

BAADER (UK) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2007

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COMPANIES HOUSE

WILLIAMSON & DUNN
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS
3 WEST CRAIBSTONE STREET
ABERDEEN
AB11 6YW

BAADER (UK) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

CONTENTS	PAGES
Directors' report	1 to 2
Independent auditors' report to the shareholders of Baader (UK) Limited	3 to 4
Income statement	5
Statement of changes in equity	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 to 19

**BAADER (UK) LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of the sale and repair of fish, meat and poultry processing machinery

The directors are pleased with the company's results for the year and are confident of continued profitability in the forthcoming year. The directors believe that the company is well placed for the future

DIVIDENDS

Dividends of £60,000 (£0.60 per share) were paid by the company during the year

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year were as follows

P Baader
H Haucke (resigned 9 March 2007)
A Lorentzen

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

PURCHASE OF OWN SHARES

On 23rd July 2007, the company purchased 100,000 of its own ordinary shares. This represented 50% of the issued share capital and the consideration was £100,000

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITORS

A resolution to re-appoint Williamson & Dunn as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

PRINCIPAL PLACE OF BUSINESS

The company's principal place of business is Nautilus House, Prospect Point 35 Waterloo Quay, Aberdeen, AB11 5BS

BAADER (UK) LTD
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union

The directors are required to prepare financial statements for each financial year which present fairly the financial position 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,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

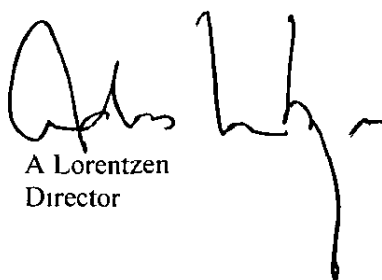
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 (as applicable to Small Companies) and Article 4 of the IAS Regulation. The directors 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.

SMALL COMPANY PROVISIONS

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

Signed on behalf of the directors

Registered Office
Essex House
Manor Street
Hull
HU1 1XH



A Lorentzen
Director

Approved by the directors on 10th April 2008

BAADER (UK) LTD
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BAADER (UK) LTD
FOR THE YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Baader (UK) Limited for the year ended 31 December 2007 which comprise the Income Statement, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement and the related notes to the financial statements. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as set out in the Statement of Directors' Responsibilities.

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 (as applicable to Small Companies) and Article 4 of the IAS Regulation, and whether 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. Our responsibilities do not extend to any other information.

BASIS OF 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 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 a 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.

BAADER (UK) LTD
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BAADER (UK) LTD
(continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs adopted by the European Union, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 (as applicable to Small Companies) and article 4 of the IAS Regulation, and
- the information given in the Directors' Report is consistent with the financial statements

Williamson & Dunn CA's

Williamson & Dunn
Chartered Accountants & Registered Auditors
3 West Craibstone Street
Aberdeen
AB11 6YW

10/7/08

BAADER (UK) LTD
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Revenue	3	830,953	1,212,757
Cost of sales		(552,042)	(858,341)
GROSS PROFIT		278,911	354,416
Administrative expenses		(213,993)	(224,464)
OPERATING PROFIT	4	64,918	129,95
Other operating income		17,500	17,500
PROFIT FROM OPERATIONS		82,418	147,452
Income from investments	7	5,082	548
PROFIT BEFORE TAX		87,500	148,00
Income tax expense	8	(26,679)	(45,257)
PROFITS AFTER TAX		60,821	102,74
Dividends	10	(60,000)	(100,000)
RETAINED RESULT TO EQUITY		821	2,74

Earnings per share for profit attributable to equity holders of the company during the year (expressed in £ per share)

	Notes	2007	2006
Weighted average earnings per share	9	0.38	0.51

All of the activities of the company are classed as continuing

The company has no recognised income or expenses other than the results for the year as set out as above

BAADER (UK) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007

AT 31 DECEMBER 2007

	Issued capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2007	200,000	3,577	203,577
Retained earnings for the year	-	821	821
Purchase of own equity shares	(100,000)	-	(100,000)
	<u>100,000</u>	<u>4,398</u>	<u>104,398</u>
Balance at 31 December 2007	<u>100,000</u>	<u>4,398</u>	<u>104,398</u>

AT 31 DECEMBER 2006

	Issued capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2006	200,000	834	200,834
Retained earnings for the year	-	2,743	2,743
	<u>200,000</u>	<u>3,577</u>	<u>203,577</u>
Balance at 31 December 2006	<u>200,000</u>	<u>3,577</u>	<u>203,577</u>


BAADER (UK) LTD
BALANCE SHEET
AS AT 31 DECEMBER 2007

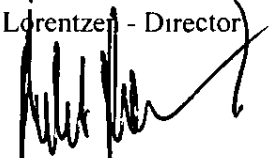
	Notes	2007 £	2006 £
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	11	14,766	25,464
Deferred tax assets	12	4,900	4,034
		<u>19,666</u>	<u>29,498</u>
CURRENT ASSETS			
Inventories	13	976	2,300
Trade and other receivables	14	200,708	137,357
Prepayments		10,412	11,278
Cash and cash equivalents	15	119,145	156,618
		<u>331,241</u>	<u>307,553</u>
TOTAL ASSETS		<u>350,907</u>	<u>337,051</u>
CURRENT LIABILITIES			
Tax payables		27,545	45,671
Trade and other payables	16	218,964	87,803
		<u>246,509</u>	<u>133,474</u>
TOTAL LIABILITIES		<u>246,509</u>	<u>133,474</u>
NET ASSETS		<u>104,398</u>	<u>203,577</u>
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	18	100,000	200,000
Retained profits		4,398	3,577
		<u>104,398</u>	<u>203,577</u>
TOTAL EQUITY		<u>104,398</u>	<u>203,577</u>

Approved by the Board on 10/07/08

and signed on its behalf by


P Baader - Director


A Lorentzen - Director


R Focke - Board Member

The notes on pages 9 to 19 form part of the financial statements

BAADER (UK) LTD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	£	£
Profit from operations	82,418	147,452
Adjustments for		
Depreciation of assets	10,099	10,756
Loss from the disposal of fixed assets	557	-
Operating cashflows before movements in working capital	93,074	158,208
Decrease in inventories	1,324	9,750
(Increase) / Decrease in receivables	(62,485)	142,818
Increase / (Decrease) in payables	131,161	(42,992)
Cash generated by operations	163,074	267,784
Income taxes paid	(45,672)	(4,784)
NET CASH FROM OPERATING ACTIVITIES	<u>117,402</u>	<u>263,000</u>
INVESTING ACTIVITIES		
Interest received	5,082	548
NET CASH USED IN INVESTING ACTIVITIES	<u>5,082</u>	<u>548</u>
CAPITAL EXPENDITURE		
Receipts from the sale of fixed assets	43	-
NET CASH INFLOW FROM CAPITAL EXPENDITURE	<u>43</u>	<u>-</u>
FINANCING ACTIVITIES		
Purchase of own equity shares	(100,000)	-
Dividends Paid	(60,000)	(110,000)
NET CASH USED IN FINANCING ACTIVITIES	<u>(160,000)</u>	<u>(110,000)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(37,473)	153,548
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	156,618	3,070
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	<u>119,145</u>	<u>156,618</u>

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2007

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS's

The company's financial statements for the year ended 31 December 2007 were authorised for issue by the board of directors on 10th April 2008 and the balance sheet was signed on the board's behalf by P Baader and A Lorentzen Baader (UK) Limited is a limited company registered and domiciled in the United Kingdom

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 1985 (as applicable to Small Companies) The principal accounting policies adopted by the company are set out in note 2

2. ACCOUNTING POLICIES

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured All such revenue is reported net of discounts, value added tax and other sales taxes

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably

Sale of services

Revenue from services is recognised by reference to the stage of completion Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable

Interest income

Interest income is accrued on a time basis and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

Interest expense recognition

Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability

Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset's or liabilities net carrying amount

2. ACCOUNTING POLICIES (continued)

Foreign currency translation

Transactions in currencies other than the functional currency of the company are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method, on the following bases:

Office equipment	10% straight line
Motor vehicles	25% straight line
Computer Equipment	25% straight line

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2. ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are recognised by the company and carried at original invoice amount less an allowance for any uncollectible or impaired amounts

An estimate for doubtful debts is made when collection of the full amount is no longer probable
Bad debts are written off when they are identified as being bad

Other receivables are recognised at fair value

Financial instruments:

Financial risk management: Policies and objectives

Interest rate risk

The company was not in a borrowing position as at 31 December 2007. The company's intention in the future is to manage its cost of borrowing using a mix of fixed and variable rate debt depending on the factors at the time

Cash flow risk

The company buys and sells goods and services denominated in currencies other than sterling. These are short-term transactions and the company is of the opinion that the results will not be affected significantly by movements in exchange rates

Credit risk

The company does not operate out with normal trading terms. Individual exposures are monitored with customers subject to credit limit to ensure that the company's exposure to bad debt is not significant

Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

2. ACCOUNTING POLICIES (continued)

Operating leases

Operating leases payments are recognised as an expense in the income statement on a straight-line basis over the lease term

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short-term deposits are defined as deposits with an initial maturity of three months or less

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement

Deferred tax

Deferred Tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements

Deferred Tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than as a business combination) or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit

Deferred Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred Tax is determined using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred Tax assets and liabilities are offset when they relate to income taxed levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis

Trade and other payables

Trade and other payables are not interest bearing and are stated at their nominal value

3. REVENUE

Overseas sales amounted to 0.95% (2006 – 1.04%) of total turnover for the period

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following

	2007	2006
	£	£
Loss on disposal of property, plant and equipment	567	-
Depreciation of property, plant and equipment	10,099	10,756
Auditors' remuneration – audit services	3,400	3,500
	2007	2006
	£	£
Included in cost of sales:		
Raw materials and consumables used	552,042	858,341
	552,042	858,341
Included in administrative expenses:		
Employee expenses	43,126	78,933
Depreciation and amortisation	10,099	10,756
	53,225	89,689

5. EMPLOYEE EXPENSES

	2007	2006
	£	£
Wages and salaries	39,316	71,184
Social security costs	3,810	7,749
	43,126	78,933

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

	2007	2006
	No.	No
Administration and management	2	3

6. DIRECTORS' EMOLUMENTS

	2007	2006
	£	£
Emoluments	-	28,280

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

7. INCOME FROM INVESTMENTS

	2007	2006
	£	£
Interest earned on deposits	5,082	548

8. INCOME TAX

Components of income tax expense

	2007	2006
	£	£
Current income tax expense		
Current income tax charge	27,545	45,671
Deferred income tax expense		
Relating to origination and reversal of temporary differences	(866)	(414)
Income tax expense reported in income statement	26,679	45,257

Reconciliation of income tax charge to accounting profit

	% age	2007	% age	2006
		£		£
Tax at the domestic income tax rate of	30.00	26,250	30.00	44,400
Tax effect of capital allowances	0.99	866	0.28	414
Tax effect of non deductible expenses	0.49	429	0.58	857
Tax expense using effective rate	31.48	27,545	30.86	45,671

9. EARNINGS PER SHARE

The weighted average earnings per share are calculated by dividing net profit after tax for the year by the weighted average number of ordinary shares in issue during the year

The following reflects the income and share data used in the total operations earnings per share computations

	2007	2006
	£	£
Profit attributable to equity holders of the company	60,821	102,743
Weighted average number of ordinary shares in issue	158,334	200,000
Weighted average earnings per share (£ per share)	0.38	0.51

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

10. DIVIDENDS

	2007	<i>2006</i>
	£	<i>£</i>
Dividends declared and paid during the year		
Equity dividends on ordinary shares	60,000	<i>100,000</i>
Dividend per share	0.60	<i>0.50</i>

11. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2007

	Motor vehicles £	Computer Equipment £	Office Equipment £	Total £
Cost				
At 1 January 2007	37,510	36,915	14,504	88,929
Disposals	(221)	(8,740)	(881)	(9,842)
	<u>37,289</u>	<u>28,175</u>	<u>13,623</u>	<u>79,087</u>
Depreciation				
At 1 January 2007	22,347	32,215	8,903	63,465
On disposals	(220)	(8,477)	(546)	(9,243)
Charge for year	6,567	2,676	856	10,099
	<u>28,694</u>	<u>26,414</u>	<u>9,213</u>	<u>64,321</u>
Net book value				
At 1 January 2007	<u>15,163</u>	<u>4,700</u>	<u>5,601</u>	<u>25,464</u>
At 31 December 2007	<u>8,595</u>	<u>1,761</u>	<u>4,410</u>	<u>14,766</u>

At 31 December 2006

	Motor vehicles £	Computer Equipment £	Office Equipment £	Total £
Cost				
At 1 January 2006	<u>37,510</u>	<u>36,915</u>	<u>14,504</u>	<u>88,929</u>
Depreciation				
At 1 January 2006	15,755	28,947	8,007	52,709
Charge for year	6,592	3,268	896	10,756
	<u>22,347</u>	<u>32,215</u>	<u>8,903</u>	<u>63,465</u>
Net book value				
At 1 January 2006	<u>21,755</u>	<u>7,968</u>	<u>6,497</u>	<u>36,220</u>
At 31 December 2006	<u>15,163</u>	<u>4,700</u>	<u>5,601</u>	<u>25,464</u>

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

12. DEFERRED TAX

	<i>Balance sheet</i>		<i>Income statement</i>	
	2007	2006	2007	2006
	£	£	£	£
Deferred tax assets				
Relating to depreciation	4,900	4,034	866	414

13. INVENTORIES

	2007	2006
	£	£
Finished goods	976	2,300
	976	2,300

14. TRADE AND OTHER RECEIVABLES

	2007	2006
	£	£
Receivable from trade customers	199,086	131,809
Receivable from related parties	1,622	5,548
	200,708	137,357

15. CASH AND CASH EQUIVALENTS

	2007	2006
	£	£
Cash in bank	119,136	156,501
Cash in hand	9	117
	119,145	156,618

16. TRADE AND OTHER PAYABLES

	2007	2006
	£	£
Payable to trade suppliers	13,140	6,449
Other payables	38,212	27,025
Payable to related parties	167,612	54,329
	218,964	87,803

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

17. RELATED PARTY TRANSACTIONS

During the year the following transactions took place. All transactions were at arm's length and on normal commercial terms. There are other group companies with which infrequent non-material transactions occur.

The company's parent undertaking and ultimate parent undertaking is Baader Beteiligungs GmbH, a body incorporated in Germany. At 31 December 2007 this company was controlled by P Baader who is regarded as the company's ultimate controlling party.

Purchases of goods and services from other group companies ~

	2007	2006
	£	£
Nordischer Maschinebau Rud Baader GmbH & Co KG	471,464	702,031
Baader (Denmark) AS	73,987	25,596
Baader Iceland	1,676	20,102
Baader Johnson Inc	5,388	4,706
	<u>552,515</u>	<u>752,435</u>

Receivable from related parties

	2007	2006
	£	£
Nordischer Maschinebau Rud Baader GmbH & Co KG	<u>1,622</u>	<u>5,548</u>

Payable to related parties

	2007	2006
	£	£
Nordischer Maschinebau Rud Baader GmbH & Co KG	141,789	39,342
Baader (Denmark) AS	24,742	14,495
Baader Johnson Inc	1,081	492
	<u>167,612</u>	<u>54,329</u>

Key management compensation

The directors of the company comprise the company's key management personnel. The directors' aggregate compensation in respect of qualifying services was:

	2007	2006
	£	£
Wages and salaries	-	28,280
Social security costs	-	3,810
	<u>-</u>	<u>32,090</u>

Management charges of £62,769 or 802,851DKK (2006 - £16,672 or 180,880DKK) were paid to another company in the group, Baader (Denmark) AS for services of one of the company directors Mr A Lorentzen.

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

18. SHARE CAPITAL

Authorised share capital:

	2007	2006
	Total equity	Total equity
	£	£
Balance at 1 January 2007	200,000	200,000
Purchase of own equity shares - 23 rd July 2007	(100,000)	-
Balance at 31 December 2007	<u>100,000</u>	<u>200,000</u>

Allotted, called up and fully paid:

	No.	2007	No.	2006
		£		£
Issued and fully paid				
Ordinary share capital	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>	<u>200,000</u>

All issued share capital is classified as equity

On 23rd July 2007, the company purchased 100,000 of its own ordinary shares. This represented 50% of the issued share capital and the consideration was £100,000

19. OPERATING LEASE COMMITMENTS

As lessee

The future annual minimum lease payments under non-cancellable operating leases are as follows

	2007	2006
	£	£
Less than one year	-	8,750
Later than one year but less than five years	17,500	17,500
Later than five years	19,290	-
	<u>36,790</u>	<u>26,250</u>

As lessor

	2007	2006
	£	£
Later than one year but less than five years	17,500	17,500
Later than five years	-	-
	<u>17,500</u>	<u>17,500</u>

BAADER (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

20. SECURED DEBTS

On 13th April 1993, the HSBC issued a guarantee in favour of HM Revenue & Customs for £2,000 (2006 – £2,000)

21. NET FOREIGN GAIN AND LOSSES

The exchange differences credited to the income statement are included as follows

	2007	2006
	£	£
Gains on exchange differences	<u>1,478</u>	<u>2,680</u>