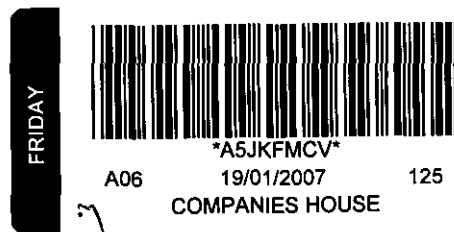


"SIGNATURE"  
(P.E. OF CO).

Registration Number 1922662

**EASTSWORD LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30TH APRIL 2006**



**Thain Wildbur (Fakenham)**  
**Accountants**  
**23 Market Place**  
**Fakenham**  
**Norfolk**  
**NR21 9BS**

**EASTSWORD LIMITED**

**COMPANY INFORMATION**

**DIRECTORS** R W J MYHILL Chairman  
MRS A C UTTING  
MRS L A ELLIS

**SECRETARY** MRS A C UTTING

**COMPANY NUMBER** 1922662

**REGISTERED OFFICE** 6 - 8 Underwood Street  
LONDON  
N1 7JQ

**ACCOUNTANTS** Thain Wildbur (Fakenham)  
23 Market Place  
Fakenham  
Norfolk  
NR21 9BS

**BUSINESS ADDRESS** Kirkland House  
Main Cross Road  
Great Yarmouth  
Norfolk

**BANKERS** H S B C  
21 Hall Quay  
Great Yarmouth  
Norfolk  
NR30 IHN

**EASTSWORD LIMITED**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30TH APRIL 2006**

The directors present their report and the financial statements for the year ended 30th April 2006.

**PRINCIPAL ACTIVITY**

The principal activity of the company is the specialist procurement of stock and equipment and the supply of management and technical services to the construction and engineering industry.

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2006	2005
R W J MYHILL Chairman	2	2
MRS A C UTTING	-	-
MRS L A ELLIS	-	-

**DIRECTORS' RESPONSIBILITIES**

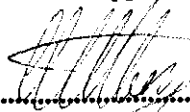
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

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

This report was approved by the Board on 9th January 2007 and signed on its behalf by

.....  
  
**Mrs A C Utting**  
**Secretary**

**ACCOUNTANTS REPORT ON THE FINANCIAL STATEMENTS TO THE DIRECTORS OF**  
**EASTSWORD LIMITED**

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 30th April 2006 set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.

**Dated: 9th January 2007**

*Thain Wildbur*  
**Thain Wildbur (Fakenham)**  
**Accountants**  
**23 Market Place**  
**Fakenham**  
**Norfolk**  
**NR21 9BS**

**EASTSWORD LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH APRIL 2006**

		Continuing operations	
		2006	2005
		£	£
	Notes		
<b>TURNOVER</b>	<b>2</b>	93,670	60,689
Cost of sales		(24,402)	(6,889)
<b>GROSS PROFIT</b>		69,268	53,800
Administrative expenses		(6,661)	(7,917)
Other operating income		17,782	18,700
<b>OPERATING PROFIT</b>	<b>3</b>	80,389	64,583
Interest receivable and similar income		809	431
Interest payable and similar charges	<b>4</b>	(6,937)	(9,262)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		74,261	55,752
Tax on profit on ordinary activities	<b>5</b>	(14,109)	(10,368)
<b>RETAINED PROFIT FOR THE YEAR</b>		60,152	45,384
<b>RETAINED PROFIT BROUGHT FORWARD</b>		83,880	38,496
<b>RETAINED PROFIT CARRIED FORWARD</b>		144,032	83,880

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 10 form an integral part of these financial statements.

**EASTSWORD LIMITED**

**BALANCE SHEET**  
**AS AT 30TH APRIL 2006**

		2006		2005	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		263,965		266,399
<b>CURRENT ASSETS</b>					
Debtors	7	289		1,035	
Cash at bank and in hand		32,968		72,203	
		<u>33,257</u>		<u>73,238</u>	
<b>CREDITORS:</b>					
amounts due within one year	8	<u>(152,210)</u>		<u>(254,621)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(118,953)</u>		<u>(181,383)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			145,012		85,016
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	9		<u>(978)</u>		<u>(1,134)</u>
<b>NET ASSETS</b>			<u><u>144,034</u></u>		<u><u>83,882</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		2		2
Profit and loss account			144,032		83,880
<b>SHAREHOLDERS FUNDS</b>	10		<u><u>144,034</u></u>		<u><u>83,882</u></u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 10 form an integral part of these financial statements.

**EASTSWORD LIMITED**

**BALANCE SHEET (CONTINUED)**

**DIRECTORS' STATEMENTS REQUIRED BY SECTION 249B(4)**  
**FOR THE YEAR ENDED 30TH APRIL 2006**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30th April 2006 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements approved by the Board on 9th January 2007 and signed on its behalf by

  
.....  
**Director**

**The notes on pages 6 to 10 form an integral part of these financial statements.**

**EASTSWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH APRIL 2006**

**1. ACCOUNTING POLICIES**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

**1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

**1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance

The directors consider that freehold properties are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result the corresponding depreciation would not be material and therefore is not charged in the profit and loss account.

The directors perform annual impairment reviews in accordance with the requirements of FRS 15 and FRS 11 to ensure that the recoverable amount is not lower than the carrying value.

**1.4. Deferred taxation**

Provision is made for deferred taxation using the liability method, to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes, except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

**2. TURNOVER**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

**3. OPERATING PROFIT**

	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	2,434	3,088
	<u>2,434</u>	<u>3,088</u>



**EASTSWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH APRIL 2006**

..... continued

<b>4. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	6,937	9,262
	<u>          </u>	<u>          </u>
<b>5. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
<b>Analysis of charge in period</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax at 19.00% (2005 - 19.00%)	14,265	10,771
	<u>          </u>	<u>          </u>
Total current tax charge	14,265	10,771
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(156)	(403)
	<u>          </u>	<u>          </u>
Total deferred tax	(156)	(403)
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	14,109	10,368
	<u>          </u>	<u>          </u>
<b>Factors affecting tax charge for period</b>		
The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:		
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	74,261	55,752
	<u>          </u>	<u>          </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2005 : 19%) net of marginal relief:	14,110	10,593
	<u>          </u>	<u>          </u>
<b>Effects of:</b>		
Capital allowances in excess of depreciation	156	178
	<u>          </u>	<u>          </u>
Current tax charge for period	14,266	10,771
	<u>          </u>	<u>          </u>

**EASTSWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH APRIL 2006**

..... continued

**6. TANGIBLE FIXED ASSETS**

	<b>Freehold Land &amp; buildings £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1st May 2005				
At 30th April 2006	253,974	16,992	10,150	281,116
<b>Depreciation</b>				
At 1st May 2005	-	10,277	4,440	14,717
Charge for the year	-	1,007	1,427	2,434
At 30th April 2006	-	11,284	5,867	17,151
<b>Net book values</b>				
At 30th April 2006	253,974	5,708	4,283	263,965
At 30th April 2005	253,974	6,715	5,710	266,399

**7. DEBTORS**

	<b>2006 £</b>	<b>2005 £</b>
Trade debtors	-	746
Amounts owed by group undertakings	289	289
	289	1,035

**8. CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR**

	<b>2006 £</b>	<b>2005 £</b>
Trade creditors	288	447
Amounts owed to group undertaking	37	37
Corporation tax	14,265	10,771
Other taxes and social security costs	4,760	9,536
Directors' loan accounts	132,858	216,392
Accruals and deferred income	2	17,438
	152,210	254,621

**EASTSWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH APRIL 2006**

..... continued

**9. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred tax is analysed over the following timing differences:

	<b>Provided</b>	
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	978	1,134
	<u>978</u>	<u>1,134</u>
Movements on the provision for deferred taxation are:		
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1st May 2005	1,134	1,537
Transferred to profit and loss account	(156)	(403)
	<u>978</u>	<u>1,134</u>
At 30th April 2006	<u>978</u>	<u>1,134</u>

**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the year	60,152	45,384
Opening shareholders' funds	83,882	38,498
	<u>144,034</u>	<u>83,882</u>
Closing shareholders' funds	<u>144,034</u>	<u>83,882</u>

**11. SHARE CAPITAL**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid equity</b>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

**EASTSWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH APRIL 2006**

..... continued

**12. RELATED PARTY TRANSACTIONS**

**Controlling interest**

The company is under the control of R W J Myhill.

**Related party balances:**

<b>Name</b>	<b>Relationship</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
R W J Myhill	Director	(132,858)	(216,392)
A C Utting	Director	-	-
L A Ellis	Director	-	-
Kirkland's Limited	Associated company	289	289
Equipment Supply Company (GY) Ltd	Associated company	(37)	(37)

**Related party transactions**

During the year R W J Myhill withdrew £106,337. Interest accrued on his loan account amounted to £(6,903), this was credited to his loan account together with the £15,900 from prior years.

During the year Equipment Supply Company (GY) Ltd bought goods and services from the company for £(84,259), rented property from the company for £(7,000) and sold the company goods to the value of £15 including VAT.

During the year Kirkland's Limited sold the company goods to the value of £700 and bought goods and services from the company for £(8,178) including VAT. Kirkland's Limited also bought a motor vehicle from the company for £(15,000)

Included in trade creditors is an amount due to Kirkland's Ltd of £(288)

All transactions with related parties are at full market value. Figures in brackets represent credit balances and transactions.