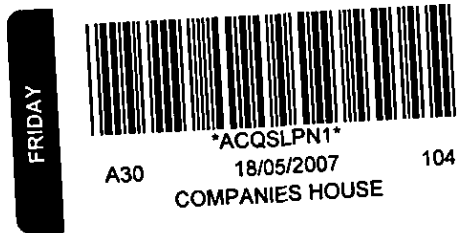


Company Registration No. 03150185 (England and Wales)

BRECKNELL WILLIS COMPOSITES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006



BRECKNELL WILLIS COMPOSITES LIMITED

COMPANY INFORMATION

Directors	M C Casemore M J Bostelmann
Secretary	M J Bostelmann
Company number	03150185
Registered office	Craven House 16 Northumberland Avenue London WC2N 5AP
Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Bankers	Barclays Bank plc PO Box 328 3 Bedford Street Exeter EX1 1XG

BRECKNELL WILLIS COMPOSITES LIMITED

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BRECKNELL WILLIS COMPOSITES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities

The principal activity of the company continued to be that of manufacturing fibre reinforced composite products which included contact moulding (hand lay), resin transfer moulding (RTM), vacuum infusion, vacuum bagging, and chop strand deposit

Directors

The following directors have held office since 1 January 2006

M C Casemore
M J Bostelmann

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2006	1 January 2006
M J Bostelmann	-	-
M C Casemore	-	-

The interest of M J Bostelmann in the shares of group undertakings is shown in the financial statements of the ultimate parent undertaking

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting

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

BRECKNELL WILLIS COMPOSITES LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2006**

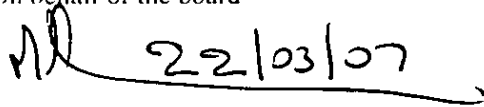
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

On behalf of the board

 22/03/07

M C Casemore
Director

BRECKNELL WILLIS COMPOSITES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRECKNELL WILLIS COMPOSITES LIMITED

We have audited the financial statements on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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.

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 directors' report is consistent with the financial statements. We also 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 transactions with the company is not disclosed.

We read the directors' report 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.

BRECKNELL WILLIS COMPOSITES LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF BRECKNELL WILLIS COMPOSITES 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 loss for the year then ended, and

have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors' report is consistent with the financial statements

Saffery Champness
Saffery Champness

Chartered Accountants
Registered Auditors

23/3/2007

Lion House
Red Lion Street
London
WC1R 4GB

BRECKNELL WILLIS COMPOSITES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2006 £	2005 £
Turnover	2	1,488,289	2,461,465
Cost of sales		(1,258,297)	(1,952,612)
Gross profit		229,992	508,853
Distribution costs		(44,411)	(81,000)
Administrative expenses		(269,989)	(293,464)
Operating (loss)/profit	3	(84,408)	134,389
Other interest receivable and similar income		13,620	12,610
Interest payable and similar charges		(141)	(150)
(Loss)/profit on ordinary activities before taxation		(70,929)	146,849
Tax on (loss)/profit on ordinary activities	4	20,004	(44,277)
(Loss)/profit on ordinary activities after taxation	11	(50,925)	102,572

The notes on pages 7 to 11 form part of these financial statements

BRECKNELL WILLIS COMPOSITES LIMITED

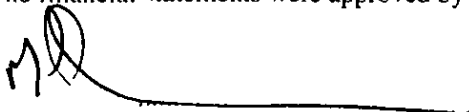
**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Notes	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	5		38,755		72,423
Current assets					
Stocks		125,772		188,768	
Debtors	6	302,734		377,977	
Cash at bank and in hand		437,271		377,208	
		<u>865,777</u>		<u>943,953</u>	
Creditors' amounts falling due within one year	7	<u>(252,488)</u>		<u>(313,407)</u>	
Net current assets			<u>613,289</u>		<u>630,546</u>
Total assets less current liabilities			<u>652,044</u>		<u>702,969</u>
			<u>652,044</u>		<u>702,969</u>
Capital and reserves					
Called up share capital	10		450,000		450,000
Profit and loss account	11		202,044		252,969
Shareholders' funds			<u>652,044</u>		<u>702,969</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The notes on pages 7 to 11 form part of these financial statements

The financial statements were approved by the board on 22/03/07


M C Casemore
Director

BRECKNELL WILLIS COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Building Improvements	over 10 years, on a straight line basis
Plant and machinery	between 2 and 10 years on a straight line basis
Tooling	over 2 years, on a straight line basis
Motor vehicles	over 4 years, on a straight line basis

1.4 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

2 Turnover

In the year to 31 December 2006 6.60% (2005 - 2.40%) of the company's turnover was to markets outside the United Kingdom

3 Operating (loss)/profit	2006	2005
	£	£
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	37,710	48,481
Loss on foreign exchange transactions	-	101
Loss on stock written off	36,537	20,456
Operating lease rentals		
- Plant and machinery	252	2,273
- Other assets	112,281	112,281
Auditors' remuneration	8,800	7,800
Directors' emoluments	64,220	72,020

The stock write off related to obsolete stocks in respect of a lost contract

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2005- 1)

BRECKNELL WILLIS COMPOSITES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2006**

4	Taxation	2006 £	2005 £	
	U.K current year taxation			
	U K corporation tax at 0% (2005- 30%)	-	47,960	
	Deferred taxation	(20,004)	(3,822)	
		<u>(20,004)</u>	<u>44,138</u>	
	Prior years			
	U K corporation tax	-	139	
		<u>(20,004)</u>	<u>44,277</u>	
5	Tangible fixed assets	Land and buildings £	Other tangible fixed assets £	Total £
	Cost			
	At 1 January 2006	10,729	452,719	463,448
	Additions	-	4,130	4,130
	Disposals	-	(162,185)	(162,185)
		<u>10,729</u>	<u>294,664</u>	<u>305,393</u>
	At 31 December 2006	10,729	294,664	305,393
	Depreciation			
	At 1 January 2006	9,559	381,554	391,113
	On disposals	-	(162,185)	(162,185)
	Charge for the year	934	36,776	37,710
		<u>10,493</u>	<u>256,145</u>	<u>266,638</u>
	At 31 December 2006	10,493	256,145	266,638
	Net book value			
	At 31 December 2006	<u>236</u>	<u>38,519</u>	<u>38,755</u>
	At 31 December 2005	<u>1,170</u>	<u>71,253</u>	<u>72,423</u>

BRECKNELL WILLIS COMPOSITES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2006**

6 Debtors	2006 £	2005 £
Trade debtors	212,011	319,739
Amounts owed by group undertakings	14,425	20,527
Deferred tax asset	31,642	11,638
Prepayments	23,708	23,733
Other debtors	20,948	2,340
	<u>302,734</u>	<u>377,977</u>

7 Creditors: amounts falling due within one year	2006 £	2005 £
Trade creditors	83,132	114,980
Amounts owed to group undertakings	104,528	104,527
Taxation and social security	48,798	57,543
Other creditors	16,030	36,357
	<u>252,488</u>	<u>313,407</u>

The deferred tax asset (included in the debtors, note 6) is made up as follows

	2006 £	2005 £
Balance at 1 January 2006	(11,638)	
Profit and loss account	(20,004)	
Balance at 31 December 2006	<u>(31,642)</u>	
	2006 £	2005 £
Decelerated capital allowances	(13,453)	(11,638)
Tax losses available	(18,189)	-
	<u>(31,642)</u>	<u>(11,638)</u>

BRECKNELL WILLIS COMPOSITES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2006**

9 Pension costs

The company is an affiliate member of the Brecknell Willis and Co Limited Pension and Life Assurance Scheme which is a defined benefit scheme whose contributions are determined by a qualified actuary. The pension costs representing the company's contributions to this fund amounted to £15,474 (2005 £15,205) of which £1,646 (2005 £1,646) was outstanding at the year end. The scheme is closed to new members and the costs may be expected to increase in the future. Further details regarding this scheme are given in the accounts of Brecknell Willis and Co Limited.

As an alternative the company offers a stakeholder scheme. There have been no joiners or leavers during the year and the number of members benefiting from the scheme is nil (2005 nil).

Defined contribution

	2006	2005
	£	£
Contributions payable by the company for the year	<u>15,474</u>	<u>15,205</u>

10 Share capital

	2006	2005
	£	£
Authorised 1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid 450,000 Ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	252,969
Retained loss for the year	<u>(50,925)</u>
Balance at 31 December 2006	<u>202,044</u>

BRECKNELL WILLIS COMPOSITES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2006**

12 Financial commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	2006	2005
	£	£
Expiry date		
In over five years	108,693	108,693

13 Control

The company considers Fandstan Electric Group Limited, a company incorporated in England and Wales, to be its ultimate parent company. The company is ultimately controlled by Lord and Lady Tanlaw by virtue of their shareholding in the company's ultimate parent company.

Consolidated accounts for Fandstan Electric Group Limited are available from Companies House.

14 Related party transactions

There were no related party transactions other than with group companies. Advantage has been taken of the exemption contained in Financial Reporting Statement 8 Related Party Disclosures from disclosing transactions with other group entities.