

Yew Tree Investments Limited

Directors' report and financial
statements

Registered number 3079538

31 March 2010

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Directors and advisors

Directors

U Malhoutra
RK Lawton
VR Sunder

Secretary and registered office

AG Atkins
Cheney Manor Industrial Estate
Swindon
Wiltshire
SN2 2PZ

Registered auditors

KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Directors' report

The directors present their report and audited financial statements for the year ended 31 March 2010.

Principal activities

The principal activity of the Company during the year was that of property management and an investment holding company.

Review of business and future outlook

The results for the year were anticipated and should continue at current levels.

Principal risks and uncertainties

The main risks associated with the Company are around the carrying value of investments and impairment of land and buildings, for which no issues have been noted in the year. Further risks associated with Oldland Aerospace Limited, the subsidiary of the Company, have been detailed below:

Results and dividends

The profit for the year after taxation amounted to £755,305 (2009: £734,574). Dividends proposed and paid during the year amounted to £694,623 (2009: £202,500).

Property valuation

A valuation of the property was carried out in July 2008 and, in the directors' opinion, the market value of the property is greater than book value.

Directors

The directors who held office during the year and their date of appointment are given below:

Udayant Malhoutra
RK Lawton
VR Sunder

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that their ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Charitable donations

Charitable donations of £570 (2009: £2,526) were made during the year.

Directors' report *(continued)*

Auditors

On 3 February 2010, PricewaterhouseCoopers LLP resigned as auditors and KPMG LLP were appointed to fill the casual vacancy arising. A resolution for the appointment of KPMG LLP will be proposed at the forthcoming Annual General Meeting.

By order of the board



RK Lawton
Director

Cheney Manor Industrial estate
Swindon
Wiltshire
SN2 2PZ

26th. July 2010

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

100 Temple Street
Bristol
BS1 6AG
United Kingdom

Independent auditors' report to the members of Yew Tree Investments Limited

We have audited the financial statements of Yew Tree Investments Limited for the year ended 31 March 2010 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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.

Independent auditors' report to the members of Yew Tree Investments Limited *(continued)*

Matters on which we are required to report by exception

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
- we have not received all the information and explanations we require for our audit.



A C Campbell-Orde (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG
United Kingdom

26 July

2010

Profit and Loss Account
for the year ended 31 March 2010

	<i>Note</i>	2010 £	2009 £
Other operating income		105,900	113,493
Administrative expenses		(21,620)	(45,603)
		<hr/>	<hr/>
Operating profit before exceptional item	2	84,280	67,890
Profit on disposal of property	3	-	621,300
Income from shares in group undertakings		694,623	202,500
Interest receivable		-	2,566
Interest payable and similar charges	5	-	(7,399)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		778,903	886,857
Tax (charge)/credit on profit on ordinary activities	6	(23,598)	(152,283)
		<hr/>	<hr/>
Profit/(loss) for the financial year		755,305	734,574
		<hr/> <hr/>	<hr/> <hr/>

All activities of the Company are classed as continuing.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than the profits reported above, hence no separate statement of total recognised gains and losses has been presented.

Balance Sheet
at 31 March 2010

	<i>Note</i>	2010	2009
		£	£
Fixed assets			
Tangible assets	8	710,420	727,366
Investments	9	2	2
		<hr/>	<hr/>
		710,422	727,368
Current assets			
Debtors	10	1,031,516	1,030,452
Cash at bank		24,323	78,730
		<hr/>	<hr/>
Creditors: amounts falling due within one year	11	1,055,839 (424,857)	1,109,182 (555,828)
		<hr/>	<hr/>
Net current assets		630,982	553,354
		<hr/>	<hr/>
Net assets		1,341,404	1,280,722
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	1,341,304	1,280,622
		<hr/>	<hr/>
Equity shareholder funds	14	1,341,404	1,280,722
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on 21st July 2010 and were signed on its behalf by:



RK Lawton
Director

Company registered number: 3079538

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Tangible fixed assets

All fixed assets are held at cost and depreciation is calculated to write off the cost of these items over their estimated useful lives at the following rates. Fixed assets comprise of commercial land and buildings which were depreciated at:

Building	-	2.6%
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No depreciation is provided for freehold land.

Operating lease agreements

Rental income applicable to operating leases is credited on a straight line basis over the period of the lease. Rental income is derived from leasing the factory property to Oldland Aerospace Limited, a subsidiary company.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Related party transactions

As the Company is a wholly owned subsidiary within a group that prepares consolidated financial statements, the Company has taken advantage of the exemption from disclosing transactions with group entities under FRS 8.

Cash flow statement

Under FRS1 the Group and Company are exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Consolidation

The financial statements contain information about Yew Tree Investments Limited as an individual company and do contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its parent DM 38 Limited, a company registered in England and Wales.

Notes *(continued)*

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2010 £	2009 £
Depreciation on owned assets	16,946	11,296
Rentals receivable under operating leases	(105,900)	(71,250)
Auditors' remuneration		
- audit fees	2,000	3,500
- others	1,000	1,005
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3 Exceptional items

During the previous year, the Company disposed of freehold property generating a profit on disposal of £621,300 before tax.

4 Directors' emoluments

	2010 £	2009 £
Aggregate emoluments	-	20,139
	-----	-----

No directors were accruing benefits under a defined contribution pension scheme (2009: *None*). The emoluments of the directors in the current year were paid by the ultimate parent undertaking.

5 Interest payable and similar charges

	2010 £	2009 £
Loan interest payable	-	7,399
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Notes *(continued)*

6 Profit on ordinary activities before taxation

Analysis of charge in the year

	2010	2009
	£	£
Current tax		
In respect of the year:		
UK corporation tax at 28% on profit (2009: 28%) on profit	23,598	152,283
	<hr/>	<hr/>
Total current tax	<u>23,598</u>	<u>152,283</u>

Factors affecting tax charge for the period

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009: 28%).

	2010	2009
	£	£
Profit/(loss) before taxation	<u>778,903</u>	<u>886,857</u>
Profit/(loss) on ordinary activities by rate of tax 28% (2009: 28%)	218,092	248,320
Disallowable expenses	-	3,934
Capital transaction	-	(43,271)
Income not subject to tax	(194,494)	(56,700)
	<hr/>	<hr/>
Total current tax charge for the year	<u>23,598</u>	<u>152,283</u>

7 Dividends

	2010	2009
	£	£
Dividends paid on ordinary shares	<u>694,623</u>	<u>202,500</u>

Notes *(continued)*

8 Tangible fixed assets

	Land and buildings £
<i>Cost</i>	
At beginning of and end of year	869,955
<i>Depreciation</i>	
At beginning of year	142,589
Charge for year	16,946
At 31 March 2010	159,535
<i>Net book value</i>	
At 31 March 2010	710,420
At 31 March 2009	727,366

9 Investments

a) Investment in subsidiary companies

Yew Tree Investments owns 100% of Oldland Aerospace Limited, a manufacturing company registered in England.

	£
<i>Cost and net book value</i>	
At beginning and end of year	2

10 Debtors

	2010 £	2009 £
Other debtors	2,038	974
Prepayments and accrued income	2,663	2,663
Amounts owed by group companies	1,026,815	1,026,815
	1,031,516	1,030,452

Notes (continued)

11 Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts owed to group companies	401,064	527,000
Corporation tax	9,304	9,304
Other tax and social security	10,317	10,715
Accruals and deferred income	4,172	8,809
	424,857	555,828
	424,857	555,828

12 Share capital

	2010 No.	2010 £	2009 No.	2009 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	100	100	100	100
	100	100	100	100
	100	100	100	100

13 Profit and loss reserve

	2010 £	2009 £
Balance brought forward	1,280,622	748,548
Profit for the year	755,305	734,574
Dividends on shares classified in shareholder's funds	(694,623)	(202,500)
	1,341,304	1,280,622
Balance carried forward	1,341,304	1,280,622

14 Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Profit/(loss) for the year	755,305	734,574
Dividends on shares classified in shareholder's funds	(694,623)	(202,500)
	60,682	532,074
Net addition/(reduction) in shareholders' funds	60,682	532,074
Opening shareholder funds	1,280,722	748,648
	1,341,404	1,280,722
Closing shareholder funds	1,341,404	1,280,722

Notes *(continued)*

15 Ultimate controlling party

The Company's immediate controlling party is DM 38 Limited, a company incorporated in England and Wales. The Company's ultimate controlling party is Dynamatic Technologies Limited, a company incorporated in India. Copies of Dynamatic Technologies Limited annual report and financial statements are available from JKM Darim House, No. 16 Wallace Gardens, 1st Street, Thousand Lights, Chennai 600 006, India.

Financial Statements as at March 31, 2010
Converted to Indian Rupees

YEW TREE INVESTMENTS LIMITED

Profit and Loss Account

for the year ended 31 March 2010

	Note	2010 GBP	2010 INR	2009 GBP	2009 INR
Other operating income		105,900	8,069,395	113,493	8,851,274
Administrative expenses		(21,620)	(1,647,406)	(45,603)	(3,556,560)
Operating profit before exceptional item	2	84,280	6,421,989	67,890	5,294,714
Profit on disposal of property	3	-	-	621,300	48,454,938
Income from shares in group undertakings		694,623	52,929,057	202,500	15,792,894
Interest receivable		-	-	2,566	200,121
Interest payable and similar charges	5	-	-	(7,399)	(577,045)
Profit on ordinary activities before taxation		778,903	59,351,046	886,857	69,165,622
Tax (charge)/credit on profit on ordinary activities	6	(23,598)	(1,798,126)	(152,283)	(11,876,490)
Profit /(loss) for the financial year		755,305	57,552,920	734,574	57,289,132

All activities of the Company are classified as continuing

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than the profits reported above, hence no separate statement of the total recognised gains and losses has been presented.

Note: Rates used for conversion	31-Mar-10	31-Mar-09
Balance Sheet	67.86850	72.49000
Profit & Loss Account	76.19825	77.98960

YEW TREE INVESTMENTS LIMITED
BALANCE SHEET AS AT 31 MARCH 2010

	Note	2010 SGD	2010 INR	2009 SGD	2009 INR
Fixed Assets					
Intangible assets	8	710,420	48,215,139	727,366	52,726,761
Investments	9	2	136	2	145
		<u>710,422</u>	<u>48,215,275</u>	<u>727,368</u>	<u>52,726,906</u>
Current Assets					
Debtors	10	1,031,516	70,007,444	1,030,452	74,697,465
Cash at bank		24,323	1,650,766	78,730	5,707,138
		<u>1,055,839</u>	<u>71,658,210</u>	<u>1,109,182</u>	<u>80,404,603</u>
Creditors: amounts falling due within one year	11	(424,857)	(28,834,407)	(555,828)	(40,291,971)
Net Current assets		<u>630,982</u>	<u>42,823,803</u>	<u>553,354</u>	<u>40,112,632</u>
Net Assets		<u>1,341,404</u>	<u>91,039,078</u>	<u>1,280,722</u>	<u>92,839,538</u>
Capital and reserves					
Called up share capital	12	100	6,787	100	7,249
Profit and loss account	13	1,341,304	91,032,291	1,280,622	92,832,289
Equity shareholders' funds	14	<u>1,341,404</u>	<u>91,039,078</u>	<u>1,280,722</u>	<u>92,839,538</u>

These financial statements were approved by the board of directors on 26th July 2010 and were signed on its behalf by:

RK Lawton
Director

Company registered number : 3079538

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Tangible Fixed Assets

All fixed assets are held at cost and depreciation is calculated to write off the cost of these items over their estimated useful lives at the following rates. Fixed assets comprise of commercial land and buildings which were depreciated at;

Building - 2.60%

No depreciation is provided for freehold land

Operating lease agreements

Rental income applicable to operating leases is credited on a straight line basis over the period of the lease. Rental income is derived from leasing the factory property to Oldland Aerospace Limited, a subsidiary company.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Related party transactions

As the company is a wholly owned subsidiary within a group that prepares consolidated financial statements, the company has taken advantage of the exemption from disclosing transactions with group entities under FRS 8.

Cash flow statement

Under FRS1, the Group company and company are exempt from the requirement to prepare a cashflow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Consolidation

The financial statements contain information about yew tree Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its parent DM 38 Limited, a company registered in England and Wales.

Notes (Continued)

2 Operating Profit/(loss)

Operating profit /(loss) is stated after charging /(crediting):

	2010 GBP	2010 INR	2009 GBP	2009 INR
Depreciation on owned assets	16,946	1,291,256	11,296	880,971
Rentals receivable under operating leases	(105,900)	(8,069,395)	(71,250)	(5,556,759)
Auditors' remuneration				
-audit fees	2,000	152,397	3,500	272,964
-others	1,000	76,198	1,005	78,380

3 Exceptional items

During the previous year, the Company disposed of freehold property generating a profit on disposal of GBP 621,300 (INR 47,341,973)before tax.

4 Directors' emoluments

	2010 GBP	2010 INR	2009 GBP	2009 INR
Aggregate emoluments	0	0	20,139	1,570,633

No Directors were accruing benefits under a defined contribution pension scheme. (2009: none)
The emoluments of directors in the current year were paid by the ultimate parent undertaking

5 Interest payable and similar charges

	2010 GBP	2010 INR	2009 GBP	2009 INR
Loan interest payable	0	0	7,399	577,045

6 Profit on ordinary activities before taxation

Analysis of charge in the year

	2010 GBP	2010 INR	2009 GBP	2009 INR
Current tax				
In respect of the year:				
UK corporation tax at 28% on profit (2009:28%)	23,598	1,798,126	152,283	11,876,490
Total current tax	23,598	1,798,126	152,283	11,876,490

Factors affecting tax charge for the period

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in UK of 28% (2009: 28%)

	2010 GBP	2010 INR	2009 GBP	2009 INR
Profit /(Loss) before taxation	778,903	59,351,046	886,857	69,165,623
Profit/(Loss)profit on ordinary activities by rate of tax 28% (2009: 28%)	218,092	16,618,228	248,320	19,366,377
Disallowable expenses	0	0	3,934	306,811
Capital transaction	0	0	(43,271)	(3,374,688)
Income tax not subjected to tax	(194,494)	(14,820,102)	(56,700)	(4,422,010)
Total current tax charge for the year	23,598	1,798,126	152,283	11,876,490

7 Dividends

	2010 GBP	2010 INR	2009 GBP	2009 INR
Dividend paid on ordinary shares	694,623	52,929,057	202,500	15,792,894

8 Tangible fixed assets

Cost		
At the beginning of and end of year	869,955	59,042,541
Depreciation		
At the beginning of the year	142,589	9,677,302
Charge for year	16,946	1,150,100
At 31 March 2010	159,535	10,827,402
Net Book Value		
At 31 March 2010	710,420	48,215,139
At 31 March 2009	727,366	52,726,761

9 Investments

a) Investments in subsidiary companies

Yew Tree Investments owns 100% of Oldland Aerospace Limited, a manufacturing company registered in England.

	2,010 GBP	2,010 INR
Cost and net book value		
At the beginning and end of year	2	136

10 Debtors

	2010 GBP	2010 INR	2009 GBP	2009 INR
Other debtors	2,038	138,316	974	70,605
Prepayments and accrued income	2,663	180,734	2,663	193,041
Amounts owed by group companies	1,026,815	69,688,394	1,026,815	74,433,819
	<u>1,031,516</u>	<u>70,007,444</u>	<u>1,030,452</u>	<u>74,697,465</u>

11 Creditors: amounts falling due within one year

	2010 GBP	2010 INR	2009 GBP	2009 INR
Amount owed to group companies	401,064	27,219,612	527,000	38,202,230
Corporation tax	9,304	631,449	9,304	674,447
Other taxation and social security	10,317	700,199	10,715	776,730
Accruals and deferred income	4,172	283,147	8,809	638,564
	<u>424,857</u>	<u>28,834,407</u>	<u>555,828</u>	<u>40,291,971</u>

12 Share capital

	2010 Nos	2010 GBP	2010 INR	2009 Nos	2009 GBP	2009 INR
Allotted, called up and fully paid Ordinary shares of GBP 1/- each	100	100	6,787	100	100	7,249

13 Profit and Loss reserve

	2010 GBP	2010 INR	2009 GBP	2009 INR
Balance brought forward	1,280,622	86,913,894	748,548	54,262,245
Profit for the year	755,305	51,261,418	734,574	53,249,269
Dividends on shares classified in shareholder's funds	(694,623)	(47,143,021)	(202,500)	(14,679,225)
Balance carried forward	<u>1,341,304</u>	<u>91,032,291</u>	<u>1,280,622</u>	<u>92,832,289</u>

14 Reconciliation of movement in shareholder's funds

	2010 GBP	2010 INR	2009 GBP	2009 INR
Profit/(loss) for the year	755,305	51,261,417	734,574	53,249,269
Dividends on shares classified in shareholder's funds	(694,623)	(47,143,021)	(202,500)	(14,679,225)
Net addition/(reduction) in shareholder's funds	<u>60,682</u>	<u>4,118,396</u>	<u>532,074</u>	<u>38,570,044</u>
Opening shareholders' funds	1,280,722	86,920,681	748,648	54,269,494
Closing shareholder funds	<u>1,341,404</u>	<u>91,039,077</u>	<u>1,280,722</u>	<u>92,839,538</u>

15 Ultimate controlling party

The Company's immediate controlling party is DM 38 Limited, a company incorporated in England and Wales. The Company's ultimate controlling party is Dynamatic Technologies Limited, a company incorporated in India. Copies of Dynamatic Technologies Limited annual report and financial statements are available from JKM Daerim House, No 16, Wallace Gardens, 1 st Street Thousand Lights, Chennai 600 006, India.