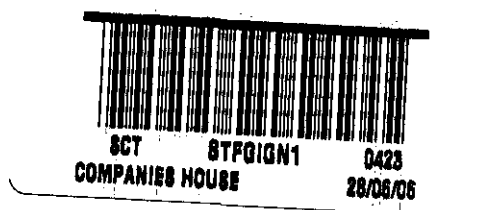


DMI Precision Engineering Limited

**Director's Report and Financial Statements
for the year ended 30 November 2005**



Company Registration Number: SC056292

DMI Precision Engineering Limited

Directors: Mr H Innes
Mr B Innes

Secretary: Mr H Innes

Company Number: SC056292

Registered Office: Unit 17
Macmerry Industrial Estate
Tranent
East Lothian
EH33 1RD

DMI Precision Engineering Limited

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of the statutory accounts:

Profit and Loss Account	7
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DMI Precision Engineering Limited

Directors Report for the year ended 30 November 2005

The directors present their report together with the financial statements of the company for the year ended 30 November 2005

PRINCIPAL ACTIVITY

The principal activity of the Company in the year was that of precision engineering.

GOING CONCERN

The accounts have been prepared on the normal going concern basis.

DIRECTOR AND DIRECTOR'S INTERESTS

The directors of the company in office during the year and their interests in the company was as follows:

	Ordinary Shares of £1 Each 2005	Ordinary Shares of £1 Each 2004
Mr H Innes	51	51
Mr B Innes	49	49

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

By Order of the Board

Registered Office:

Unit 17
Macmerry Industrial Estate
Tranent
East Lothian
EH33 1RD


.....
Mr H Innes
DIRECTOR

DATED 19 March 2006

DMI Precision Engineering Limited

Profit & Loss Account for the year ended 30 November 2005

	Notes	2005 £	2004 £
Turnover	2	245,604	192,980
Less: Cost of Sales		(149,370)	(152,410)
Gross Profit		96,235	40,571
Interest received		315	418
Administrative Expenses		(65,755)	(79,474)
Other operating income		0	0
Operating (Loss)/Profit	3	30,794	(38,486)
Interest Payable and similar charges		(2,319)	(2,326)
(Loss)/Profit on Ordinary Activities Before Taxation		28,475	(40,811)
Profit from Asset Disposal		0	128,373
Dividends Paid		0	(30,000)
Taxation		0	(5,719)
(Loss)/Profit on Ordinary Activities After Taxation	11	28,475	51,842
Retained profits brought forward		31,573	(20,269)
Balance Carried Forward		60,048	31,573

Continuing Operations

The company has continued trading following the end of the above period.

The attached notes form part of these financial statements.

DMI Precision Engineering Limited

Balance Sheet as at 30 November 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Fixed Assets	5	30,479	38,307
CURRENT ASSETS			
Stocks	7	1,500	1,500
Debtors & Prepayments	6	52,013	19,953
CURRENT LIABILITIES			
Cash at Bank and in Hand		8,543	17,574
Creditors within one year	8	(25,137)	(30,736)
NET CURRENT ASSETS		<u>36,918</u>	<u>8,291</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>67,397</u>	<u>46,598</u>
CREDITORS			
Amounts falling due after more than one year	9	(7,249)	(14,925)
SURPLUS/(DEFICIENCY) OF ASSETS		<u>60,148</u>	<u>31,673</u>
FINANCED BY:			
CAPITAL & RESERVES			
Called up Share Capital	10	100	100
Profit and Loss Account		60,048	31,573
		<u>60,148</u>	<u>31,673</u>

The Company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 November 2005

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The Directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

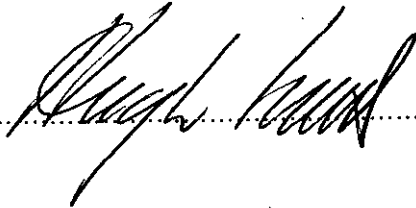
DMI Precision Engineering Limited

Balance Sheet as at 30 November 2005

These financial statements 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 March 2000).

ON BEHALF OF THE BOARD:

.....
Mr H Innes
Director



Dated: 27 March 2006

The attached notes form part of these financial statements.

DMI Precision Engineering Limited

Notes to the Accounts for the year ended 30 November 2005

1 - ACCOUNTING POLICIES

1.1 Accounting Conventions

The financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the director has adopted within that convention are set out below.

1.2 Turnover

The turnover represents the amounts derived from sales to customers during the period exclusive of value added tax.

1.3 Fixed Assets and Depreciation

Depreciation is provided by the company to write-off the cost less the residual value of fixed assets over their useful economic lives as follows:

Plant & Machinery	- 25% on a reducing balance basis
Motor Vehicles	- 25% on a reducing balance basis
Computer Equipment	- 25% on a reducing balance basis

1.4 Stock and work-in-progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.5 Deferred Taxation

No provision for deferred taxation has been made.

1.6 Cash Flow Statement

No cash flow statement has been prepared on the basis that it is a small company and qualifies for exemption provided by sections 246 and 247 of The Companies Act 1985.

2 - TURNOVER

Turnover attributable to geographical markets outside the UK amounted to 25% for the year.

3 - OPERATING PROFIT/(LOSS)

	2005	2004
This is stated after charging;	£	£
Depreciation of fixed assets	10,160	13,049

4 - DIRECTOR EMOLUMENTS

The aggregate emoluments paid to the director of the company.

DMI Precision Engineering Limited

Notes to the Accounts for the year ended 30 November 2005

5 - FIXED ASSETS	Plant & Machinery	Motor Vehicle	Computer Equipment
Cost:	£	£	£
At 1 December 2004	422,668	17,675	0
Additions / disposals	2,000	0	331
At 30 November 2005	424,668	17,675	331
Depreciation:			
At 1 December 2004	387,294	14743	0
Charge for year	9,344	733	83
At 30 November 2005	396,637	15,476	83
NET BOOK VALUE			
At 1 December 2004	35,375	2,933	0
At 30 November 2005	28,031	2,199	249
6 - DEBTORS	2005	2004	
	£	£	
Trade Debtors	52,013	19,953	
Other Debtors & Prepayments	0	0	
	52,013	19,953	
7 - STOCKS	2005	2004	
	£	£	
@ Cost	1,500	1,500	
	1,500	1,500	
8 - CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005	2004	
	£	£	
Bank Loan	0	0	
Trade Creditors	2,352	920	
Other Taxes	22,325	27,167	
Accruals & Prepayments	460	2,649	
	25,137	30,736	
9 - CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2005	2004	
	£	£	
Directors Loan	7,249	9,916	
other Loan (HP)	0	5,009	
	7,249	14,925	
10 - CALLED UP SHARE CAPITAL	2005	2004	
	£	£	
Ordinary shares of £1 each	100	100	
Allotted, issued and fully paid	100	100	

11 - COMMITMENTS

There was neither capital expenditure contracted for but not provided for in the financial statements nor capital expenditure authorised but not contracted for at the balance sheet date.

DMI Precision Engineering Limited

Profit & Loss Account for the year ended 30 November 2005

	2005		2004
	£		£
Sales	245,604		192,980
Cost of Sales:			
Opening Stock	(1,500)		(1,500)
Materials etc	(35,484)		(30,307)
Wages & Salaries	(110,016)		(113,156)
Agents/Sub-Contract	(3,869)		(8,947)
Closing Stock	1,500		1,500
Gross Profit	39.18% 96,235	21.02% 40,571	
ADMINISTRATIVE EXPENSES			
Director's Remuneration	(17,874)		(25,877)
Rent & Rates	(14,398)		(12,852)
Heat & Light	(4,765)		(6,464)
Repairs & Renewals	(3,554)		(7,422)
Insurance	(4,603)		(5,715)
Telephone & Fax	(2,504)		(1,871)
Motor Expenses	(955)		(1,854)
Stationary & Postage	(225)		(679)
Advertising & Marketing	(548)		(100)
Travelling & Entertaining	(119)		(204)
Equipment Rental	(390)		(660)
Legal & Professional Fees	(35)		(115)
Accountancy	(2,960)		(1,010)
VAT Penalties	0		0
Miscellaneous	(1,103)		(781)
FINANCE COSTS			
Interest Charges	(2,319)		(2,326)
Bank Charges	(1,564)		(820)
DEPRECIATION			
Plant & Equipment	(9,344)		(12,072)
Motor Vehicles	(733)		(978)
Computer Equipment	(83)		0
GOVERNMENT GRANTS	0		0
OPERATING PROFIT	28,160		(41,229)