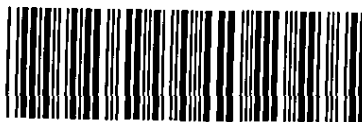


REGISTERED NUMBER: 01137480 (England and Wales)

Report of the Directors and
Financial Statements
for the Year Ended 31 December 2006
for
BAS Castings Limited

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BAS Castings Limited

**Contents of the Financial Statements
for the Year Ended 31 December 2006**

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BAS Castings Limited

Company Information
for the Year Ended 31 December 2006

DIRECTORS: R G Radford
S P Murphy
S Dilks
I Edwards

SECRETARY: S P Murphy

REGISTERED OFFICE: Wharf Road Industrial Estate
Pinxton
Nottinghamshire
NG16 6LE

REGISTERED NUMBER: 01137480 (England and Wales)

AUDITORS: Carter Dutton
Chartered Accountants & Registered Auditors
65 St Mary Street
Chippenham
Wiltshire
SN15 3JF

BANKERS: Barclays Bank Plc
Corporate Banking Centre
PO Box 1015
3rd Floor Windsor Court
3 Windsor Place
Cardiff
CF10 3ZL

BAS Castings Limited

Report of the Directors for the Year Ended 31 December 2006

The directors present their report with the financial statements of the company for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production of ferrous and non-ferrous castings

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

The directors were pleased with the results for the year and remain optimistic regarding ongoing trading despite difficult market conditions

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2006 will be £400,000

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2006 to the date of this report

R G Radford
S P Murphy
S Dilks
I Edwards

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

BAS Castings Limited

Report of the Directors
for the Year Ended 31 December 2006

AUDITORS

The auditors, Carter Dutton, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:


S P Murphy - Secretary

Date 31 July 2007

Report of the Independent Auditors to the Shareholders of
BAS Castings Limited

We have audited the financial statements of BAS Castings Limited for the year ended 31 December 2006 on pages six to fourteen. These financial statements have been prepared under 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors 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 International Standards on Auditing (UK and Ireland) 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 directors 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.

**Report of the Independent Auditors to the Shareholders of
BAS Castings Limited**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Carter Dutton
Chartered Accountants & Registered Auditors
65 St Mary Street
Chippenham
Wiltshire
SN15 3JF

Date 31st July 2007

BAS Castings Limited**Profit and Loss Account**
for the Year Ended 31 December 2006

	Notes	Year Ended 31 12 06 £	Period 1 9 04 to 31 12 05 £
TURNOVER		7,992,058	10,376,125
Cost of sales		<u>6,049,935</u>	<u>7,675,099</u>
GROSS PROFIT		1,942,123	2,701,026
Administrative expenses		<u>1,529,627</u>	<u>2,157,508</u>
OPERATING PROFIT	3	412,496	543,518
Interest receivable and similar income		<u>89</u>	<u>-</u>
		412,585	543,518
Interest payable and similar charges	4	<u>40,470</u>	<u>48,962</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		372,115	494,556
Tax on profit on ordinary activities	5	<u>11,100</u>	<u>18,600</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>361,015</u>	<u>475,956</u>
PROFIT FOR THE YEAR		361,015	475,956
Retained profit brought forward		<u>370,720</u>	<u>244,764</u>
		731,735	720,720
Dividends	6	<u>(400,000)</u>	<u>(350,000)</u>
RETAINED PROFIT CARRIED FORWARD		<u>331,735</u>	<u>370,720</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period

The notes form part of these financial statements

BAS Castings Limited

Balance Sheet
31 December 2006

	Notes	31 12 06 £	£	31 12 05 £	£
FIXED ASSETS					
Tangible assets	7		291,414		277,292
CURRENT ASSETS					
Stocks	8	392,036		372,089	
Debtors	9	1,780,549		1,815,279	
Cash in hand		<u>73,764</u>		<u>45,404</u>	
		2,246,349		2,232,772	
CREDITORS					
Amounts falling due within one year	10	<u>2,205,928</u>		<u>2,139,244</u>	
NET CURRENT ASSETS			<u>40,421</u>		<u>93,528</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>331,835</u>		<u>370,820</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Profit and loss account			<u>331,735</u>		<u>370,720</u>
SHAREHOLDERS' FUNDS	18		<u>331,835</u>		<u>370,820</u>

The financial statements were approved by the Board of Directors on *31 July 2007* and were signed on its behalf by


S P Murphy - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2006

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently is set out below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

A geographical analysis of turnover is omitted for reasons allowed under schedule 4(55)(5) of Companies Act 1985.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Plant machinery and patterns	- 33% on cost and 15% on cost
Office equipment fixtures and fittings	- 20% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. The cost of the work in progress comprises materials, direct labour and attributable production overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Deferred tax

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or the right to pay less tax in the future, has occurred at the balance sheet date. Deferred tax on defined benefit scheme surpluses or deficits is adjusted against these balances. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates that have been enacted or substantially enacted by the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals applicable to operating leases under which substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

BAS Castings Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2006

1 **ACCOUNTING POLICIES - continued**

Cashflow Statement

The company is a wholly owned subsidiary of Ryder Court Investments Limited and the cash flows of the company are included in the consolidated group cash flow of that company. Consequently the company is exempt under the terms of Financial Reporting Standard no 1(Revised) from publishing a cash flow statement

2 **STAFF COSTS**

	Year Ended 31 12 06 £	Period 1 9 04 to 31 12 05 £
Wages and salaries	2,377,829	2,877,639
Social security costs	238,738	279,366
Other pension costs	<u>116,658</u>	<u>115,450</u>
	<u>2,733,225</u>	<u>3,272,455</u>

The average monthly number of employees during the year was as follows

	Year Ended 31 12 06	Period 1 9 04 to 31 12 05
Works	84	82
Sales and administration	<u>26</u>	<u>23</u>
	<u>110</u>	<u>105</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2006

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Year Ended 31 12 06 £	Period 1 9 04 to 31 12 05 £
Hire of plant and machinery	21,802	30,426
Other operating leases	26,315	28,321
Depreciation - owned assets	41,688	79,332
Auditors' remuneration	5,500	6,667
Group management charge	112,000	125,000
Amortisation of Regional Development Grant	<u>(3,550)</u>	<u>(450)</u>
Directors' emoluments	154,404	236,138
Directors' pension contributions to money purchase schemes	<u>7,167</u>	<u>13,480</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 12 06 £	Period 1 9 04 to 31 12 05 £
Interest payable	<u>40,470</u>	<u>48,962</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	Year Ended 31 12 06 £	Period 1 9 04 to 31 12 05 £
Deferred tax	<u>11,100</u>	<u>18,600</u>
Tax on profit on ordinary activities	<u>11,100</u>	<u>18,600</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2006****5 TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	Year Ended 31 12 06 £	Period 1 9 04 to 31 12 05 £
Profit on ordinary activities before tax	<u>372,115</u>	<u>494,556</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	111,635	148,367
Effects of		
Expenses not deductible for tax	-	1,248
Capital allowances in excess of depreciation	(10,561)	(9,519)
Group relief not paid for	(101,074)	(131,096)
Short term timing differences	<u>-</u>	<u>(9,000)</u>
Current tax charge	<u>-</u>	<u>-</u>

There is no corporation tax charge for the year as group relief has been surrendered to the company by fellow subsidiaries

6 DIVIDENDS

	Year Ended 31 12 06 £	Period 1 9 04 to 31 12 05 £
Dividend - paid in the year	<u>400,000</u>	<u>350,000</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2006****7 TANGIBLE FIXED ASSETS**

	Freehold property £	Plant machinery and patterns £	Office equipment fixtures and fittings £	Totals £
COST				
At 1 January 2006	199,332	1,601,688	143,351	1,944,371
Additions	-	55,810	-	55,810
Disposals	-	(491,165)	(78,975)	(570,140)
At 31 December 2006	<u>199,332</u>	<u>1,166,333</u>	<u>64,376</u>	<u>1,430,041</u>
DEPRECIATION				
At 1 January 2006	19,851	1,507,836	139,392	1,667,079
Charge for year	1,993	37,195	2,500	41,688
Eliminated on disposal	-	(491,165)	(78,975)	(570,140)
At 31 December 2006	<u>21,844</u>	<u>1,053,866</u>	<u>62,917</u>	<u>1,138,627</u>
NET BOOK VALUE				
At 31 December 2006	<u>177,488</u>	<u>112,467</u>	<u>1,459</u>	<u>291,414</u>
At 31 December 2005	<u>179,481</u>	<u>93,852</u>	<u>3,959</u>	<u>277,292</u>

8 STOCKS

	31 12 06 £	31 12 05 £
Raw materials	100,939	133,598
Work-in-progress	<u>291,097</u>	<u>238,491</u>
	<u>392,036</u>	<u>372,089</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 06 £	31 12 05 £
Trade debtors	1,515,126	1,619,224
Amounts owed by group undertakings	111,089	-
Other debtors	2,300	15,755
Deferred taxation	26,600	37,700
Prepayments	<u>125,434</u>	<u>142,600</u>
	<u>1,780,549</u>	<u>1,815,279</u>

BAS Castings Limited**Notes to the Financial Statements - continued
for the Year Ended 31 December 2006****10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 06	31 12 05
	£	£
Bank loans and overdrafts (see note 11)	823,900	607,273
Trade creditors	1,052,066	1,140,916
Amounts owed to group undertakings	81,595	125,038
Social security and other taxes	128,922	115,286
Other creditors	66,383	53,937
Accruals and deferred income	53,062	96,794
	<u>2,205,928</u>	<u>2,139,244</u>

11 LOANS

An analysis of the maturity of loans is given below

	31 12 06	31 12 05
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>823,900</u>	<u>607,273</u>

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	31 12 06	31 12 05
	£	£
		Plant equipment and motor vehicles
Expiring		
Within one year	33,807	46,398
Between one and five years	<u>12,582</u>	<u>34,470</u>
	<u>46,389</u>	<u>80,868</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	31 12 06	31 12 05
	£	£
Bank overdrafts	<u>823,900</u>	<u>607,273</u>

14 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	31 12 06	31 12 05
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

BAS Castings Limited**Notes to the Financial Statements - continued**
for the Year Ended 31 December 2006**15 ULTIMATE PARENT COMPANY**

The immediate parent company of this company is North Midlands Castings Limited, a company registered in England and Wales. The UK parent undertaking for which consolidated accounts have been prepared at 31 December 2006 is Ryder Court Investments Limited, a company registered in England and Wales. The ultimate parent company is Prayer Investments Limited, a company registered in Cyprus.

16 CONTINGENT LIABILITIES

The company is involved in the Value Added Tax Group election under s29 of the Value Added Tax Act 1983. It has therefore guaranteed to pay any tax due by other members of the group. At 31 December 2006 tax owing by the group was £274,489 (31 December 2005 £495,284).

The company together with other group undertakings are also part of an agreement with Barclays Bank Plc, whereby balances with the bank are subject to joint and several guarantees. The net aggregated borrowings at 31 December 2006 subject to this agreement amounted to £2,596,491 (31 December 2005 £2,090,587). The bank has a fixed charge over all of the company's assets.

17 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption not to disclose transactions with other entities that fall within the group of companies owned 90% by the ultimate parent company.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 06	31 12 05
	£	£
Profit for the financial year	361,015	475,956
Dividends	<u>(400,000)</u>	<u>(350,000)</u>
Net (reduction)/addition to shareholders' funds	(38,985)	125,956
Opening shareholders' funds	<u>370,820</u>	<u>244,864</u>
Closing shareholders' funds	<u>331,835</u>	<u>370,820</u>
Equity interests	<u>331,835</u>	<u>370,820</u>

19 DEFERRED TAXATION

	31 12 06	31 12 05
	£	£
Accelerated capital allowances	<u>(26,600)</u>	<u>(37,700)</u>
	<u>(26,600)</u>	<u>(37,700)</u>
Balance at 1 January 2006	(37,700)	
Profit and Loss Account	<u>11,100</u>	
Deferred taxation asset at 31 December 2006	<u>(26,600)</u>	