

TEXCEL TECHNOLOGY PLC



Directors' Report And Financial Statements

For the year ended 31 January 2010

Company Registration No 2607732 (England And Wales)

TEXCEL TECHNOLOGY PLC

COMPANY INFORMATION

Directors	W H Bryce P J Shawyer S A Suckling G J Tilsed A N McLeod
Secretary	S A Suckling
Company number	2607732
Registered office	Thames Road Crayford Kent DA1 4SB
Auditors	Kingston Smith LLP Surrey House 36-44 High Street Redhill Surrey RH1 1RH
Business address	Thames Road Crayford Kent DA1 4SB
Bankers	HSBC Bank plc 9 The Boulevard Crawley West Sussex RH10 1UT
Solicitors	James & Charles Dodd 18 Tranquil Vale Blackheath London SE3 0AZ

TEXCEL TECHNOLOGY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

The directors present their report and financial statements for the year ended 31 January 2010

Principal activities and review of the business

The principal activity of the company throughout the year was that of design and manufacture of electronic instruments and equipment, including the design and manufacture of remote monitoring systems

The results to the year end 31st January 2010 reflect a fall in turnover from £6.4m to £5.6m, a fall of £0.8m. Considering the worldwide economic situation, the company has done well to maintain this level of turnover comparable to last year. However the company has also experienced a fall in operational profit.

Electronic component availability mainly accounted for the reduction in profit through additional resources needed to source parts and an increase in cost due to a seller's market.

The difficult trading conditions required the company to carry out a strategic review of all areas of the business. This resulted in a subsequent reduction in overheads and improved stock control processes.

The Directors have taken steps during the year to turn a negative cash balance into a strong positive one and put the Company in a strong position to take advantage of the opportunities that arise following difficult times.

The Sales order pipeline shows encouraging signs of growth as we enter 2010.

A significant project was awarded to the company during the year and this will start to generate returns in the coming year and further support the company's entry into the Sub Sea monitoring arena.

Whilst the financial results were better than the industry average, the directors considered the results disappointing. However the proactive approach the Company adopted to managing the challenging circumstances of the year resulted in the Company being well positioned to take advantage of the improving trading conditions and to continue to enhance the long-term success of the Company.

The Directors consider the main risk and uncertainties facing the Company are Cashflow, the continuing world shortage of electronic components and hungry competition. However, the sub-contract market place continues to show signs of positive growth and the Directors are confident that the Company will continue to grow both in terms of turnover and profitability for the foreseeable future.

The board monitors progress of the Company's performance on an ongoing basis with monthly board, management and continuous improvement meetings.

The most important Key Performance Indicators (KPI's) that are constantly monitored are -

- Turnover,
- Cashflow,
- Overheads,
- Sales order book,
- Open quotes,
- On time delivery

Results and dividends

The results for the year are set out on page 5

TEXCEL TECHNOLOGY PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

Directors

The following directors have held office since 1 February 2009

W H Bryce
P J Shawyer
S A Suckling
G J Tilsed
A N McLeod

Creditor payment policy

The Company's current policy concerning the payment of trade creditors is to settle the payment with suppliers, on average, within 57 days (2009 46 days)

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

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 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). 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


S A Suckling
Director

Date 27-7-10

TEXCEL TECHNOLOGY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCEL TECHNOLOGY PLC

We have audited the financial statements of Texcel Technology Plc for the year ended 31 January 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 January 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

TEXCEL TECHNOLOGY PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF TEXCEL TECHNOLOGY PLC

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

Kingston Smith LLP

Parveen Chadda (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

28 July 2010

Chartered Accountants
Statutory Auditor

Surrey House
36-44 High Street
Redhill
Surrey
RH1 1RH

TEXCEL TECHNOLOGY PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2010

	Notes	2010 £	2009 £
Turnover	2	5,646,130	6,439,543
Cost of sales		(4,206,208)	(4,730,788)
Gross profit		1,439,922	1,708,755
Administrative expenses		(1,311,651)	(1,580,341)
Operating profit	3	128,271	128,414
Other interest receivable and similar income	4	-	88
Interest payable and similar charges	5	(15,709)	(38,796)
Profit on ordinary activities before taxation		112,562	89,706
Tax on profit on ordinary activities	6	(40,070)	(23,711)
Profit for the year	16	72,492	65,995

The profit and loss account has been prepared on the basis that all operations are continuing operations

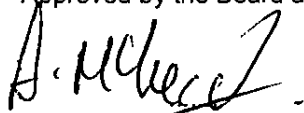
There are no recognised gains and losses other than those passing through the profit and loss account

TEXCEL TECHNOLOGY PLC

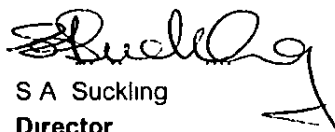
BALANCE SHEET AS AT 31 JANUARY 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	7	1,447,073	1,530,033
Investments	8	-	1
		<u>1,447,073</u>	<u>1,530,034</u>
Current assets			
Stocks	9	1,289,634	1,668,423
Debtors	10	804,640	839,289
Cash at bank and in hand		210,164	351
		<u>2,304,438</u>	<u>2,508,063</u>
Creditors' amounts falling due within one year	11	<u>(977,135)</u>	<u>(1,483,309)</u>
Net current assets		<u>1,327,303</u>	<u>1,024,754</u>
Total assets less current liabilities		<u>2,774,376</u>	<u>2,554,788</u>
Creditors' amounts falling due after more than one year	12	(553,452)	(412,069)
Provisions for liabilities	13	(60,376)	(54,663)
		<u>2,160,548</u>	<u>2,088,056</u>
Capital and reserves			
Called up share capital	15	95,000	95,000
Share premium account	16	1,000	1,000
Revaluation reserve	16	831,364	847,634
Other reserves	16	5,000	5,000
Profit and loss account	16	1,228,184	1,139,422
Shareholders' funds	17	<u>2,160,548</u>	<u>2,088,056</u>

Approved by the Board and authorised for issue on 27-7-10



A N McLeod
Director



S A Suckling
Director

Company Registration No 2607732

TEXCEL TECHNOLOGY PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		474,182		431,984
Returns on investments and servicing of finance				
Interest received	-		88	
Interest paid	(15,709)		(38,796)	
Net cash outflow for returns on investments and servicing of finance		(15,709)		(38,708)
Taxation		(13,211)		(58,533)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(3,990)		(132,364)	
Receipts from sales of tangible assets	3,001		-	
Net cash outflow for capital expenditure		(989)		(132,364)
Net cash inflow before management of liquid resources and financing		444,273		202,379
Financing				
Purchase of own shares	-		(6,500)	
New long term bank loan	200,000		-	
Repayment of long term bank loan	(92,689)		(74,834)	
Net cash inflow/(outflow) from financing		107,311		(81,334)
Increase in cash in the year		551,584		121,045

TEXCEL TECHNOLOGY PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2010

1 Reconciliation of operating profit to net cash inflow from operating activities	2010	2009
	£	£
Operating profit	128,271	128,414
Depreciation of tangible assets	84,813	79,426
Profit on disposal of tangible assets	(863)	-
Decrease/(increase) in stocks	378,789	(258,884)
Decrease in debtors	34,649	525,049
Decrease in creditors within one year	(151,477)	(42,021)
Net cash inflow from operating activities	474,182	431,984

2 Analysis of net debt	1 February 2009	Cash flow	Other non-cash changes	31 January 2010
	£	£	£	£
Net cash				
Cash at bank and in hand	351	209,813	-	210,164
Bank overdrafts	(341,771)	341,771	-	-
	(341,420)	551,584	-	210,164
Debt				
Debts falling due within one year	(105,262)	34,072	-	(71,190)
Debts falling due after one year	(412,069)	(141,383)	-	(553,452)
	(517,331)	(107,311)	-	(624,642)
Net debt	(858,751)	444,273	-	(414,478)

3 Reconciliation of net cash flow to movement in net debt	2010	2009
	£	£
Increase in cash in the year	551,584	121,045
Cash (inflow)/outflow from (increase)/decrease in debt	(107,311)	74,833
Movement in net debt in the year	444,273	195,878
Opening net debt	(858,751)	(1,054,629)
Closing net debt	(414,478)	(858,751)

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2010

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings, and in accordance with applicable accounting standards

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 other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Freehold land and buildings	Land Nil, Buildings 2% straight line
Plant and equipment	10% straight line
Computer and office equipment	20% straight line
Motor vehicles	20% straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.5 Investments

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

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.8 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date

1.9 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

1.10 Group accounts

PAB Technology, the wholly owned subsidiary of Texcel Technology, went into liquidation on 10 March 2009. There have been no transactions during the year and the entity is immaterial to the group as such, consolidated accounts have not been prepared

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

2 Turnover

Geographical market

	Turnover 2010 £	2009 £
United Kingdom	5,111,438	5,856,343
Rest of Europe	401,429	532,000
Rest of World	133,263	51,200
	<u>5,646,130</u>	<u>6,439,543</u>

3 Operating profit

	2010 £	2009 £
Operating profit is stated after charging		
Depreciation of tangible assets	84,812	79,427
Loss on foreign exchange transactions	-	17,461
Operating lease rentals	34,300	33,475
and after crediting		
Profit on disposal of tangible assets	(863)	-
Profit on foreign exchange transactions	(4,837)	-
	<u>(5,697)</u>	<u>(17,461)</u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	10,500	10,000
Other Services	11,077	12,330
	<u>21,577</u>	<u>22,330</u>

4 Investment income

	2010 £	2009 £
Bank interest	-	88
	<u>-</u>	<u>88</u>

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

5	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	13,465	34,055
	Other interest	2,244	4,741
		<u>15,709</u>	<u>38,796</u>
6	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U K corporation tax	34,357	16,128
	Current tax charge	<u>34,357</u>	<u>16,128</u>
	Deferred tax		
	Deferred tax charge credit current year	5,713	7,583
		<u>40,070</u>	<u>23,711</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>112,562</u>	<u>89,706</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 20.80%)	<u>23,638</u>	<u>18,659</u>
	Effects of		
	Non deductible expenses	977	317
	Depreciation	17,810	3,283
	Capital allowances	(8,727)	(7,102)
	Other tax adjustments	659	971
		<u>10,719</u>	<u>(2,531)</u>
	Current tax charge	<u>34,357</u>	<u>16,128</u>

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

7 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2009	1,278,000	1,177,114	11,036	2,466,150
Additions	-	3,990	-	3,990
Disposals	-	(509,093)	-	(509,093)
At 31 January 2010	1,278,000	672,011	11,036	1,961,047
Depreciation				
At 1 February 2009	117,120	809,801	9,196	936,117
On disposals	-	(506,955)	-	(506,955)
Charge for the year	19,560	63,412	1,840	84,812
At 31 January 2010	136,680	366,258	11,036	513,974
Net book value				
At 31 January 2010	1,141,320	305,753	-	1,447,073
At 31 January 2009	1,160,880	367,313	1,840	1,530,033

Freehold property has been included at a valuation made by the directors of £1,200,000. The last formal valuation was carried out by Cluttons, Chartered Surveyors in October 2007, they valued the freehold property at £1,200,000. Under Accounting Standards FRS 15 a formal valuation should be carried out every five years. The directors have confirmed that the value of the property is not materially different to that included in the financial statements.

Included within Freehold property is land valued at £300,000 which is not depreciated.

At the date of these financial statements £169,798 (2009: £156,825) taxation will be payable if all the freehold property was disposed of at the value stated in the Balance Sheet. Such taxation being calculated at the current rate of 28% (2009: 25%) has not been provided for in these accounts.

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 February 2009 & at 31 January 2010	1
Provisions for diminution in value	
At 1 February 2009	-
Charge for the year	1
At 31 January 2010	1
Net book value	
At 31 January 2010	-
At 31 January 2009	1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
PAB Technology	England & Wales	Ordinary	100.00
	Principal activity		
PAB Technology	Company is now in liquidation		

9 Stocks and work in progress

	2010 £	2009 £
Raw materials and consumables	892,834	1,061,223
Work in progress	396,800	607,200
	<u>1,289,634</u>	<u>1,668,423</u>

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

10 Debtors	2010	2009
	£	£
Trade debtors	755,993	817,413
Other debtors	18,685	349
Prepayments and accrued income	29,962	21,527
	<u>804,640</u>	<u>839,289</u>
11 Creditors amounts falling due within one year	2010	2009
	£	£
Bank loans and overdrafts	71,190	413,401
Trade creditors	656,117	711,569
Corporation tax	37,274	16,128
Other taxes and social security costs	105,487	94,771
Other creditors	12,159	168,061
Accruals and deferred income	94,908	79,379
	<u>977,135</u>	<u>1,483,309</u>

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

12 Creditors: amounts falling due after more than one year	2010 £	2009 £
Bank loans	553,452	412,069
Analysis of loans		
Not wholly repayable within five years by instalments	624,642	-
Wholly repayable within five years	-	517,331
	624,642	517,331
Included in current liabilities	(71,190)	(105,262)
	553,452	412,069
Instalments not due within five years	172,171	-
Loan maturity analysis		
In more than five years	624,642	517,331

The company now has two bank loans in place

The first bank loan is secured by a fixed charge over the freehold property and other assets, carries a fixed interest rate of 2% per annum over the bank's base rate, following a review the term of the loan has been revised and is fully repayable in instalments by 14 September 2016

The second bank loan which was taken out in the year is secured by a fixed charge over the freehold property and other assets, carries a fixed interest rate of 2.5% per annum over the bank's base rate, and is fully repayable in instalments by 3 September 2016

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 February 2009	54,663
Profit and loss account	5,713
	<u>60,376</u>
Balance at 31 January 2010	<u>60,376</u>

The deferred tax liability is made up as follows:

	2010 £	2009 £
Accelerated capital allowances	<u>60,376</u>	<u>54,663</u>

14 Pension and other post-retirement benefit commitments

Defined contribution

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. The pension cost charge represents contributions payable by the company to the fund.

	2010 £	2009 £
Contributions payable by the company for the year	<u>41,908</u>	<u>40,276</u>

15 Share capital

	2010 £	2009 £
Authorised		
1,000,000 Ordinary Shares of 10p each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
950,000 Ordinary Shares of 10p each	<u>95,000</u>	<u>95,000</u>

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

16 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 February 2009	1,000	847,634	5,000	1,139,422
Profit for the year	-	-	-	72,492
Transfer from revaluation reserve to profit and loss account	-	(16,270)	-	16,270
Balance at 31 January 2010	1,000	831,364	5,000	1,228,184

Other reserves

Capital redemption reserve

Balance at 1 February 2009 & at 31 January 2010

5,000

17 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	72,492	65,995
Purchase of own shares	-	(6,500)
Net addition to shareholders' funds	72,492	59,495
Opening shareholders' funds	2,088,056	2,028,561
Closing shareholders' funds	2,160,548	2,088,056

18 Financial commitments

At 31 January 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2011

	Land and buildings	
	2010 £	2009 £
Operating leases which expire Within one year	3,000	3,000

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

19 Directors' emoluments	2010	2009
	£	£
Emoluments for qualifying services	197,233	198,484
Company pension contributions to money purchase schemes	14,722	14,722
	<u>211,955</u>	<u>213,206</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2009 - 4)

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010	2009
	Number	Number
Production	51	56
Sales	3	2
Administration	16	16
	<u>70</u>	<u>74</u>

Employment costs

	2010	2009
	£	£
Wages and salaries	1,389,667	1,501,291
Social security costs	124,517	130,134
Other pension costs	41,908	40,276
	<u>1,556,092</u>	<u>1,671,701</u>

21 Control

The company is controlled by its Directors, none of which individually has control of the company

TEXCEL TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2010

22 Related party transactions

Texcel Developments Limited is connected with Texcel Technology Plc by virtue of Mr W H Bryce and Mr P Shawyer having family interests in both companies

During the year the company made purchases with a value of £2,800 (2009 £15,170) from and paid management charges of £31,500 (2009 £30,000) to Texcel Developments Limited. These transactions were conducted on normal commercial terms.

At the Balance Sheet date the amounts due to Texcel Developments Limited are as follows:

Trade Creditors £37,894 (2009 £31,466)

During 2006 the company took out an interest bearing loan of £110,475 on commercial terms from Mr W H Bryce, a director of the company. The loan was fully repaid in the year (2009 year end balance £33,632).