Company Registration No 00694741 (England and Wales)

ENGINE DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2010

ENGINE DEVELOPMENTS LIMITED

CONTENTS

ENGINE DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO ENGINE DEVELOPMENTS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 3 to 5, together with the financial statements of Engine Developments Limited for the year ended 31 December 2010 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006 Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our 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 444 of the Companies Act 2006 It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board In accordance with that Bulletin we have carried out the procedures we consider 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

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section

Qualified opinion arising from limitation in scope
With respect to stock the audit evidence available to us was limited because, due to its special nature, the company's stock and work in progress have been included at the directors' valuation There were no satisfactory audit procedures that we could adopt to confirm independently the valuation prepared by the directors and, as a result, we have been unable to verify the valuation of stock and work in progress shown in the financial statements

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient evidence towards the valuation of stock and work in progress, in our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
In respect solely of the limitation on our work relating to stock referred to above
- we have not been able to independantly verify the value of stock due to its specialised nature

INDEPENDENT AUDITORS' REPORT TO ENGINE DEVELOPMENTS LIMITED (CONTINUED)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report "

Mustafa Datoo

Mustafa Datoo FCA (Senior Statutory Auditor)
for and on behalf of Blinkhorns

29 September 2011

Statutory Auditor

27 Mortimer Street
London
W1T 3BL

ENGINE DEVELOPMENTS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	2		908,877		931,407
Investments	2		-		472,781
			908,877		1,404,188
Current assets					
Stocks		512,148		576,016	
Debtors		167,173		202,379	
Cash at bank and in hand		711,273		514,277	
		1,390,594		1,292,672	
Creditors amounts falling due within one year		(1,406,395)		(1,839,344)	
Net current liabilities			(15,801)		(546,672)
Total assets less current liabilities			893,076		857,516
Provisions for liabilities			(120,302)		(120,302)
			772,774		737,214
Capital and reserves					
Called up share capital	3		1,000		1,000
Profit and loss account			771,774		736,214
Shareholders' funds			772,774		737,214

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board for issue on 28 September 2011

Mr J D Judd
Director

Company Registration No 00694741

ENGINE DEVELOPMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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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 April 2008)

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts Income from leased engines is recognised on a time apportionment basis

1 3 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 less estimated residual value of each asset over its expected useful life, as follows

Freehold buildings	2% per annum on a straight line basis
Aircraft	4% on a reducing balance basis
Plant and machinery	20% on a reducing balance basis
Fixtures, fittings & equipment	15% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

No depreciation is provided in respect of freehold land

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1 5 Stock

The company develops and manufactures specialist motor racing engines and components, the design and development of which changes constantly

As a result the valuation of the company's stock and work in progress has to take into account special factors As the directors possess a detailed knowledge of the market the company operates in, stock and work in progress have been included in the financial statements at the lower of cost or net realisable value provided by the directors

1 6 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

1.7 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

ENGINE DEVELOPMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
Cost			
At 1 January 2010	2,661,942	472,781	3,134,723
Additions	34,187	-	34,187
Disposals	(25,100)	(472,781)	(497,881)
At 31 December 2010	2,671,029	-	2,671,029
Depreciation			
At 1 January 2010	1,730,536	-	1,730,536
On disposals	(10,981)	-	(10,981)
Charge for the year	42,597	-	42,597
At 31 December 2010	1,762,152	-	1,762,152
Net book value			
At 31 December 2010	908,877	-	908,877
At 31 December 2009	931,407	472,781	1,404,188

3 Share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000