

**Company Registration No. 359586**

**ASTRUM (UK) LIMITED**

**Report and Financial Statements**

**3 April 2009**

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**REPORT AND FINANCIAL STATEMENTS 3 APRIL 2009**

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**REPORT AND FINANCIAL STATEMENTS 03 APRIL 2009**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr P J Kite  
Mr M J Hutchinson  
Mr S J Dowson  
Mr W M Teasdale  
Miss P R Hope  
Mr R Jeffries  
Mr G Neasham

**SECRETARY**

Miss P R Hope

**REGISTERED OFFICE**

Bond Isle Way  
Stanhope  
County Durham  
DL13 2YR

**BANKERS**

Bank of Scotland  
New Ueberior House  
11 Earl Grey Street  
Edinburgh  
EH3 9BN

**AUDITORS**

Deloitte LLP  
Newcastle upon Tyne

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 3 April 2009

### **PRINCIPAL ACTIVITY**

The principal activity of the Company is the design, manufacture and supply of steel products and complex engineered assemblies in high strength steels, other metals and polymers

### **REVIEW OF THE BUSINESS**

The operating profit for the company for the year ended 3 April 2009 was £2.6m on a turnover of £38.5m (year ended 31 March 2008 £2.3m on a turnover of £35m). The net assets of the business at 3 April 2009 were £8.0m (31 March 2008 £5.4m).

### **FUTURE PROSPECTS**

The Directors are confident about the long term prospects of the business, which is well established and focused on specialised markets. Moreover the Group's considerable intellectual property rights, together with the significant added value it provides, further underpins the strength of the business.

Astrum has continued to invest in the resources required to develop the business in the global defence market, with success during 2008 and 2009, and this is a key goal over the forthcoming years.

### **PRINCIPAL RISKS**

#### *Market demand*

The principal challenge facing UK business relates to the effects of the global credit crunch. The lack of liquidity in the financial markets reduced the ability of individuals and businesses to borrow money and this has ultimately led to a lack of demand in both the UK and global market places.

Astrum is in a more fortunate position than many businesses in that it operates in a range of markets, including a niche Defence sector, the supply of track systems and running gear for armoured fighting vehicles, as well as in earthmoving, intermodal and general engineering. Operating in a wide range of markets and having Defence as its core business places Astrum in a stronger position to ride out the economic recession.

#### *Production costs*

During the year Astrum saw wide fluctuations in the cost of raw materials and utilities and to counter act the effect of cost increases the business has adopted the principals of continuous improvement in its management philosophy and the way it does business to improve efficiency. The benefits of this approach are being seen through improvements in productivity and quality.

#### *Liquidity Risk*

The company's business activities, together with the factors likely to affect its future development, performance and position are set out within Future Prospects and Principal Risks above. The directors remain confident about the long term prospects of the business, reflecting its well-established position in specialised markets.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The terms of these borrowing facilities have recently been renegotiated.

The directors, having assessed the responses of the directors of the company's parent ASTRUM Holdings Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the ASTRUM group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of ASTRUM Holdings Limited, the company's directors have a reasonable expectation that the company will be able 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.

**DIRECTORS' REPORT (continued)****KEY PERFORMANCE INDICATORS (KPI'S)**

The Company monitors a number of key performance indicators to ensure performance is fully understood

	3 April 2009 £	31 March 2008 £
<b>TURNOVER</b>		
Export as a % of turnover	21.7%	15.8%
<b>COST OF SALES</b>		
Wage cost as a % of turnover	23.1%	23.5%
<b>PROFITABILITY</b>		
Operating profit as % of turnover	6.7%	6.4%

**PROPOSED DIVIDEND**

The directors do not recommend the payment of a dividend

**DIRECTORS**

The directors who held office during the period, and since, were as follows

Mr P J Kite  
Mr M J Hutchinson  
Mr S J Dowson  
Miss P R Hope  
Mr A Bednarek (resigned 30 June 2008)  
Mr W M Teasdale (appointed 17 July 2008)  
Mr R Jeffries (appointed 6 January 2009)  
Mr G Neasham (appointed 1 October 2008)

**EMPLOYEES**

Regular meetings are held between local management and employees to allow for the free flow of information and ideas

The Company's policy is to consult and discuss with employees, at meetings, matters likely to affect employees' interests

Information on matters concerning employees is given through tool box talks, information bulletins and meetings, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance

The Company gives full consideration to applications for employment from disabled persons where the requirements of the role can be adequately fulfilled by a handicapped or disabled person. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Where an existing employee becomes disabled, the Company's policy is to provide continuing employment under normal terms and conditions wherever possible.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The Company made no political donations and made donations of £6,569 (31 March 2008 £6,387) to various charities

**DIRECTORS' REPORT (continued)**

**AUDITORS**

Each of the persons who is a director of the company at the date of approval of this Annual Report confirms

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting

Approved by the board of directors on 9 March 2010 and signed on behalf of the Board

*PR Hope*

**P R Hope**

**Director**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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,
- 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 1985. 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTRUM (UK) LIMITED**

We have audited the financial statements of Astrum (UK) Limited for the year ended 3 April 2009 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 other transactions 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.

### **Basis of audit opinion**

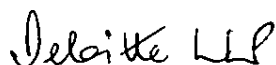
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 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.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company at 3 April 2009 and its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



**Deloitte LLP**  
**Chartered Accountants and Registered Auditors**  
**Newcastle upon Tyne**  
**9 March 2010**



# ASTRUM (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 3 April 2009

	Note	Year Ended 3 April 2009 £	Year Ended 31 March 2008 £
<b>TURNOVER</b>	2	38,468,304	35,031,635
Cost of sales		(29,241,894)	(25,231,475)
<b>Gross profit</b>		9,226,410	9,800,160
Operating expenses	3	(6,647,141)	(7,539,222)
<b>OPERATING PROFIT</b>		2,579,269	2,260,938
Interest payable and similar charges	5	(11,283)	(1,952)
Interest receivable and similar income	6	22,958	70,587
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	7	2,590,944	2,329,573
Tax on profit on ordinary activities	8	(21,989)	57,353
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	2,568,955	2,386,926

There are no recognised gains and losses other than the profit for the current financial year and the prior financial year as stated above and therefore no separate statement of total recognised gains and losses is presented

All activities derive from continuing operations

# ASTRUM (UK) LIMITED

## BALANCE SHEET

3 April 2009

	Note	3 April 2009 £	31 March 2008 £
<b>FIXED ASSETS</b>			
Intangible assets	9	2,230,000	2,355,000
Tangible assets	10	2,929,851	3,246,718
Investments	11	100,000	100,000
		<u>5,259,851</u>	<u>5,701,718</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,579,986	2,494,207
Debtors	13	5,855,631	6,547,204
Cash at bank and in hand		<u>2,651,800</u>	<u>-</u>
		<u>11,087,417</u>	<u>9,041,411</u>
<b>CREDITORS, amounts falling due within one year</b>	14	<u>(8,094,404)</u>	<u>(9,294,221)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>2,993,013</u>	<u>(252,810)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,252,864</u>	<u>5,448,908</u>
<b>CREDITORS, amounts falling due after more than one year</b>	14	(26,000)	(52,000)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	15	(261,000)	-
<b>NET ASSETS</b>		<u><u>7,965,864</u></u>	<u><u>5,396,909</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	461,308	461,308
Share premium account		48,300	48,300
Profit and loss account	17	<u>7,456,256</u>	<u>4,887,301</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u><u>7,965,864</u></u>	<u><u>5,396,909</u></u>

The financial statements on pages 7 to 19 of ASTRUM (UK) Limited, registered number 359586, were approved by the board of directors and authorised for issue on 9 March 2010

Signed on behalf of the board of directors



P R Hope

Director

## ASTRUM (UK) LIMITED

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

Year ended 3 April 2009

	<b>Year Ended 3 April 2009 £</b>	<b>Year Ended 31 March 2008 £</b>
Profit for the financial year	<u>2,568,955</u>	<u>2,386,926</u>
Net addition to shareholders' funds	2,568,955	2,386,926
Opening shareholders' funds	<u>5,396,909</u>	<u>3,009,983</u>
Closing shareholders' funds	<u><u>7,965,863</u></u>	<u><u>5,396,909</u></u>

## NOTES TO THE ACCOUNTS

Year ended 3 April 2009

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently throughout the year and the preceding year in dealing with items which are considered material in relation to the financial statements

#### Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting rules

As 100% of the voting rights are controlled within the Group headed by ASTRUM Holdings Limited, the Company has taken advantage of an exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of ASTRUM Holdings Limited can be obtained from the address given in note 21

Under FRS 1 'Cash flow statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements

#### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out within Future Prospects and Principal Risks in the directors report. The directors remain confident about the long term prospects of the business, reflecting its well-established position in specialised markets

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The terms of these borrowing facilities have recently been renegotiated

The directors, having assessed the responses of the directors of the company's parent ASTRUM Holdings Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the ASTRUM group to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of ASTRUM Holdings Limited, the company's directors have a reasonable expectation that the company will be able 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

#### Tangible fixed assets and depreciation

Tangible fixed assets are fully depreciated, on cost less residual value, on a straight line basis (except for motor vehicles which are on a reducing balance basis), over their estimated useful lives as follows

Plant and equipment	-	10%
Fixtures and fittings	-	20%
Motor vehicles	-	33.3%
Buildings	-	5%

#### Investments

Investments are stated at cost less amounts written off

#### Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost and those acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably

Intangible assets purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives of 20 years, which is considered by management to be a fair reflection of the useful economic life of the underlying assets acquired

**NOTES TO THE ACCOUNTS**

**Year ended 3 April 2009**

**Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**Government grants**

Government grants in respect of capital expenditure are recognised over the expected useful economic lives of the related assets. Any amounts not recognised immediately in the profit and loss account are included in the balance sheet as deferred income.

**Post retirement benefits**

The Company participates in an active defined contribution group personal pension plan. The amount charged to the profit and loss account represents the contributions payable to the plan in respect of the accounting period.

**Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

**Research and development expenditure**

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

**Stocks**

Stocks are stated at the lower of cost and net realisable value using the first in/first out method. Cost comprises the direct costs of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

**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 'Deferred tax'.

**Turnover**

Turnover represents amounts receivable for goods provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer, or in the case of Bill & Hold agreements, when the goods are available for collection.

**NOTES TO THE ACCOUNTS**

**Year ended 3 April 2009**

**2. TURNOVER**

During the year, the company engaged in only one class of business activity. Turnover arising during the year, analysed by destination was as follows:

	<b>Year ended 3 April 2009 £</b>	<b>Year ended 31 March 2008 £</b>
United Kingdom	30,128,601	29,499,239
Continental Europe	3,248,178	2,146,698
Rest of World	5,091,525	3,385,698
	<u>38,468,304</u>	<u>35,031,635</u>

**3. OPERATING EXPENSES**

	<b>Year ended 3 April 2009 £</b>	<b>Year ended 31 March 2008 £</b>
Distribution costs	550,978	516,367
Administrative expenses	6,096,163	7,022,855
	<u>6,647,141</u>	<u>7,539,222</u>

**NOTES TO THE ACCOUNTS**

**Year ended 3 April 2009**

**4. STAFF COSTS**

	<b>Year ended 3 April 2009 £</b>	<b>Year ended 31 March 2008 £</b>
Wages and salaries	7,972,241	7,380,898
Social security costs	823,265	765,428
Other pension costs (note 20)	90,272	83,717
	<u>8,885,778</u>	<u>8,230,043</u>

Average number of persons employed by the company (including directors) during the year

	<b>Year ended 3 April 2009 Number</b>	<b>Year ended 31 March 2008 Number</b>
Manual	240	210
Staff	46	49
Senior management	7	7
Directors	6	5
	<u>299</u>	<u>271</u>
Directors' emoluments	512,000	426,064
Company contributions to money purchase pension schemes	<u>24,608</u>	<u>23,275</u>

The emoluments of the highest paid director were £172,000 (31 March 2008 £161,000), and Company pension contributions of £9,800 (31 March 2008 £9,000) were made to a personal money purchase scheme on his behalf. Retirement benefits were accrued under personal pension schemes for 6 directors during the year (31 March 2008 5 directors).

The company's directors are also executives of the holding company, ASTRUM Holdings Limited. The directors do not consider that it is practical to allocate remuneration between their services as executives of this company and their services as directors of ASTRUM Holdings Limited and therefore 100% of directors' remuneration is charged to ASTRUM (UK) Limited.

**NOTES TO THE ACCOUNTS**

**Year ended 3 April 2009**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 3 April 2009 £	Year ended 31 March 2008 £
Interest payable on overdrafts	11,283	1,952

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 3 April 2009 £	Year ended 31 March 2008 £
Interest received on cash deposits	22,958	70,587

**7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit on ordinary activities before taxation is stated after charging/(crediting)

	Year ended 3 April 2009 £	Year ended 31 March 2008 £
Auditors' remuneration		
Audit of these financial statements	30,000	27,500
Other services relating to taxation	10,140	4,000
Other services relating to corporate finance	-	116,000
Depreciation	488,213	463,521
Research and development	355,627	465,962
Operating lease rentals		
Plant and machinery	156,849	132,807
Others	103,041	99,709
Grant amortisation	(26,000)	(26,000)

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Year ended 3 April 2009 £	Year ended 31 March 2008 £
Current year tax credit	-	(20,433)
Adjustments relating to prior year	2,664	-
Total current tax charge/(credit)	2,664	(20,433)
Deferred tax		
Current year charge	25,226	223,321
Adjustments relating to prior year	(5,900)	(260,241)
Total deferred tax charge/(credit)	19,325	(36,920)
Tax (credit)/charge on profit on ordinary activities	21,989	(57,353)



NOTES TO THE ACCOUNTS

Year ended 3 April 2009

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The differences between the total current tax charge/(credit) shown above and the tax charge calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	Year ended 3 April 2009 £	Year ended 31 March 2008 £
Profit on ordinary activities before taxation	2,590,944	2,329,573
Current tax charge at 28% (2008 30%)	725,465	698,872
Effects of		
Income not chargeable for tax purposes	(34,773)	(92,974)
Other short-term timing differences	(154,997)	(186,790)
Group relief not paid for	(1,785,936)	(2,120,415)
Capital allowances in excess of depreciation	129,771	(36,602)
Expenses not deductible for tax purposes	1,120,470	1,575,371
Adjustments in respect of prior periods	2,664	(20,433)
Effect of change in rate on deferred tax	-	6,359
IBA adjustment	-	156,180
Total current tax charge /(credit)	2,664	(20,433)

In the prior period there was a write back of the deferred tax asset previously recognised on Industrial Buildings Allowances. This was due to the change in legislation introduced by Finance Act 2007. This reversal resulted in a deferred tax charge of £156,180.

9. INTANGIBLE FIXED ASSETS

	Customer lists £
<b>Cost</b>	
At 31 March 2008 and 3 April 2009	2,480,000
<b>Amortisation</b>	
At 31 March 2008	125,000
Charged in the year	125,000
At 3 April 2009	250,000
<b>Net book value</b>	
At 3 April 2009	2,230,000
At 31 March 2008	2,355,000

Intangible fixed assets represent the exclusive right to supply a range of greensands products (moulds) to an established customer base. Intangible assets are written off over 20 years, which is considered by management to be a fair reflection of the useful economic life of the underlying assets acquired.

# ASTRUM (UK) LIMITED

## NOTES TO THE ACCOUNTS Year ended 3 April 2009

### 10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant, equipment and motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2008	2,118,200	8,564,371	10,682,571
Additions	29,853	141,493	171,346
At 3 April 2009	2,148,053	8,705,864	10,853,917
<b>Depreciation</b>			
At 1 April 2008	653,626	6,782,227	7,435,853
Charged in the year	50,506	437,707	488,213
At 3 April 2009	704,132	7,219,934	7,924,066
<b>Net book value</b>			
At 3 April 2009	1,443,921	1,485,930	2,929,851
At 31 March 2008	1,464,574	1,782,144	3,246,718

### 11. INVESTMENTS

	Shares in subsidiary company £
<b>Cost</b>	
As at 31 March 2008 and 3 April 2009	100,000
<b>Provisions</b>	
As at 31 March 2008 and 3 April 2009	-
<b>Net book value</b>	
As at 31 March 2008 and 3 April 2009	100,000

The company owns 100% of the issued share capital of Astrum (International) Limited, a dormant company incorporated in the UK

**NOTES TO THE ACCOUNTS**

**Year ended 3 April 2009**

**12. STOCKS**

	<b>3 April 2009 £</b>	<b>31 March 2008 £</b>
Raw materials and consumables	1,394,895	1,339,955
Work in progress	1,082,209	1,018,968
Finished goods	102,882	135,284
	<u>2,579,986</u>	<u>2,494,207</u>

In the opinion of the directors, there is no material difference between the replacement cost of stocks and their carrying value

**13. DEBTORS**

	<b>3 April 2009 £</b>	<b>31 March 2008 £</b>
Trade debtors	5,655,341	6,150,018
Prepayments and accrued income	130,611	166,775
Corporation tax	-	141,407
Deferred Tax	69,679	89,004
	<u>5,855,631</u>	<u>6,547,204</u>

All amounts are due within one year

Deferred tax movements were as follows

Asset at beginning of year	89,004	52,084
(Charge)/credit for the year (note 8)	(19,325)	36,920
At end of year	<u>69,679</u>	<u>89,004</u>
The elements of deferred taxation are as follows		
Difference between accumulated depreciation, amortisation and capital allowances	27,516	(108,155)
Other timing differences	42,163	197,159
	<u>69,679</u>	<u>89,004</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 3 April 2009**

**14. CREDITORS**

	<b>3 April 2009</b>	<b>31 March 2008</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year		
Bank overdraft	-	41,984
Trade creditors	4,207,358	5,023,984
Amounts owed to group undertakings	2,234,406	2,734,700
Other taxation and social security	906,145	674,280
Accruals and deferred income	743,831	819,273
Corporation tax	2,664	-
	<u>8,094,404</u>	<u>9,294,221</u>
Amounts falling due after more than one year		
Deferred income (government grants)	<u>26,000</u>	<u>52,000</u>

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Restructuring provision £</b>
At 1 April 2008	-
Charged to profit and loss account	<u>261,000</u>
At 3 April 2009	<u></u>

The restructuring provision represents the directors' best estimate of incremental costs to be incurred as a direct result of implementing a restructuring plan that was announced in February 2009. The provision is expected to be fully utilised within nine months of the balance sheet date and has not been discounted as the effect of doing so would be immaterial.

**16 CALLED UP SHARE CAPITAL**

	<b>3 April 2009</b>	<b>31 March 2008</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
<b>Allotted and fully paid</b>		
Ordinary shares of £1 each	<u>461,308</u>	<u>461,308</u>

**NOTES TO THE ACCOUNTS**

**Year ended 3 April 2009**

**17. PROFIT AND LOSS ACCOUNT**

	<b>Profit and loss account £</b>
At 1 April 2008	4,887,301
Profit for the financial year	<u>2,568,955</u>
At 3 April 2009	<u><u>7,456,256</u></u>

**18. COMMITMENTS**

(a) Annual commitments under non-cancellable operating leases are as follows

	<b>3 April 2009 £</b>	<b>31 March 2008 £</b>
Operating leases which expire		
Within one year	12,373	30,488
Within two to five years	<u>168,773</u>	<u>80,076</u>
	<u><u>181,146</u></u>	<u><u>110,564</u></u>

(b) There were no contracted capital commitments at the year end

**19. CONTINGENT LIABILITY**

The company is party to a group cross guarantee in respect of the group's bank borrowings. The aggregate unprovided potential liability of the company at the balance sheet date in respect of this guarantee is £54,079,000 (31 March 2008 £54,061,000). The group's borrowings are secured on all group assets.

Contingent liabilities relating to guarantees, performance bonds and other items of a normal trading nature amounted to £89,059 (31 March 2008 £148,118).

**20. PENSION COMMITMENTS**

The company makes defined contributions to a group personal pension plan. The pension cost charged for the year represents contributions payable by the company and amounted to £90,272 (31 March 2008 £83,717).

**21. PARENT COMPANY AND CONTROLLING PARTY**

The parent company, and the parent company of the only group in which the results of the company are consolidated, is Astrum Holdings Limited. The consolidated financial statements of Astrum Holdings Limited are available to the public and may be obtained from Bond Isle Way, Stanhope, County, Durham, DL13 2YR.

As at 3 April 2009 the Board of Directors of Astrum Holdings Limited held 60% of its issued share capital and 80.01% of its total voting rights. In the opinion of the Board of Directors no single controlling party exists.