


Company Registration No. 2101564 (England and Wales)

REGISTRATION

MIDLAND SHEETMETAL LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2005

TUESDAY



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MIDLAND SHEETMETAL LIMITED

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MIDLAND SHEETMETAL LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2005

The directors present their report and financial statements for the period ended 31 March 2005.

Principal activities and review of the business

The principal activity of the company continued to be the supply of sheet metal fabrications to the engineering industry.

The entire share capital of the company was acquired on 5 May 2004 by Dalby Holdings Limited.

The company's accounting reference date has been changed to 31 March, in line with other group companies, and the financial statements cover the 11 month period to 31 March 2005. The comparative figures in the profit and loss account cover the 10 month period to 30 April 2004.

The directors are satisfied with the trading performance of the business over the last eleven months and will continue the development of the company's activities including significant investment in the new laser cutting facilities during the year ending 31 March 2006.

Results and dividends

The results for the period are set out on page 4.

Directors

The following directors have held office since 1 May 2004:

H R Dalby	(Appointed 5 May 2004)
S D Iles	(Appointed 5 May 2004)
N T Smith	
P A J Shaw	
S Smith	(Resigned 5 May 2004)
S M Smith	(Resigned 5 May 2004)

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 March 2005	1 May 2004
S D Iles	-	-
H R Dalby	-	-
N T Smith	-	-
P A J Shaw	-	-

The interests of the directors in the shares of the ultimate parent undertaking, Dalby Holdings Limited, are shown in the financial statements of that company.

Auditors

Newby Castleman were appointed auditors to the company during the year and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

MIDLAND SHEETMETAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 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 to 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.

On behalf of the board


.....

S D Iles
Director

Date:  January 2006.

MIDLAND SHEETMETAL LIMITED

INDEPENDENT AUDITORS' REPORT TO MIDLAND SHEETMETAL LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the period ended 31 March 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, 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 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 directors and auditors

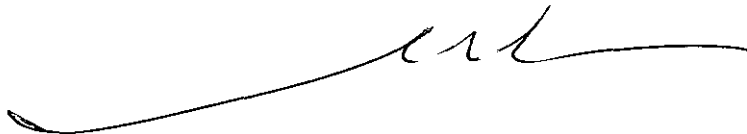
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to 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 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 section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



Newby Castlemann

Date: 6/1/06

Chartered Accountants
Registered Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

MIDLAND SHEETMETAL LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2005

		Period ended 31 March 2005 £	Period ended 30 April 2004 £
Gross profit		1,256,299	1,562,752
Distribution costs		(137,831)	(148,238)
Administrative expenses		(1,003,565)	(745,830)
Operating profit	2	114,903	668,684
Other interest receivable and similar <i>income</i>		-	27,893
Interest payable and similar charges	3	(10,821)	(15,589)
Profit on ordinary activities before taxation		104,082	680,988
Tax on profit on ordinary activities	4	(28,113)	(191,623)
Profit on ordinary activities after taxation		75,969	489,365
Dividends	5	-	(147,965)
Retained profit for the period	14	75,969	341,400
Retained profits brought forward		3,136,883	2,795,483
Retained profits carried forward		3,212,852	3,136,883

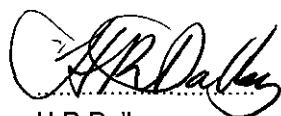
MIDLAND SHEETMETAL LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	6		1,008,667		1,194,539
Current assets					
Stocks	7	363,760		409,897	
Debtors	8	4,333,943		1,974,324	
Cash at bank and in hand		622		1,477,396	
			<u>4,698,325</u>	<u>3,861,617</u>	
Creditors: amounts falling due within one year	9	(2,434,140)		(1,735,588)	
Net current assets			<u>2,264,185</u>		<u>2,126,029</u>
Total assets less current liabilities			<u>3,272,852</u>		<u>3,320,568</u>
Creditors: amounts falling due after more than one year	10		-		(115,131)
Provisions for liabilities and charges	11		-		(8,554)
			<u>3,272,852</u>		<u>3,196,883</u>
Capital and reserves					
Called up share capital	13		30,001		30,001
Other reserves	14		29,999		29,999
Profit and loss account	14		3,212,852		3,136,883
Shareholders' funds - equity interests	15		<u>3,272,852</u>		<u>3,196,883</u>

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

The financial statements were approved by the Board on 5 January 2006



H R Dalby
Director



S D Iles
Director

MIDLAND SHEETMETAL LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2005

	Period ended		Period ended	
	31 March		30 April	
	2005	2004	2005	2004
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(1,414,990)		557,593
Returns on investments and servicing of finance				
Interest received	-		27,893	
Interest paid	(10,821)		(15,589)	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(10,821)		12,304
Taxation		(183,069)		(43,727)
Capital expenditure				
Payments to acquire tangible assets	(55,146)		(32,910)	
Receipts from sales of tangible assets	1,200		18,462	
Net cash outflow for capital expenditure		(53,946)		(14,448)
Equity dividends paid		-		(147,965)
Net cash (outflow)/inflow before management of liquid resources and financing		(1,662,826)		363,757
Financing				
Repayment of long term bank loan	-		(178,872)	
Capital element of hire purchase contracts	(137,331)		(127,691)	
Net cash outflow from financing		(137,331)		(306,562)
(Decrease)/increase in cash in the period		(1,800,157)		57,195

MIDLAND SHEETMETAL LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2005

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2005	2004
	£	£
Operating profit	114,903	668,684
Depreciation of tangible assets	241,018	247,270
Profit on disposal of tangible assets	(1,200)	(7,493)
Decrease/(increase) in stocks	46,137	(295,581)
Increase in debtors	(2,355,115)	(520,824)
Increase in creditors within one year	539,267	465,537
Net cash (outflow)/inflow from operating activities	(1,414,990)	557,593

2 Analysis of net (debt)/funds	1 May 2004	Cash flow	Other non- cash changes	31 March 2005
	£	£	£	£
Net cash:				
Cash at bank and in hand	1,477,396	(1,476,774)	-	622
Bank overdrafts	-	(323,383)	-	(323,383)
	<u>1,477,396</u>	<u>(1,800,157)</u>	<u>-</u>	<u>(322,761)</u>
Debt:				
Finance leases	(264,605)	137,331	-	(127,274)
Net funds/(debt)	<u>1,212,791</u>	<u>(1,662,826)</u>	<u>-</u>	<u>(450,035)</u>

3 Reconciliation of net cash flow to movement in net (debt)/funds	2005	2004
	£	£
(Decrease)/increase in cash in the period	(1,800,157)	57,195
Cash outflow from decrease in debt and lease financing	137,331	306,563
Movement in net (debt)/funds in the period	(1,662,826)	363,758
Opening net funds	1,212,791	849,033
Closing net (debt)/funds	(450,035)	1,212,791

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

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

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold land and buildings	2% per annum on cost of buildings
Leasehold land and buildings	Remaining life of the lease
Plant and machinery	20% per annum on cost
Fixtures, fittings & equipment	20% per annum on cost
Motor vehicles	25% per annum on cost

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

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

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 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.

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005

2	Operating profit	2005	2004
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	241,018	247,270
	Loss on disposal of tangible assets	-	1,617
	Loss on foreign exchange transactions	2,037	-
	Operating lease rentals		
	- Plant and machinery	29,997	28,193
	- Other assets	87,421	76,957
	Auditors' remuneration	5,000	24,427
	and after crediting:		
	Profit on disposal of tangible assets	(1,200)	(9,110)
	Profit on foreign exchange transactions	-	(1,546)
		<u> </u>	<u> </u>
3	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	168	62
	On loans repayable after five years	-	7,460
	Hire purchase interest	10,653	8,067
		<u> </u>	<u> </u>
		<u>10,821</u>	<u>15,589</u>

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005

4	Taxation	2005 £	2004 £
	Current tax		
	U.K. corporation tax	41,171	183,069
	Current tax charge	<u>41,171</u>	<u>183,069</u>
	Deferred tax		
	Origination and reversal of timing differences	(13,058)	8,554
		<u>28,113</u>	<u>191,623</u>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	<u>104,082</u>	<u>680,988</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>31,225</u>	<u>204,296</u>
	Effects of:		
	Non deductible expenses	663	2,777
	Depreciation add back	72,305	74,183
	Capital allowances	(47,878)	(65,633)
	Adjustments to previous periods	-	(16,351)
	Other tax adjustments	(15,144)	(16,203)
		<u>9,946</u>	<u>(21,227)</u>
	Current tax charge	<u>41,171</u>	<u>183,069</u>
5	Dividends	2005 £	2004 £
	Ordinary interim paid	<u>-</u>	<u>147,965</u>

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005

6 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 May 2004	770,718	407,075	2,908,696	448,288	164,259	4,699,036
Additions	-	-	-	55,146	-	55,146
Disposals	-	-	-	-	(10,913)	(10,913)
At 31 March 2005	<u>770,718</u>	<u>407,075</u>	<u>2,908,696</u>	<u>503,434</u>	<u>153,346</u>	<u>4,743,269</u>
Depreciation						
At 1 May 2004	100,606	277,814	2,561,103	422,189	142,785	3,504,497
On disposals	-	-	-	-	(10,913)	(10,913)
Charge for the period	11,088	19,217	184,465	14,984	11,264	241,018
At 31 March 2005	<u>111,694</u>	<u>297,031</u>	<u>2,745,568</u>	<u>437,173</u>	<u>143,136</u>	<u>3,734,602</u>
Net book value						
At 1 May 2004	<u>670,112</u>	<u>129,261</u>	<u>347,593</u>	<u>26,099</u>	<u>21,474</u>	<u>1,194,539</u>
At 31 March 2005	<u>659,024</u>	<u>110,044</u>	<u>163,128</u>	<u>66,261</u>	<u>10,210</u>	<u>1,008,667</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 1 May 2004	<u>286,344</u>	<u>8,346</u>	<u>294,690</u>
At 31 March 2005	<u>137,547</u>	<u>-</u>	<u>137,547</u>
Depreciation charge for the period			
30 April 2004	<u>135,265</u>	<u>5,218</u>	<u>140,483</u>
31 March 2005	<u>148,797</u>	<u>-</u>	<u>148,797</u>

The cost of depreciable assets included in freehold and leasehold land and buildings at 31 March 2005 was £1,008,320 (2004 - £1,008,320).

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005

7	Stocks and work in progress	2005 £	2004 £
	Raw materials and consumables	194,679	218,744
	Work in progress	151,253	182,320
	Finished goods and goods for resale	17,828	8,833
		<u>363,760</u>	<u>409,897</u>
8	Debtors	2005 £	2004 £
	Trade debtors	1,903,620	1,957,350
	Amounts owed by parent and fellow subsidiary undertakings	2,405,726	-
	Other debtors	-	1,800
	Prepayments and accrued income	20,093	15,174
	Deferred tax asset (see note 11)	4,504	-
		<u>4,333,943</u>	<u>1,974,324</u>
	Trade debtors are subject to a confidential invoice discounting agreement.		
9	Creditors: amounts falling due within one year	2005 £	2004 £
	Bank loans and overdrafts	323,383	-
	Net obligations under hire purchase contracts	127,274	149,474
	Trade creditors	705,204	962,745
	Amounts owed to parent and fellow subsidiary undertakings	15,907	-
	Corporation tax	41,171	183,069
	Other taxes and social security costs	243,141	309,913
	Other creditors	900,681	69,549
	Accruals and deferred income	77,379	60,838
		<u>2,434,140</u>	<u>1,735,588</u>

The aggregate amount of creditors for which security has been given amounted to £1,202,201 (2004 - £nil).

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005

10 Creditors: amounts falling due after more than one year	2005 £	2004 £
Net obligations under hire purchase contracts	-	115,131
Net obligations under hire purchase contracts		
Repayable within one year	127,274	149,474
Repayable between one and five years	-	115,131
	127,274	264,605
Included in liabilities falling due within one year	(127,274)	(149,474)
	-	115,131

There is an interlocking guarantee with four other companies in the group: Dalby Holdings Limited, Harry Dalby Engineering Limited, Regent Engineers Limited and J W Bonser (Walsall) Limited.

11 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 8) is made up as follows:

	2005 £	2004 £
Balance at 1 May 2004	8,554	
Profit and loss account	(13,058)	
Balance at 31 March 2005	(4,504)	
	2005 £	2004 £
Decelerated capital allowances	(4,504)	8,554

12 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the period	5,417	42,058

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005

13 Share capital	2005	2004
	£	£
Authorised		
60,000 Ordinary shares of £1 each	60,000	60,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
30,001 Ordinary shares of £1 each	30,001	30,001
	<u> </u>	<u> </u>
14 Statement of movements on reserves		
	Other	Profit and
	reserves	loss
	(see below)	account
	£	£
Balance at 1 May 2004	29,999	3,136,883
Retained profit for the period	-	75,969
	<u> </u>	<u> </u>
Balance at 31 March 2005	29,999	3,212,852
	<u> </u>	<u> </u>
Other reserves		
Capital redemption reserve		
Balance at 1 May 2004 & at 31 March 2005	29,999	
	<u> </u>	
15 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit for the financial period	75,969	489,365
Dividends	-	(147,965)
	<u> </u>	<u> </u>
Net addition to shareholders' funds	75,969	341,400
Opening shareholders' funds	3,196,883	2,855,483
	<u> </u>	<u> </u>
Closing shareholders' funds	3,272,852	3,196,883
	<u> </u>	<u> </u>

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005

16 Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2005	2004	2005	2004
	£	£	£	£
Expiry date:				
Within one year	-	-	-	5,460
Between two and five years	-	-	29,159	19,928
In over five years	73,300	73,300	-	9,231
	<u>73,300</u>	<u>73,300</u>	<u>29,159</u>	<u>34,619</u>

17 Directors' emoluments

	2005	2004
	£	£
Emoluments for qualifying services	116,386	226,440
Company pension contributions to money purchase schemes	5,417	42,058
	<u>121,803</u>	<u>268,498</u>

18 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2005	2004
	Number	Number
Number of production staff	160	165
Number of administration staff	2	3
Number of directors	4	4
	<u>166</u>	<u>172</u>

Employment costs

	£	£
Wages and salaries	2,977,424	2,936,555
Social security costs	257,094	236,383
Other pension costs	5,417	42,058
	<u>3,239,935</u>	<u>3,214,996</u>

MIDLAND SHEETMETAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005

19 Related party transactions

During the period, the company made trade sales to the value of £14,146 to Harry Dalby Engineering Limited and £5,719 to Regent Engineers Limited, the company's fellow subsidiary undertakings. The company also made trade purchases to the value of £13,538 from Harry Dalby Engineering Limited and had management charges to the value of £200,000 levied upon it by Dalby Holdings Limited, the parent undertaking.

During the period interest and charges totalling £69,221 relating to the confidential invoice discounting agreement were incurred by Dalby Holdings Limited.

At the period end the company was owed £2,405,726 by Dalby Holdings Limited and owed £15,907 to Harry Dalby Engineering Limited.