

DHD ENGINEERING SERVICES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

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**McALEAVY & CO
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
RIVERSIDE HOUSE
RIVER LANE
SALTNEY
CHESTER CH4 8RQ**



DHD ENGINEERING SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 31 March 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 audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to him 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 shareholder, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing abbreviated financial statements 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 financial statements prepared in accordance with Section 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 report our opinion to you.

BASIS OF 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 financial statements and that the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated financial statements on pages 3 to 5 are properly prepared in accordance with those provisions.



McALEAVY & CO
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS

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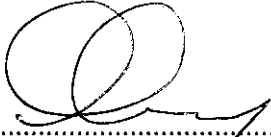
6 SEPTEMBER 2004

DHD ENGINEERING SERVICES LIMITED

ABBREVIATED BALANCE SHEET AT 31 MARCH 2004

	<u>NOTES</u>	<u>2004</u>	<u>2003</u>
FIXED ASSETS	2		
Tangible assets		698,578	232,613
 CURRENT ASSETS			
Stocks		138,403	67,481
Debtors	3	1,470,569	1,074,669
Cash in hand		<u>383</u>	<u>497</u>
		1,609,355	1,142,647
CREDITORS: amounts falling due within one year	4	<u>1,645,992</u>	<u>985,905</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(36,637)</u>	<u>156,742</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		661,941	389,355
CREDITORS: amounts falling due after more than one year	5	<u>336,164</u>	<u>76,843</u>
		325,777	312,512
PROVISION FOR LIABILITIES AND CHARGES		<u>17,479</u>	<u>12,146</u>
		<u>308,298</u>	<u>300,366</u>
 CAPITAL AND RESERVES			
Called up equity share capital	7	50,000	50,000
Profit and loss account		<u>258,298</u>	<u>250,366</u>
SHAREHOLDERS' FUNDS		<u>308,298</u>	<u>300,366</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.



.....
D.H. DEERING
DIRECTOR

Approved by the Board on 6 September 2004

The notes on pages 3 to 5 form part of these abbreviated accounts

DHD ENGINEERING SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES

Basis of accounting

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 shown in the profit and loss account represents the sales value of work completed during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that assets as follows:

Freehold property	:	2% straight line
Leasehold property	:	25% straight line
Plant and machinery	:	15% and 25% reducing balance
Fixtures and fittings	:	25% reducing balance
Motor vehicles	:	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

DHD ENGINEERING SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004 (Cont)

2. TANGIBLE FIXED ASSETS

	<u>Tangible Assets</u>
COST	
1 April 2003	285,726
Additions	568,021
Disposals	<u>(48,242)</u>
31 March 2004	<u>805,505</u>
DEPRECIATION	
1 April 2003	53,113
Charge for the year	68,308
On disposals	<u>(14,494)</u>
31 March 2004	<u>106,927</u>
NET BOOK VALUE	
31 March 2004	<u>698,578</u>
31 March 2003	<u>232,613</u>

3. DEBTORS

Debtors include amounts of £11,800 (2003 - £Nil) falling due after more than one year.

**4. CREDITORS: amounts falling due
within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<u>2004</u>	<u>2003</u>
Bank loans and overdrafts	280,975	88,890
Invoice discounting	<u>421,630</u>	<u>251,438</u>
	<u>702,605</u>	<u>340,328</u>

**5. CREDITORS: amounts falling due
after more than one year**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	<u>2004</u>	<u>2003</u>
Bank loans and overdrafts	<u>240,312</u>	<u>-</u>

Included within creditors falling due after more than one year is an amount of £131,696 (2003 - £Nil) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

DHD ENGINEERING SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004 (Cont)

6. **TRANSACTIONS WITH DIRECTORS**

During the year Mr. D.H. Deering had a current account with the company on which no interest was charged. At the year end this current account was overdrawn.

	<u>2004</u>
Balance at beginning of the year	<u>(241)</u>
Highest overdrawn balance in the year	<u>13,740</u>
Balance at 31 March 2004	<u>13,740</u>

7. **SHARE CAPITAL**

	<u>2004</u>	<u>2003</u>
Authorised share capital:		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>