TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

6 Debtors	2005 £	2004 £
Amounts owed by group undertakings	104,436	111,488
Other debtors	5	-
	<u>104,441</u>	<u>111,488</u>

7 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	-	4,916
Trade creditors	-	144
Amounts owed to group undertakings	61,459	30,880
Taxation and social security	125	32,109
Other creditors	1,582	1,800
	<u>63,166</u>	<u>69,849</u>

8 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 July 2004	7,855
Profit and loss account	325
	<u>8,180</u>
Balance at 30 June 2005	

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	<u>8,180</u>	<u>7,855</u>

SHED TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

9	Share capital	2005	2004
		£	£
	Authorised		
	100 Ordinary shares of £1 each	100	100
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	2	2
		<u> </u>	<u> </u>
10	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 July 2004		94,386
	Retained loss for the year		(1,709)
			<u> </u>
	Balance at 30 June 2005		92,677
			<u> </u>
11	Reconciliation of movements in shareholders' funds	2005	2004
		£	£
	(Loss)/Profit for the financial year	(1,709)	4,390
	Opening shareholders' funds	94,388	89,998
		<u> </u>	<u> </u>
	Closing shareholders' funds	92,679	94,388
		<u> </u>	<u> </u>

12 Contingent liabilities

The company has given a cross guarantee to secure the banking arrangements of the group. At the balance sheet date the group's indebtedness to its bankers under this arrangement was £nil (2004 - £nil).

13 Control

The company's parent undertaking and immediate controlling party at the balance sheet date continued to be Shed Group Limited, a company registered in England and Wales. The ultimate parent company continued to be Gold Group International Limited, a company registered in England and Wales.

The ultimate controlling parties continued to be David Gold and Ralph Gold, majority shareholders of Gold Group International Limited, by virtue of that company's controlling interest in the share capital of Shed Group Limited.

SHED TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2005*

14 Related party transactions

The company is a wholly owned subsidiary of Shed Group Limited, itself a 95% owned subsidiary of Gold Group International Limited, and utilises the exemption contained in Financial Reporting Standard 8 Related Party Disclosures not to disclose any transactions with entities that are part of the Gold Group International group. The address at which the consolidated financial statements are publicly available is Gold Group House, Godstone Road, Whyteleafe, Surrey, CR3 0GG.