

STRAINSTALL UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended

31 DECEMBER 2009



Registered No.4042929

STRAINSTALL UK LIMITED**Directors' report for the year ended 31 December 2009**

Directors:	G A Jones	
	C Caws	(resigned 30 September 2009)
	K Lucas	
	M Anderson	
	A Coventry	
	J Lambrechts	
	R Leach	
	A Owens	
	D Smith	
	M Smith	
	A Swaby	(appointed 9 October 2009)
	A Thomas	
	D Vodden	
Company secretary:	J J B Tyler	
Auditors:	KPMG Audit Plc	
	Edward V11 Quay	
	Navigation Way	
	Preston	
	PR2 2YF	
Bankers:	Bank of Scotland	
Registered office:	Fisher House	
	P O Box 4	
	Barrow in Furness	
	Cumbria LA14 1HR	

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

Principal activity and business review

The principal activity of the company is that of design, manufacture, installation and commissioning of load measuring systems, quick release mooring systems and the provision of structural analysis services. The results for the year ended 31 December 2009 were good, with profit before taxation of £1,453,339 (2008 £1,015,874). Gross margins improved in 2009 at 33.3% (2008 21.3%).

Results for the year

The results for the year ended 31 December 2009 are considered satisfactory and are set out on page 5. The profit for the year after taxation was £1,072,994 (year ended 31 December 2008 £715,172).

Dividends

An interim dividend of £800,000 was paid during the year (2008 £300,000). The directors do not recommend any further dividend payments.

STRAINSTALL UK LIMITED

Directors' report for the year ended 31 December 2009 (continued)

Key performance indicators

The directors have considered the use of key performance indicators (KPI's) as a measure of performance and have considered that turnover, gross profit and profit on ordinary activities before taxation are the most appropriate

Risks and uncertainties

The major risks facing the company are the exposure to foreign currency, market conditions and the retention of staff to fulfill contracts

Treasury policies

The company's treasury management operates under approved treasury policies and guidelines covering funding and management of foreign currency exposure and interest rate risk. Its purpose is to manage the financial risks of the business effectively and to secure finance at a minimum cost. Activities are covered by guidelines, exposure limits controls and a system of authority authorised by the board of the company's ultimate holding company, James Fisher and Sons Public Limited Company

The company manages its cash to ensure maximum benefit is gained whilst ensuring security of investment sources. Any surplus funds are placed with institutions with strong credit ratings

Auditors

KPMG Audit Plc have indicated their willingness to continue in office and pursuant to Section 487 of the Companies Act 2006 will be deemed to be re-appointed

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 they 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

Directors' indemnity

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Future developments

The directors will continue to grow the business and look to the future with confidence

By order of the Board



K Lucas

Director

Fisher House

P O Box 4

Barrow-in-Furness

Cumbria LA14 1HR

19 April 2010

STRAINSTALL UK LIMITED
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 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,
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRAINSTALL UK LIMITED

We have audited the financial statements of Strainstall UK Limited for the year ended 31 December 2009 set out on pages 5 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 3, 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 December 2009 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.

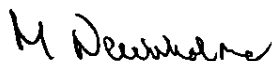
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



M Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG Audit plc, Statutory Auditor
Chartered Accountants
Edward V11 Quay, Navigation Way, Preston, PR2 2YF
23 April 2010

STRAINSTALL UK LIMITED

Profit and Loss Account for the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	8,369,853	8,983,502
Cost of sales		(5,578,579)	(7,072,291)
Gross profit		2,791,274	1,911,211
Administrative expenses		(1,337,316)	(895,925)
Operating profit	3	1,453,958	1,015,286
Interest receivable and similar income	6	162	2,297
Other interest payable and similar charges	7	(781)	(1,709)
Profit on ordinary activities before taxation		1,453,339	1,015,874
Tax on profit on ordinary activities	8	(380,345)	(300,702)
Retained profit for the financial year		1,072,994	715,172

The results for the current and prior year are derived from continuing operations

There is also no difference between the profit on ordinary activities before taxation or the retained profit for the period and their historical cost equivalents

Statement of Total Recognised Gains and Losses for the year ended 31 December 2009

There were no recognised gains and losses other than the profit for the financial year (2008 none)

STRAINSTALL UK LIMITED
Balance Sheet at 31 December 2009

	Notes	31 December 2009 £	31 December 2008 £
Fixed assets			
Intangible assets	10	47,876	52,009
Tangible assets	11	<u>323,702</u>	<u>1,397,971</u>
		371,578	1,449,980
Current assets			
Stocks	12	728,724	903,245
Debtors	13	1,480,467	2,994,936
Cash at bank and in hand		<u>1,281,742</u>	<u>809,370</u>
		3,490,933	4,707,551
Creditors: amounts falling due within one year	14	<u>(2,203,697)</u>	<u>(4,721,197)</u>
Net current assets/(liabilities)		<u>1,287,236</u>	<u>(13,646)</u>
Total assets less current liabilities		1,658,814	1,436,334
Creditors: amounts falling due after more than one year	15	(1,158)	(7,594)
Provisions for liabilities and charges	16	<u>-</u>	<u>(44,079)</u>
Net assets		<u><u>1,657,656</u></u>	<u><u>1,384,661</u></u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	<u>1,657,655</u>	<u>1,384,660</u>
Shareholders' funds - equity	19	<u><u>1,657,656</u></u>	<u><u>1,384,661</u></u>

The accounts were approved by the board of directors on 19 April 2010 and were signed on its behalf by -



G A Jones
 Director



K Lucas
 Director

STRAINSTALL UK LIMITED

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the Company is 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

As the Company is a wholly owned subsidiary of James Fisher and Sons Public Limited Company, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of James Fisher and Sons Public Limited Company within which this company is included, can be obtained from the address in note 22

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on Page 1 In addition, in the notes to the financial statements include the company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

(b) Turnover

Turnover represents the earnings from the provision of goods and services falling within the company's ordinary activities after excluding trade discounts and value added tax

(c) Research and development

Research and development expenditure is written off in the year in which it is incurred Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit

(d) Fixed assets

Tangible fixed assets are stated at cost, being purchase price, less accumulated depreciation and accumulated impairment losses

Intangible fixed assets - intellectual property

Intangible fixed assets purchased separately from a business are capitalised at their cost Intellectual property purchased by the Company is amortised to nil by equal annual instalments over their useful economic lives, estimated to be 20 years

Tangible fixed assets

Depreciation is provided to write-off the cost of tangible fixed assets in annual instalments over their estimated useful lives The principal rates used are

Freehold Building	2% straight line
Plant & Machinery	10%-20% straight line
Fixtures, Fittings and Computers	10%-33% straight line
Motor Vehicles	33% straight line

No depreciation has been charged on freehold land

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

STRAINSTALL UK LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

(e) Stock

Stock is valued at the lower of cost and net realisable value

Work in progress represents the direct costs of work and does include overheads part of which could be related to such work

(f) Accounting for leases

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

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors

(g) Pension costs

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 amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

(h) Taxation

The charge for taxation is based on the result 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.

(i) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the transaction date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. All differences are taken to the profit and loss account.

(j) Revenue

Turnover (other than in relation to long term contracts) is recognised on dispatch of goods or completion of services.

Long Term Contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

(k) Cash and liquid resources

Cash, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds.

STRAINSTALL UK LIMITED

Notes to the financial statements
for the year ended 31 December 2009 (continued)**2 Turnover and profit**

Turnover represents earnings from the design, manufacture and sale of electronic safety and monitoring equipment in the construction industry and from the design, manufacture and installation of quick release mooring systems. Turnover and profit on ordinary activities before taxation are attributable to the company's principal activity.

Geographical market supplied - Turnover

	2009		2008	
	£	%	£	%
United Kingdom and Republic of Ireland	4,834,836	58	3,777,006	42
Rest of World	3,535,017	42	5,206,496	58
	<u>8,369,853</u>	<u>100</u>	<u>8,983,502</u>	<u>100</u>

3 Operating profit

	2009	2008
	£	£
Operating profit is stated after charging/(crediting)		
Auditors' remuneration - audit fee	14,000	16,000
Depreciation and amounts written off tangible fixed assets	147,156	156,003
Amortisation intangible fixed assets	4,133	4,133
Profit on sale of fixed assets	(41,077)	(85)
Loss/(gain) on foreign currencies	115,270	(324,790)
Operating lease rentals, other	<u>66,448</u>	<u>65,403</u>

4 Staff costs

	2009	2008
	£	£
Wages and salaries	2,207,089	2,154,989
Social security costs	234,567	218,317
Pension fund contributions	<u>65,107</u>	<u>53,144</u>
	<u>2,506,763</u>	<u>2,426,450</u>

The average monthly number of employees was

	2009	2008
	No.	No.
Technical and administrative	<u>77</u>	<u>73</u>

The company operates a defined contribution pension scheme. The schemes and their assets are held by independent managers. The pension charge represents contributions paid by the company and amounted to £65,107 (2008 £53,144). The pension creditor at the year end amounted to £9,778 (2008 £8,150).

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2009 (continued)

5 Directors' remuneration

	2009	2008
	£	£
Aggregate emoluments	542,696	435,059
Company pension contributions	<u>28,225</u>	<u>26,621</u>
In respect of the highest paid director		
	2009	2008
	£	£
Aggregate emoluments	105,860	94,734
Value of contributions to money purchase schemes	<u>3,852</u>	<u>2,318</u>
	2009	2008
	No	No
Number of directors under defined contribution schemes	<u>8</u>	<u>8</u>

Certain directors who served during the year are also directors of the ultimate parent company or a fellow subsidiary company, and are remunerated by those companies. Although they do receive remuneration from those companies in respect of their services to various Group companies, including this company, it is not practicable to allocate their remuneration to individual companies in the Group. Therefore their remuneration has been disclosed in the accounts of the relevant company from which remuneration is received.

6 Other interest receivable and similar income

	2009	2008
	£	£
Bank interest	<u>162</u>	<u>2,297</u>

7 Other interest payable and similar charges

	2009	2008
	£	£
Other interest	-	142
Finance charges	<u>781</u>	<u>1,567</u>
	<u>781</u>	<u>1,709</u>

8 Taxation**(a) Tax on profit on ordinary activities**

	2009	2008
	£	£
The tax charge is made up as follows		
Current		
UK corporation tax	415,667	296,167
Adjustments in respect of prior periods	8,757	844
Current tax (Note 8(b))	<u>424,424</u>	<u>297,011</u>
Deferred tax (credit)/charge	<u>(44,079)</u>	<u>3,691</u>
Tax on profit on ordinary activities	<u>380,345</u>	<u>300,702</u>

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2009 (continued)

PAGE 11

8 Taxation (continued)

(b) Factors affecting current tax charge

The effective rate of tax differs from the standard rate of corporation tax in the UK at 28% (2008 28.5%)

The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before taxation	1,453,339	1,015,286
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 28% (2008 28.5%)	406,935	289,357
Expenses not deductible for tax purposes	4,244	1,605
Research and development tax credit	-	-
Depreciation in excess of capital allowance	15,692	9,586
Other timing differences	298	(29)
Other	-	4,551
Tax losses utilised	-	(8,903)
Profit on disposal of fixed assets	(11,502)	-
Adjustments to tax charge in respect of previous periods	8,757	844
	<u>424,424</u>	<u>297,011</u>

(c) Factors affecting future tax charge

The company has a deferred tax asset of £38,590 (2008 liability £44,079) which has not been recognised in the accounts due to the uncertainty of recoverability. This consists of

	£
Fixed asset timing difference	28,457
Short term timing difference	10,133
	<u>38,590</u>

9 Equity dividend paid

	2009 £	2008 £
Interim dividend	800,000	300,000

10 Intangible fixed assets

	Intellectual property £	Total £
Cost		
At 1 January 2009 and 31 December 2009	82,663	82,663
Amortisation		
At 1 January 2009	30,654	30,654
Charged during the year	4,133	4,133
At 31 December 2009	34,787	34,787
Net book value		
At 1 January 2009	52,009	52,009
At 31 December 2009	47,876	47,876

11 Tangible fixed assets

	Freehold Land and Buildings £	Plant & Machinery £	Fixtures, Fittings & Computers £	Motor Vehicles £	Total £
Cost					
At 1 January 2009	1,116,978	919,134	344,173	27,880	2,408,165
Additions	63,738	8,605	34,668	-	107,011
Disposals	(1,166,039)	(162,958)	(152,459)	-	(1,481,456)
At 31 December 2009	14,677	764,781	226,382	27,880	1,033,720
Depreciation					
At 1 January 2009	110,406	625,230	261,130	13,428	1,010,194
Charged during the year	22,335	75,420	43,825	5,576	147,156
Disposals	(132,587)	(162,958)	(151,787)	-	(447,332)
At 31 December 2009	154	537,692	153,168	19,004	710,018
Net book value					
At 1 January 2009	1,006,572	293,904	83,043	14,452	1,397,971
At 31 December 2009	14,523	227,089	73,214	8,876	323,702

Included in the total net book value of Plant & Machinery is £12,120 (2008 £17,632) in respect of assets held under finance leases and similar hire purchase contracts

During the year the freehold land and buildings were transferred to Straininstall Group Limited, the parent company at net book value

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2009 (continued)

12 Stocks

	31 December 2009	31 December 2008
	£	£
Raw materials and consumables	445,619	483,324
Work in progress	283,105	419,921
	<u>728,724</u>	<u>903,245</u>

Work in progress includes the following amounts in respect of long-term contracts

	31 December 2009	31 December 2008
	£	£
Net cost less foreseeable losses	10,344	44,749
	<u>10,344</u>	<u>44,749</u>

13 Debtors

	31 December 2009	31 December 2008
	£	£
Trade debtors	1,292,425	2,859,818
Amounts owed by group undertakings	63,149	86,927
Prepayments and accrued income	124,893	48,191
	<u>1,480,467</u>	<u>2,994,936</u>

14 Creditors: amounts falling due within one year

	31 December 2009	31 December 2008
	£	£
Banks loans and overdrafts	-	1,049,013
Obligations under finance leases and hire purchase contracts	6,436	7,306
Trade creditors	606,124	848,551
Amounts owed to group undertakings	249,530	1,540,573
Corporation tax	775,742	351,318
Other taxes and social security costs	132,603	57,659
Accruals and deferred income	433,262	866,777
	<u>2,203,697</u>	<u>4,721,197</u>

15 Creditors: amounts falling due after more than one year

	31 December 2009	31 December 2008
	£	£
Obligations under finance leases and hire purchase contracts	<u>1,158</u>	<u>7,594</u>

STRAINSTALL UK LIMITED

Notes to the financial statements

for the year ended 31 December 2008 (continued)

16 Provisions for liabilities and charges

	Deferred taxation	
	£	
At 1 January 2009	44,079	
Charged to profit and loss account	(44,079)	
At 31 December 2009	<u>-</u>	
The provision for deferred taxation represents	31 December	31 December
	2009	2008
	£	£
Accelerated capital allowances	<u>-</u>	<u>44,079</u>
	<u>-</u>	<u>44,079</u>

There is no unprovided deferred tax.

17 Authorised and Issued Share Capital

	31 December	31 December
	2009	2008
	£	£
Authorised 10,000 ordinary shares at £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid share capital		
1 ordinary share of £1 (2008 1)	<u>1</u>	<u>1</u>

All shares have equal voting rights

18 Reserves

	Profit and	Total
	loss account	
	£	£
At 1 January 2009	1,384,661	1,384,661
Retained profit for the year	1,072,994	1,072,994
Dividends	(800,000)	(800,000)
At 31 December 2009	<u>1,657,655</u>	<u>1,657,655</u>

19 Reconciliation of movements in shareholders' funds

	31 December	31 December
	2009	2008
	£	£
Opening shareholders' funds	1,384,661	969,489
Profit for the financial year	1,072,994	715,172
Dividends	(800,000)	(300,000)
Closing shareholders' funds	<u>1,657,655</u>	<u>1,384,661</u>

STRAINSTALL UK LIMITED

Notes to the financial statements

for the year ended 31 December 2009 (continued)

20 Obligations under lease and hire purchase contracts

	31 December 2009	31 December 2008
	£	£
Commitments under hire purchase agreements		
Amounts payable within 1 year	6,694	8,229
Amounts payable between 2 to 5 years	<u>1,172</u>	<u>7,928</u>
	7,866	16,157
Less finance charges allocated to future periods	<u>(272)</u>	<u>(1,257)</u>
	<u>7,594</u>	<u>14,900</u>

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings		Other	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	£	£	£	£
Expiry date				
Within one year	24,750	-	-	21,702
Between two and five years	<u>-</u>	<u>33,000</u>	<u>29,053</u>	<u>12,365</u>
	<u>24,750</u>	<u>33,000</u>	<u>29,053</u>	<u>34,067</u>

21 Contingent liabilities

Details of contingent liabilities are set out below

- (a) A Group VAT registration is operated by the Company and 3 group undertakings in respect of which the company is jointly and severally liable for all amounts due to HM Revenue and Customs under the arrangement
- (b) In the ordinary course of the Company's business, counter indemnities have been given to bankers in respect of foreign exchange commitments and bank guarantees

22 Parent Company and ultimate controlling party

The company is a subsidiary company of James Fisher and Sons Public Limited Company which is the ultimate controlling party. James Fisher and Sons Public Limited Company is incorporated in Great Britain and copies of its group accounts the largest and smallest group in which the company is consolidated, are available from Companies House or by writing to the Company Secretary at the following address

Fisher House, Michaelson Road, Barrow-in-Furness, Cumbria, LA14 1HR

STRAINSTALL UK LIMITED

Detailed profit and loss account for the year ended
31 December 2009

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Sales	8,369,853	8,983,502
Cost of sales		
Materials	(3,065,101)	(4,675,379)
Wages and salaries - Employees	(1,440,169)	(1,432,590)
Wages and salaries - Directors	(137,424)	(40,825)
Employer's NI contributions	(160,615)	(159,186)
Staff pension scheme & healthcare	(26,708)	(21,251)
Directors pension scheme & healthcare	(10,176)	(5,744)
Carriage and Packing	(64,848)	(116,518)
Insurance	(98,937)	(93,381)
Depreciation	(118,717)	(126,752)
Direct Costs	(451,751)	(396,532)
Amortisation	(4,133)	(4,133)
	<u>(5,578,579)</u>	<u>(7,072,291)</u>
Gross profit	2,791,274	1,911,211
Administrative expenses	<u>(1,337,316)</u>	<u>(895,925)</u>
Operating profit	1,453,958	1,015,286
Other income and expenses		
Interest		
Bank deposit interest receivable	162	2,297
Finance lease/HP interest	(781)	(1,567)
Bank interest payable		
Corporation tax		(142)
Net profit for the year	<u>1,453,339</u>	<u>1,015,874</u>

This statement does not form part of the audited financial statements and is for the information of the directors only.