

DHD ENGINEERING SERVICES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

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McALEAVY & CO
CHARTERED ACCOUNTANTS
RIVERSIDE HOUSE
RIVER LANE
SALTNEY
CHESTER CH4 8RQ



DHD ENGINEERING SERVICES LIMITED
ACCOUNTANTS' REPORT TO THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2006

As described on the balance sheet, the directors of the company are responsible for the preparation of the abbreviated financial statements for the year ended 31 March 2006, set out on pages 2 to 5.

You consider that the company is exempt from an audit under the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited abbreviated financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records, information and explanations supplied to us.



McALEAVY & CO
CHARTERED ACCOUNTANTS

RIVERSIDE HOUSE
RIVER LANE
SALTNEY
CHESTER CH4 8RQ

22 AUGUST 2006

DHD ENGINEERING SERVICES LIMITED

ABBREVIATED BALANCE SHEET AT 31 MARCH 2006

	<u>NOTES</u>	<u>2006</u>	<u>2005</u>
FIXED ASSETS	2		
Tangible assets		543,149	533,625
CURRENT ASSETS			
Stocks		221,674	206,814
Debtors	3	1,590,778	1,360,834
Cash in hand		<u>-</u>	<u>324</u>
		1,812,452	1,567,972
CREDITORS: amounts falling due within one year	4	<u>1,805,581</u>	<u>1,571,316</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>6,871</u>	<u>(3,344)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		550,020	530,281
CREDITORS: amounts falling due after more than one year	5	<u>302,866</u>	<u>219,547</u>
		247,154	310,734
PROVISION FOR LIABILITIES AND CHARGES		<u>10,757</u>	<u>12,886</u>
		<u>236,397</u>	<u>297,848</u>
 CAPITAL AND RESERVES			
Called up equity share capital	6	50,000	50,000
Profit and loss account		<u>186,397</u>	<u>247,848</u>
SHAREHOLDERS' FUNDS		<u>236,397</u>	<u>297,848</u>

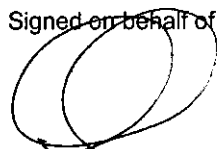
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of Section 249A(1), and that no member or members have requested an audit pursuant to Section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

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

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

Signed on behalf of the Board of Directors



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D.H. DEERING
DIRECTOR

Approved by the Board on 22 August 2006

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 2006**

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 January 2005).

Turnover

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

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% reducing balance
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.

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 2006 (Cont)

2. TANGIBLE FIXED ASSETS

	<u>Tangible Assets</u>
COST	
1 April 2005	705,995
Additions	109,474
Disposals	<u>(54,770)</u>
31 March 2006	<u>760,699</u>
DEPRECIATION	
1 April 2005	172,370
Charge for the year	71,956
Eliminated on disposals	<u>(26,776)</u>
31 March 2006	<u>217,550</u>
NET BOOK VALUE	
31 March 2006	<u>543,149</u>
31 March 2005	<u>533,625</u>

3. DEBTORS

Debtors include amounts of £14,275 (2005 - £13,075) 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>2006</u>	<u>2005</u>
Bank loans and overdrafts	217,154	230,470
Invoice discounting	<u>949,980</u>	<u>519,313</u>
	<u>1,167,134</u>	<u>749,783</u>

DHD ENGINEERING SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006 (Cont)

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>2006</u>	<u>2005</u>
Bank loans and overdrafts	<u>255,391</u>	<u>157,737</u>

Included within creditors falling due after more than one year is an amount of £145,407 (2005 - £98,650) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

6. **SHARE CAPITAL**

	<u>2006</u>	<u>2005</u>
Authorised: 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid: 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>