

FINDGOLDEN LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

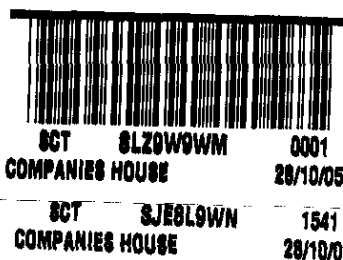
FOR THE YEAR ENDED

31 DECEMBER 2004

MALCOLM MACKENZIE AND COMPANY

CHARTERED ACCOUNTANTS

EAST KILBRIDE



FINDGOLDEN LIMITED
COMPANY INFORMATION

DIRECTOR Robert Thomson

SECRETARY Linda Thomson

COMPANY NUMBER SC 129807

REGISTERED OFFICE Lawhill Farm
Dollar
Clackmannanshire
FK14 7PN

AUDITORS Malcolm Mackenzie and Company
Chartered Accountants and Registered Auditors
33 Kittoch Street
East Kilbride
G74 4JW

BANKERS Clydesdale Bank
7 Bridge Street
Dollar
FK14 7DF

FINDGOLDEN LIMITED
CONTENTS

	<u>PAGE</u>
Director's Report	1
Statement of Director's Responsibilities	2
Auditors' Report	3
Consolidated Profit and Loss Account	4
Consolidated Balance Sheet	5
Balance Sheet	6
Notes to the Financial Statements	7 - 11
 The following page does not form part of the statutory accounts:	
Trading and Profit and Loss Account	12

FINDGOLDEN LIMITED
DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The director presents his report and the group financial statements for the year ended on 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the company during the year continued to be that of a general commercial company. During the year one of the company's subsidiaries, RDT Precision Engineers Limited, continued to be involved in the manufacture of precision engineering components for the oil related and general engineering industries, while Roller Precision Products Limited remained dormant throughout the year.

RESULTS AND DIVIDENDS

The results for the year are set out in the Profit and Loss Account.

DIRECTOR AND DIRECTOR'S INTEREST IN SHARES

The director of the company during the year and his beneficial interests in the company's issued share capital was as follows:-

	<u>2004</u>		<u>2003</u>	
	<u>Ord Shares</u> <u>of £1 Each</u>	<u>Ord Shares</u> <u>of 1p Each</u>	<u>Ord Shares</u> <u>of £1 Each</u>	<u>Ord Shares</u> <u>of 1p Each</u>
Robert Thomson	60000	133600	60000	133600
	== =	== = =	== =	== = =

FIXED ASSETS

The movements in Fixed Assets during the year are set out in the Notes to the Financial Statements.

AUDITORS

The Auditors, Malcolm Mackenzie and Company, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies was approved by the Board on

Signed by order of the Board of Directors

Linda Thomson

LINDA THOMSON
Secretary

Dated 20/01/05

FINDGOLDEN LIMITED
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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 that company for that year. In preparing those financial statements, the director is required to

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 which 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. He 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.

FINDGOLDEN LIMITED
REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FINDGOLDEN LIMITED

We have audited the financial statements of Findgolden Limited for the year ended 31 December 2004 on pages four to twelve. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 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 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 auditors

As described on page two the company's director is responsible for the preparation of 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 Report of the Director is not consistent with the financial statements, if the company has not kept proper 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 transactions with the company is not disclosed.

We read the Report of the Director 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and the group affairs as at 31 December 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Malcolm Mackenzie and Company
Chartered Accountants and Registered Auditors
33 Kittoch Street
East Kilbride
G74 4JW

Dated 26/10/2005

FINDGOLDEN LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED ON 31 DECEMBER 2004

	<u>NOTES</u>	<u>2004</u>	<u>2003</u>
		£	£
<u>TURNOVER</u>	1	1572001	1436239
Cost of Sales		1157192	1035903
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		414809	400336
Selling, Distribution and			
Administration Expenses		321796	377227
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	2	93013	23109
Interest Paid		8633	11605
		<hr/>	<hr/>
		84380	11504
<u>OTHER INCOME</u>			
Rents Receivable	-		459
Interest Receivable	3214		3793
Regional Enterprise Grant Write Off	9411		9411
		<hr/>	<hr/>
		12625	13663
Profit on Ordinary Activities		<hr/>	<hr/>
Before Taxation		97005	25167
Taxation	3	19995	8779
		<hr/>	<hr/>
Profit on Ordinary Activities			
After Taxation		77010	16388
Minority Interest		6143	1752
		<hr/>	<hr/>
		70867	14636
Dividend Paid		18500	5000
		<hr/>	<hr/>
		52367	9636
Retained Profit Brought Forward		834422	824786
		<hr/>	<hr/>
Retained Profit Carried Forward		886789	834422
		=====	=====

The Notes on Pages 7 to 11 Form Part of These Financial Statements.

FINDGOLDEN LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2004

	NOTES	£	2004	£	£	2003	£
<u>FIXED ASSETS</u>							
Tangible Assets	4		969381			1039895	
<u>CURRENT ASSETS</u>							
Stock and Work in Progress		14836		15647			
Debtors	6	306655		453571			
Cash at Bank and on Hand		387148		100543			
			708639		569761		
<u>CREDITORS:-</u> Amounts Falling							
Due Within One Year	7	326153		280490			
<u>NET CURRENT ASSETS</u>			382486			289271	
<u>TOTAL ASSETS LESS CURRENT</u>							
<u>LIABILITIES</u>			1351867			1329166	
<u>CREDITORS:-</u> Amounts Falling							
Due After More Than One Year	8		102291			123189	
			1249576			1205977	
<u>ACCRUED AND DEFERRED INCOME</u>							
Deferred Taxation	9	102938		108438			
Deferred Grant	10	35818		45229			
			138756			153667	
<u>NET ASSETS</u>			1110820			1052310	
			=====			=====	
<u>CAPITAL AND RESERVES</u>							
Called Up Share Capital	11	61336		61336			
Profit and Loss Account		886789		834422			
Minority Interest		82727		76584			
Capital Reserve		55969		55969			
Share Premium Account		23999		23999			
<u>SHAREHOLDERS' FUNDS</u>			1110820			1052310	
			=====			=====	

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 June 2002).


R THOMSON
DIRECTOR

The Notes on Pages 7 to 11 Form Part of These Financial Statements.

FINDGOLDEN LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2004

	<u>NOTES</u>	<u>2004</u> £	<u>2003</u> £
<u>FIXED ASSETS</u>			
Investments in Subsidiaries	5(a)	313997	313997
<u>CREDITORS:- Amounts Falling Due Within One Year</u>	7	24199	21584
		=====	=====
<u>NET ASSETS</u>		289798	292413
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	11	61336	61336
Profit and Loss Account		204463	207078
Share Premium Account		23999	23999
		=====	=====
<u>SHAREHOLDERS' FUNDS</u>		289798	292413
		=====	=====

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board on its behalf and signed on


R THOMSON
DIRECTOR

The Notes on Pages 7 to 11 Form Part of These Financial Statements.

FINDGOLDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2004

1 ACCOUNTING POLICIES

Basis of Preparation of Accounts

The accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Director's Report and all of which are continuing.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset, evenly over its expected useful life as follows:-

Property	- 1%-2%	straight line method
Plant and Equipment	- 10%-20%	reducing balance method
Motor Vehicles	- 25%	reducing balance method
Office Fixtures and Fittings	- 15%-20%	reducing balance method

Basis of Consolidation

The Consolidated Balance Sheet includes the accounts of the parent company and its subsidiaries made up to the end of the financial year.

Turnover

Turnover represents the invoiced amount of goods and services supplied by the Company stated net of Value Added Tax and trade discounts.

Stock and Work in Progress

Stock and Work in Progress is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

Hire Purchase Commitments

Assets obtained under hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the Profit and Loss Account over the period of the agreement and represents a constant proportion of the balance of capital repayments outstanding.

Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes.

FINDGOLDEN LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT 31 DECEMBER 2004 - Continued

2 <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
This is stated after charging:-		
Director's Emoluments Other Benefits etc	65183	322666
Auditors' Remuneration	5945	6480
Depreciation on Tangible Fixed Assets		
- Owned by the Company	85829	56912
- Held Under Hire Purchase	-	36430
Loss on Disposal of Fixed Assets	1227	2596
Pension Costs	8008	10718
	===	===
3 <u>TAXATION ON PROFITS ON ORDINARY ACTIVITIES</u>		
UK Corporation Tax @ Current Rates	25495	12028
Deferred Taxation	(5500)	(3249)
	<hr/>	<hr/>
	19995	8779
	=====	=====

FINDGOLDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2004 - Continued

4 TANGIBLE FIXED ASSETS

<u>GROUP</u>	<u>FREEHOLD LAND AND BUILDINGS</u>	<u>LEASEHOLD BUILDING</u>	<u>PLANT AND EQUIPMENT</u>	<u>OFFICE FIXTURES & FITTINGS</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
<u>Cost</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
As at 1 January 2004	211346	99903	1712149	83510	37513	2144421
Additions During Year	-	-	15120	7421	-	22541
Disposals During Year	-	-	(8300)	-	(2787)	(11087)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2004	211346	99903	1718969	90931	34726	2155875
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>						
As at 1 January 2004	8456	15984	1007017	49133	23936	1104526
Charge for Year	2113	1998	71420	7197	3101	85829
Disposals	-	-	(2249)	-	(1612)	(3861)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2004	10569	17982	1076188	56330	25425	1186494
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Book Value at 31 December 2004</u>	<u>200777</u>	<u>81921</u>	<u>642781</u>	<u>34601</u>	<u>9301</u>	<u>969381</u>
	=====	=====	=====	=====	=====	=====
<u>Net Book Value at 31 December 2003</u>	<u>202890</u>	<u>83919</u>	<u>705132</u>	<u>34377</u>	<u>13577</u>	<u>1039895</u>
	=====	=====	=====	=====	=====	=====

5(a) INVESTMENTS IN SUBSIDIARIES

The Company owns 90% of the issued share capital of RDT Precision Engineers Limited and 100% of the issued share capital of Roller Precision Products Limited, both of which are incorporated in the United Kingdom.

FINDGOLDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2004 - Continued

6	<u>DEBTORS</u>	<u>2004</u>		<u>2003</u>	
		<u>GROUP</u>	<u>COMPANY</u>	<u>GROUP</u>	<u>COMPANY</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
	Trade Debtors	235990	-	450676	-
	Other Debtors	70665	-	2895	-
		<hr/>	<hr/>	<hr/>	<hr/>
		306655	-	453571	-
		=====	=====	=====	=====
7 <u>CREDITORS: Amounts Falling Due</u>					
<u>Within One Year</u>					
	Bank Loans and Overdrafts	29530	-	29530	-
	Trade Creditors	192937	-	143419	-
	Corporation Tax	25495	-	12028	-
	Other Creditors	75391	16337	95513	14722
	Amounts Owed to Subsidiary Companies	-	7762	-	6862
		<hr/>	<hr/>	<hr/>	<hr/>
		323353	24099	280490	21584
		=====	=====	=====	=====

- i) Group - The Bank Overdraft and Bank Loans are secured by a fixed and floating charge over the Group's assets.
- ii) Included in other creditors of the group accounts is an amount of £15968 [2003 - £13789], in respect of a loan from R Thomson to the company. Included in the company accounts is an amount of £15472 (2003 - £13772) in respect of a loan from R Thomson. R Thomson is a director of both companies.

FINDGOLDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2004 - Continued

8 <u>CREDITORS: Amounts Falling Due</u> After One Year	<u>2004</u>		<u>2003</u>	
	<u>GROUP</u> £	<u>COMPANY</u> £	<u>GROUP</u> £	<u>COMPANY</u> £
Loans	102291	-	123189	-
Net Obligations under Hire Purchase Contracts	-	-	-	-
	<u>102291</u>	<u>-</u>	<u>123189</u>	<u>-</u>
	=====	=====	=====	=====

Group - The Bank Loans are secured by a fixed and floating charge over the Group's assets and are repayable after more than five years.

9 <u>DEFERRED TAXATION</u>	<u>AT</u> <u>31.12.03</u> £	<u>DEBIT</u> <u>FOR</u> <u>YEAR</u> £	<u>AT</u> <u>31.12.04</u> £
Capital Allowances in Excess of Depreciation	108438	5500	102938
	=====	=====	=====

10 <u>DEFERRED GRANT</u>	<u>2004</u> £	<u>2003</u> £
Deferred Government Grants Brought Forward	45229	54640
RSA & REG Write Off	9411	9411
	<u>35818</u>	<u>45229</u>
	=====	=====

11 CALLED UP SHARE CAPITAL

Authorised

Ordinary Shares of £1 Each	98664	98664
	=====	=====
Ordinary Shares of 1p Each	1336	1336
	=====	=====

Allotted, Called up and Fully Paid

Ordinary Shares of £1 Each	60000	60000
	=====	=====
Ordinary Shares of 1p Each	1336	1336
	=====	=====

FINDGOLDEN LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31 DECEMBER 2004

	<u>£</u>	<u>2004</u>	<u>£</u>	<u>£</u>	<u>2003</u>	<u>£</u>
Dividend Receivable			16650			97000
<u>Less:-</u> Audit and Accountancy Fees	900			950		
Registration Fee	15			15		
Office Costs	1700			1650		
Dividend Payable	16650			-		
			<u>19265</u>			<u>2615</u>
<u>NET PROFIT/(LOSS) FOR THE YEAR</u>			<u>(2615)</u>			<u>94385</u>
			<u>==</u>			<u>==</u>

This Page Does Not Form Part of the Statutory Accounts.