

Registered Number 207655

**Linread Limited**

**Annual report for the year ended 31 December 2009**

WEDNESDAY



\*A25YXNTS\*

A28

29/09/2010

237

COMPANIES HOUSE

## **Linread Limited**

### **Directors' report for the year ended 31 December 2009**

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

#### **Results and Dividends**

The company's turnover has increased by 3% from £33.7m to £34.7m, profit after tax for the year is £8,070k (2008: £7,353k)

The balance sheet shows that the company's financial position at the year end is significantly better than the prior year in terms of cash and net assets

#### **Business Review and Principal Activities**

The company's principal activities during the year continue to be the manufacture and sale of a wide range of hot and cold forged parts, machined special fasteners and other precision components to the Aerospace Industry. The key performance indicators for the company are as follows

	2009 £'000	2008 £'000	Change %
Turnover	34,676	33,669	+ 3 %
Operating profit	7,138	7,474	- 4 %
Shareholders' funds	20,476	12,406	+ 65 %
Current assets as % of current liabilities ('quick' ratio)	837 %	371 %	+125 %
Average number of employees	347	344	+1 %

Operating profit decreased by 4% during the year. This did include a significant increase in the provision for dilapidations on the leasehold properties, following a revised assessment by Property consultants. The 2008 results also had the benefit from the utilisation of an onerous long term contract provision. The 'quick' ratio is significantly higher in 2009, reflecting the comparative movement on corporation tax liability between years, from a liability in 2008 to an asset in 2009 and the significant reduction in trade creditors due to the slowing of activity levels towards the end of 2009 resulting from the impact of the global economic recession.

#### **Going Concern**

The Directors have prepared forecasts which demonstrate that the company is capable of trading as a going concern without recourse to its parent. They have considered reasonable sensitivities and risks in this process. As a result of this, the Directors consider that preparing the financial statements on a going concern basis is appropriate.

## **Linread Limited**

### **Directors' report for the year ended 31 December 2009 (Continued)**

#### **Principal Risks and Uncertainties**

Competitive pressure in the UK is a continuing risk for the company. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer enquiries, and by maintaining strong relationships with customers.

The company makes purchases and sales that are denominated in Euros and US Dollars, and is exposed to the movements of these currencies.

The company is financed by its parent and has no third party debt and, as such, it has no third party interest rate exposure.

#### **Environment**

The company recognizes the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that may be caused by the company's activities.

Initiatives designed to minimise the company's impact on the environment include improvements to Energy Efficiency, reductions in CO2 Emissions, Recycling and Waste Reduction.

The company operates a formal Environmental Management System, certified to ISO 14001.

#### **Disabled Employees**

Details of the number of employees and related costs can be found in note 7 to the Financial Statements.

Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate arrangements and training are implemented. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the Group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and correspondence. Employees and their representatives are consulted regularly on a wide range of matters affecting their interests.

## **Linread Limited**

### **Directors' report for the year ended 31 December 2009 (Continued)**

#### **Directors and their Interests**

The Directors who held office during the year were

T Jesrai

P Brown

G Swan

#### **Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Re-appointment of auditors**

A resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

#### **Directors' qualifying third party indemnity provisions**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

## **Linread Limited**

### **Directors' report for the year ended 31 December 2009 (Continued)**

#### **Statement of Directors' Responsibilities in respect of the Accounts**

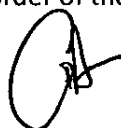
The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Law and Regulations

Company Law requires Directors to prepare Financial Statements for each Financial Year. Under that Legislation, 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 estimates that are reasonable and prudent
- State whether applicable 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 proper accounting records that 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 the safeguarding the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



G Swan

Director

27 September 2010

## **Linread Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINREAD LIMITED**

We have audited the financial statements of Linread Limited for the year ended 31 December 2009 which comprise Profit and Loss Account, the Balance Sheet and the related notes 1 to 26. 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 auditor's 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 5, 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**

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 December 2009 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.

## Linread Limited

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINREAD LIMITED (continued)

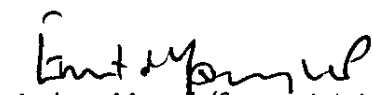
#### Opinion on other matter prescribed by the Companies Act 2006

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



Andrew Merrick (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

28/9/10

## Linread Limited

### Profit and loss account for the year ended 31 December 2009

		Year Ended 31 December 2009 £'000	Year Ended 31 December 2008 £'000
	<i>Notes</i>		
Turnover		34,676	33,669
	2	<u>34,676</u>	<u>33,669</u>
Cost of sales	3	(24,724)	(23,255)
Gross profit		<u>9,952</u>	<u>10,414</u>
Distribution costs	3	(1,707)	(1,550)
Administrative expenses	3	(1,107)	(1,390)
Operating Profit	5	<u>7,138</u>	<u>7,474</u>
Profit on sale of operation		-	1,239
		<u>7,138</u>	<u>8,713</u>
Interest receivable	4	27	38
Profit on ordinary activities before taxation		<u>7,165</u>	<u>8,751</u>
Tax on profit on ordinary activities	8	905	(1,398)
<b>Profit for the period</b>		<u><u>8,070</u></u>	<u><u>7,353</u></u>

There are no recognised gains or losses for the year ended 31 December 2009 other than the profit reported above

All profits are from continuing operations




## Linread Limited

## Balance Sheet as at 31 December 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed Assets</b>			
Tangible Assets	9	3,055	2,556
Investments	10	314	345
		<u>3,369</u>	<u>2,901</u>
<b>Current Assets</b>			
Stocks	11	4,774	7,276
Debtors amounts falling due within one year	12	7,645	12,699
Debtors amounts falling greater than one year	13	5,846	-
Cash at bank and in hand		<u>10,214</u>	<u>3,437</u>
		<u>28,479</u>	<u>23,412</u>
Creditors amounts falling due within one year	14	<u>(3,406)</u>	<u>(6,317)</u>
<b>Net current assets</b>		<u>25,073</u>	<u>17,095</u>
<b>Total assets less current liabilities</b>		<u>28,442</u>	<u>19,996</u>
Creditors amounts falling due after more than one year	15	(6,650)	(6,650)
Provision for liabilities	16	(1,316)	(940)
		<u>20,476</u>	<u>12,406</u>
<b>Capital &amp; Reserves</b>			
Called up share capital	17	3,096	3,096
Share premium account	18	789	789
Other reserves	19	232	232
Profit and loss account	20	<u>16,359</u>	<u>8,289</u>
<b>Equity shareholders' funds</b>		<u>20,476</u>	<u>12,406</u>

The financial statements were approved by the Board of Directors on 27th September 2010 and were signed on its behalf by



G Swan

Director

# **Linread Limited**

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

### **1 Accounting policies**

The accounting policies are summarised below. They have been applied consistently throughout the current and preceding period.

#### **Basis of preparation**

These financial statements have been prepared, under the historical cost convention, and in accordance with applicable accounting standards.

#### **Going Concern**

The Directors have prepared forecasts which demonstrate that the company is capable of trading as a going concern without recourse to its parent. They have considered reasonable sensitivities and risks in this process. As a result of this, the Directors consider that preparing the financial statements on a going concern basis is appropriate.

#### **Tangible Fixed Assets**

Fixed assets are shown at cost less accumulated depreciation. Depreciation is provided on all assets other than Freehold land at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:

Freehold buildings	- Over 50 years
Plant and machinery, and office Equipment	- Between 2 and 10 years

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

#### **Investments**

Investments are stated at the lower of cost or net realisable value adjusted where appropriate for movements in foreign exchange rates.

Where, in the opinion of the directors, there has been impairment in the value of the investments, appropriate provisions are made for impairment and charged to the profit and loss account.

# **Linread Limited**

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

### **1 Accounting policies (continued)**

#### **Cash flow Statement**

The company is not required to submit a Cash flow statement under the exemption provided by *FRS 1(5)* which states, "Subsidiary undertakings are exempt where 90 per cent or more of the voting rights are controlled within the group, provided that consolidated financial statements in which the subsidiary undertakings are included are publicly available"

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials, consumables and goods for resale	- purchase cost on a first in, first out basis
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

#### **Leased assets**

The costs of operating leases are charged to the profit and loss account on a straight-line basis over the lease term. Where a property is considered to be surplus to requirements provision is made for the future contracted lease payments, net of any anticipated income through sublease

#### **Dilapidation Provisions**

Provisions for dilapidations reflect the company's obligations and liabilities regarding the maintenance of the properties to a standard as required by the specific leases, as confirmed from time to time via independent surveys

#### **Provisions for Onerous contracts**

Provisions for onerous contracts are recognised when the projected unavoidable costs of meeting the obligations under the contract exceed the projected economic benefits anticipated under the contract. Provision is made for the remainder of the contract, with projections based upon current levels of performance

#### **Provisions for contract performance penalties**

Provisions for contract performance penalties relate to delivery performance under long term contracts. The provision recognises the liability where the performance obligation of the contract has not been met in full. Full provision is made for these penalties

# **Linread Limited**

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

### **1 Accounting policies (continued)**

#### **Deferred Taxation**

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### **Pension costs**

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

#### **Foreign currency**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Transactions in foreign currencies are translated in sterling at the exchange rate at the date of the transaction. Profits and losses on exchange arising in the normal course of trading, and realised exchange differences arising on the conversion of foreign currency assets and liabilities are dealt with in the profit and loss account.

#### **Turnover**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

##### *Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, which excludes value added tax and trade discounts, represents the value of goods and services supplied.

#### **Interest Receivable**

Revenue is recognised as interest accrues using the straight line interest method.

## **Linread Limited**

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

#### **2 Turnover**

All of the company's trade originates within the United Kingdom and relates to continuing operations within the Aerospace Segment

Turnover analysed by geographical destination as follows:

	2009 £'000	2008 £'000
Europe	29,662	28,583
North America	4,498	4,689
Other	516	397
	<u>34,676</u>	<u>33,669</u>

#### **3 Cost of sales and operating expenses**

	2009 £'000	2008 £'000
Cost of Sales	24,724	22,255
Distribution costs	1,707	1,550
Administrative Expenses	1,107	1,390
	<u>          </u>	<u>          </u>

#### **4 Interest receivable**

	2009 £'000	2008 £'000
Interest receivable from fixed asset investments	26	25
Bank interest receivable	1	13
	<u>27</u>	<u>38</u>

## Linread Limited

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

#### 5 Operating profit

Operating profit is stated after charging / (crediting)

	2009 £'000	2008 £'000
Depreciation of owned assets	573	605
Loss on disposal of fixed assets	(1)	-
Rent of plant and machinery – operating leases	59	59
Rent of buildings – operating leases	389	389
Auditors remuneration (see Note 6)	27	51
Contract Performance Provision	35	-
Warranty Provision	50	-
Dilapidation Provision	485	-
Provision for onerous contract	(200)	(1,000)

#### 6 Auditors' remuneration

The remuneration of the auditors is further analysed as follows

	2009 £'000	2008 £'000
Audit of the Financial Statements	27	42
Other fees to auditors - Taxation services	-	9
	-	9
	27	51

#### 7 Staff costs

##### a) Staff Costs

	2009 £'000	2008 £'000
Wages and salaries	8,607	8,575
Social security costs	835	850
Other pension costs (see Note 22)	126	122
	9,568	9,547

# Linread Limited

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

### 7 Staff costs (continued)

#### a) Staff Costs

	2009 No.	2008 No
Average number of employees by activity		
Staff	74	76
Works	273	268
	<u>347</u>	<u>344</u>

#### b) Directors' emoluments

	2009 £'000	2008 £'000
Aggregate emoluments in respect of qualifying services	<u>241</u>	<u>300</u>
In respect of the highest paid director		
Aggregate emoluments	<u>128</u>	<u>118</u>

### 8 Tax

#### (a) Analysis of charge in year

	2009 £'000	2008 £'000
<b>Current tax:</b>		
UK Corporation tax on results for the period	492	1,398
Adjustments in respect of previous periods – corporation tax	(1,403)	-
Total current tax (note 8(b))	<u>(911)</u>	<u>1,398</u>
<b>Deferred Tax:</b>		
Origination and reversal of timing differences	6	-
Deferred Tax (note 8(c))	<u>6</u>	<u>-</u>
Tax on Profit on ordinary activities	<u>(905)</u>	<u>1,398</u>

# Linread Limited

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

### 8 Tax

#### (b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are reconciled below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	<u>7,165</u>	<u>8,751</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	2,006	2,450
Expenses not deductible for tax purposes	10	5
Depreciation in excess of capital allowances	(48)	(32)
Other short term timing differences	1	(6)
Chargeable gains	-	14
Effect of change in tax rate in the year	-	26
Group relief (received) for nil payment	(1,477)	-
Utilisation of brought forward losses	-	(1,059)
Adjustment in respect of previous periods	(1,403)	-
Total Current tax (note (a))	<u>(911)</u>	<u>1,398</u>

The adjustment in respect of previous period arises principally as a result of Group relief received for no payment

#### (c) Deferred tax

The deferred tax included in the balance sheet is as follows

	2009 £'000	2008 £'000
Included in provisions for liabilities (note 16)	6	-
	<u>6</u>	<u>-</u>
Depreciation in excess of capital allowances	-	(41)
Accelerated capital allowances	7	-
Other timing differences	(1)	-
Losses	-	-
Undiscounted net deferred tax liability/(asset)	<u>6</u>	<u>(41)</u>



# Linread Limited

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

### 9 Tangible fixed assets

	Land & buildings £'000	Plant & other equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2009	633	15,542	16,175
Additions	-	1,076	1,076
Disposals	-	(259)	(259)
At 31 December 2009	<u>633</u>	<u>16,359</u>	<u>16,992</u>
<b>Depreciation</b>			
At 1 January 2009	521	13,098	13,619
Charge for period	22	551	573
Disposals	-	(255)	(255)
At 31 December 2009	<u>543</u>	<u>13,394</u>	<u>13,937</u>
<b>Net book value at 31 December 2009</b>	<u>90</u>	<u>2,965</u>	<u>3,055</u>
Net book value at 31 December 2008	<u>112</u>	<u>2,444</u>	<u>2,556</u>

None of the above assets are held under finance leases

	2009 £'000	2008 £'000
The net book value of buildings comprises		
Long Leasehold	<u>90</u>	<u>112</u>
	<u>90</u>	<u>112</u>

## Linread Limited

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

#### 10 Fixed asset investments

	£'000
At 1 January 2009	345
Foreign exchange loss	(31)
At 31 December 2009	<u>314</u>
Net book value at 31 December 2009	<u>314</u>
Net book value at 31 December 2008	<u>345</u>

Investments comprise 2.5% of the share capital of Technical Airborne Components Industries SPRL, a company incorporated in Belgium together with 500 US\$1,000 bonds issued by that company

#### 11 Stocks

	2009 £'000	2008 £'000
Raw materials and consumables	709	1,638
Work in Progress	2,324	3,849
Finished goods	<u>1,741</u>	<u>1,789</u>
	<u>4,774</u>	<u>7,276</u>

The difference between purchase price or production costs of stocks and their replacement cost is not material

#### 12 Debtors: amounts falling due within one year

	2009 £'000	2008 £'000
<b>Amounts falling due within one year:</b>		
Trade Debtors	5,096	6,425
Amounts owed by Group undertakings	1,740	5,995
Prepayments and accrued income	285	279
Corporation Tax	<u>524</u>	<u>-</u>
	<u>7,645</u>	<u>12,699</u>

## Linread Limited

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

#### 13 Debtors: amounts falling due greater than one year

	2009 £'000	2008 £'000
Amounts falling due greater than one year:		
Amounts owed by Group undertakings	5,846	-
	<u>5,846</u>	<u>-</u>

#### 14 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade Creditors	2,181	3,454
Amounts owed to Group undertakings	-	16
Corporation tax	-	1,403
Other taxation and social security	466	560
Other creditors	245	342
Accruals and deferred income	514	542
	<u>3,406</u>	<u>6,317</u>

#### 15 Creditors: amounts falling due after more than one year

	2009 £'000	2008 £'000
Amounts owed to Group undertakings	6,650	6,650
	<u>6,650</u>	<u>6,650</u>

Loans to group undertakings are non-interest bearing

# Linread Limited

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

### 16 Provision for liabilities

	Onerous supply contract	Contract Delivery Penalties	Warranty Provision	Onerous Lease & Dilapidation costs	Deferred Tax	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2009	200	-	-	740	-	940
Utilised	-	-	-	(2)	-	(2)
Profit & Loss Account	(200)	35	50	487	6	378
At 31 December 2009	<u>-</u>	<u>35</u>	<u>50</u>	<u>1,225</u>	<u>6</u>	<u>1,316</u>

Amounts provided in respect of contract delivery penalties and warranty costs are considered to be current  
Costs provided relating to onerous leases and dilapidation costs are expected to be realised over the remaining period of the lease term

### 17 Share capital

	Authorised		Allotted, called up and fully paid	
	No of shares	£'000	No of shares	£'000
Ordinary Shares of £0.25 each				
At 1 January 2009 and 31 December 2009	20,000,000	5,000	12,384,036	3,096

### 18 Share Premium Account

There was no movement in the share premium account during the current or prior year

### 19 Other Reserves

There was no movement in other reserves during the current or prior year

### 20 Profit and loss account

	31 December 2009 £'000
Balance brought forward	8,289
Profit for the financial period	8,070
Balance carried forward	<u>16,359</u>

## Linread Limited

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

#### 21 Reconciliation of shareholders' funds and movements on reserves

	31 December 2009 £'000	31 December 2008 £'000
Opening shareholders' funds	12,406	5,053
Profit for the financial period	8,070	7,353
Closing shareholders' funds	<u>20,476</u>	<u>12,406</u>

#### 22 Pensions

The company runs a defined contributions scheme, the "Linread Limited Stakeholder scheme". As at 31 December 2009 there were no outstanding pension contributions (2008: £nil) in respect of this scheme.

#### 23 Capital commitments including items to be leased

	2009 £'000	2008 £'000
Capital commitments not provided for in the Financial Statements In respect of contract places and agreements made	<u>248</u>	<u>237</u>
	<u>248</u>	<u>237</u>

#### 24 Annual commitments under operating leases

	Plant & machinery		Land & buildings	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Expiring:				
Within one year	10	3	-	-
In two to five years	45	46	389	389
	<u>55</u>	<u>49</u>	<u>389</u>	<u>389</u>

## **Linread Limited**

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

#### **25 Related party transactions**

Advantage has been taken of the exemption available under Financial Reporting Standard Number 8 to dispense with the requirement to disclose transactions with other wholly owned subsidiaries, within the McKechnie Aerospace DE, Inc group of companies

#### **26 Parent undertaking**

The immediate parent undertaking is McKechnie Aerospace (Europe) Limited, registered in England and Wales  
The company's ultimate parent undertaking and controlling party is McKechnie Aerospace DE Inc , a company registered in the United States

The parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which the company is a member is McKechnie Aerospace DE Inc , 20 Pacifica Suite 200, Irvine, CA 92618