

PSI GLOBAL LIMITED

Report and Financial Statements

02 May 2010

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REPORT AND FINANCIAL STATEMENTS 2010

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REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Theodoulou (Chairman)
S P Hunter (Managing Director)
J S Hunter
D S Hunter
D M Hunter
H Walzl

SECRETARY

D S Hunter

REGISTERED OFFICE

Bowburn South Industrial Estate
Bowburn
Durham
DH6 5AD

BANKERS

Barclays Bank plc
PO Box 245
27-31 High Row
Darlington
Co Durham

BB&T
200 S College Street
Charlotte
NC 28202

SOLICITORS

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne, UK

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 02 May 2010

PRINCIPAL ACTIVITY

The principal activity of the company is the development and manufacture of filters, separators and automatic closure systems

DIVIDENDS AND TRANSFERS TO RESERVES

No interim dividends have been paid (2009 £Nil)

The profit for the year after taxation was £228,497 (2009 loss of £229,108) and the directors propose that this be transferred to/from reserves

DIRECTORS

The present membership of the board is set out on page 1

GOING CONCERN

The company continues to supply its products to a highly competitive market with loss of key customers being a principal risk to the business

The current economic conditions create uncertainty over (a) the level of demand for the company's products, (b) the availability of bank finance in the foreseeable future, and (c) the foreign exchange rate at the time sales to overseas customers are settled. The company manages its customer risk by maintaining strong relationships with its customers and by providing excellent product quality, value and service to its customers. Day to day working capital is managed through an invoice discount facility with Barclays Bank plc. This facility will be in place until May 2011 and the directors are confident that a renewal will be obtained in advance of that date. Following the year end, the directors have continued to pursue opportunities in both local and export markets and expect that the company will continue to be profitable throughout 2010 and 2011. Furthermore, the shareholders have injected further cash into the business during 2009/2010 in the form of loans signalling their ongoing commitment to the business. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current economic outlook.

After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

DONATIONS

During the year the company made charitable donations of £450 (2009 £450)

SUPPLIER PAYMENT POLICY

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers provided that all trading terms and conditions have been complied with.

DIRECTORS' REPORT (continued)

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors 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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

SPECIAL EXEMPTIONS

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Approved by the Board of Directors
and signed on behalf of the Board



Director SP HUNTER

Date 30 September 2010

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 its profit or loss 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, 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 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 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 PSI GLOBAL LIMITED

We have audited the financial statements of PSI Global Limited for the year ended 02 May 2010 which comprise of the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 02 May 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

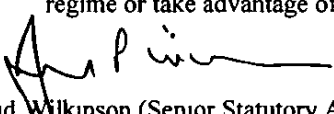
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report.


David Wilkinson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne, United Kingdom

30 September 2010

PROFIT AND LOSS ACCOUNT
Year ended 02 May 2010

	Note	2010 £	2009 £
TURNOVER	2	3,310,843	3,536,238
Changes in stocks of finished goods and work in progress		<u>(96,624)</u>	<u>(29,096)</u>
		3,214,219	3,507,142
Staff costs	5	(910,207)	(1,375,977)
Raw materials and consumables		(995,505)	(1,046,910)
Depreciation and other amounts written off tangible and intangible fixed assets		(163,604)	(192,802)
Other operating charges		<u>(817,857)</u>	<u>(1,161,549)</u>
OPERATING PROFIT / (LOSS)		327,046	(270,096)
Interest payable and similar charges	3	<u>(65,270)</u>	<u>(43,689)</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	261,776	(313,785)
Tax on profit/(loss) on ordinary activities	6	<u>(33,279)</u>	<u>84,677</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	17	<u>228,497</u>	<u>(229,108)</u>

All activities derive from continuing operations

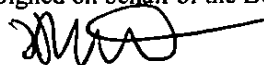
There are no recognised gains and losses for the current financial year and the preceding financial year other than as stated in the above profit and loss account and accordingly, no separate statement of total recognised gains and losses is presented

BALANCE SHEET
02 May 2010

	Note	2010 £	2010 £	2009 £	2009 £
FIXED ASSETS					
Intangible assets	7		92,909		99,748
Tangible fixed assets	8		664,901		735,220
Investments	9		158,381		158,381
			<u>916,191</u>		<u>993,349</u>
CURRENT ASSETS					
Stocks	10	519,388		573,615	
Debtors	11	1,190,263		1,043,860	
Cash at bank and in hand		252,865		3,610	
		<u>1,962,516</u>		<u>1,621,085</u>	
CREDITORS: amounts falling due within one year	12	<u>(1,461,399)</u>		<u>(1,377,106)</u>	
NET CURRENT ASSETS			<u>501,117</u>		<u>243,979</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,417,308		1,237,328
CREDITORS: amounts falling due after more than one year	13		(136,008)		(230,080)
PROVISIONS FOR LIABILITIES AND CHARGES	15		<u>(45,555)</u>		<u>-</u>
NET ASSETS			<u>1,235,745</u>		<u>1,007,248</u>
CAPITAL AND RESERVES					
Called up share capital	16		375,851		375,851
Share premium account	17		160,349		160,349
Capital redemption reserve	17		38,200		38,200
Profit and loss account	17		661,345		432,848
TOTAL SHAREHOLDERS' FUNDS	18		<u>1,235,745</u>		<u>1,007,248</u>

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime. The financial statements of PSI Global Limited, registered number 1252181, were approved by the board of Directors and authorised for issue on 30 September 2010.

Signed on behalf of the Board of Directors



D S Hunter

Director

NOTES TO THE ACCOUNTS

Year ended 02 May 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current and prior year.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of preparation

The company and its subsidiaries comprise a small sized group. The company has taken advantage of the exemption granted under Section 399 of the Companies Act 2006 not to prepare consolidated financial statements. Accordingly the financial statements present information about the individual undertaking only.

Going concern

The directors, in their consideration of going concern have reviewed the company's future cash forecasts and revenue projections, which they believe are based on prudent market data and past experience. Based on those forecasts and projections, the directors consider that it is appropriate to prepare the financial statements of the company on a going concern basis.

After making enquiries, the directors have formed a judgement and have a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 5 years. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Intangible assets – patents and trademarks

Patents and trademarks are included at cost and depreciated in equal annual instalments over a period of 10 years which is their estimated useful economic life. Provision is made for any impairment.

NOTES TO THE ACCOUNTS

Year ended 02 May 2010

1. ACCOUNTING POLICIES (Continued)

Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation

Depreciation of fixed assets is on a straight line basis calculated at annual rates estimated to write off each asset over the term of its useful life

The rates generally in use are as follows

Plant and machinery	10% - 33 1/3%
Fixtures and fittings	10% - 33 1/3%
Motor vehicles	25%

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost, where appropriate, includes materials, direct labour and production overheads appropriate to the relevant stage of production. Provision is made for obsolete, slow moving or defective items where appropriate.

Turnover

Turnover represents the invoiced value of sales, excluding trade discounts and value added tax. Turnover is recognised when substantially all of the risks and rewards of ownership have been passed to the customer, which is generally considered to be on delivery of goods.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

NOTES TO THE ACCOUNTS

Year ended 02 May 2010

1. ACCOUNTING POLICIES (continued)

Leases

Assets held under finance leases and related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over the shorter of the lease term or useful economic life to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.

Pension costs

The company operates two internally administered defined contribution schemes for all eligible employees. Pension costs are charged to the profit and loss account as they fall due.

Cash flow statement

The company is exempt from the requirements of FRS1 to present a cash flow statement as part of its financial statements, because it meets the size criteria of a small company, as defined by section 382-384 of the Companies Act 2006.

2. TURNOVER

The geographical analysis of the company's turnover by destination is as follows:

	2010 £	2009 £
United Kingdom	1,494,407	1,089,350
Europe	1,143,391	1,749,900
North America	673,045	550,520
Other	-	146,468
	<u>3,310,843</u>	<u>3,536,238</u>

The turnover is attributable to one activity, being the development and manufacture of filters, separators and automatic closure systems. All turnover originated in the United Kingdom.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Finance lease and similar hire purchase charges	18,790	17,555
Bank overdraft and other borrowings repayable within 5 years	46,480	10,220
Exchange losses	-	17,266
	<u>65,270</u>	<u>43,689</u>

NOTES TO THE ACCOUNTS
Year ended 02 May 2010

4. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit / (loss) on ordinary activities before taxation is after charging/ (crediting):	2010 £	2009 £
Depreciation and other amounts written off tangible fixed assets		
Owned tangible assets	123,829	127,990
Assets held under finance leases	20,014	46,481
Intangible assets	19,761	18,331
Rentals under operating leases		
Other	11,839	11,839
Exchange (gains)/losses	(102,854)	121,646
Redundancy costs	12,671	-
Auditors' remuneration – statutory audit services	15,000	12,000
	<u>123,829</u>	<u>127,990</u>

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors of the Company are employees of other companies in the group headed by PSI Global Limited
The allocation of their remuneration in relation to their services as directors of this company was as follows

	2010 £	2009 £
Directors' emoluments		
Emoluments	186,219	284,810
Pension contributions	616	24,053
	<u>186,835</u>	<u>308,863</u>

Employee costs (including directors emoluments):	2010 £	2009 £
Wages and salaries	769,148	1,104,825
Social security costs	141,059	214,326
Other pension costs	-	56,826
	<u>910,207</u>	<u>1,375,977</u>

Average number of persons employed

Production	27	46
Research and development	2	4
Administration	17	19
	<u>46</u>	<u>69</u>

NOTES TO THE ACCOUNTS
Year ended 02 May 2010

6. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of the tax charge/ (credit) for the year

	2010 £	2010 £	2009 £	2009 £
Corporation tax				
Current year charge/ (credit)	35,378		(51,407)	
Adjustment in respect of prior periods	(23,102)		(12,593)	
		(12,276)		(64,000)
Deferred tax				
Current year charge/ (credit)	21,589		(20,361)	
Adjustment in respect of prior periods	23,966		(316)	
Total deferred tax charge/(credit)		45,555		(20,677)
Tax charge/(credit) on profit/(loss) on ordinary activities		33,279		(84,677)

(b) Factors affecting the tax charge/(credit) for the year

	2010 £	2009 £
Profit / (loss) before taxation	261,776	(313,785)
Tax charge/ (credit) on profit / (loss) before taxation at the standard rate of corporation tax in the UK of 28% (2009 21%)	73,297	(65,895)
Net of expenses not deductible for tax purposes/(non-taxable income)	3,451	(16,461)
Capital allowances in excess of depreciation	(7,252)	(8,015)
Movement in short term timing differences	(1,494)	-
Group relief claimed but not paid for	(18,184)	-
Adjustment to tax charge in respect of previous periods	(23,102)	(12,593)
Effects of other tax rates/credits	(4,294)	8,614
R&D uplift	(19,529)	-
Tax losses utilised / (not recognised)	(15,169)	30,350
Current tax credit for the period (see (a))	(12,276)	(64,000)

NOTES TO THE ACCOUNTS
Year ended 02 May 2010

7 INTANGIBLE FIXED ASSETS

	Goodwill £	Patents £	Total £
Cost			
At 1 May 2009	209,742	332,587	542,329
Additions	-	12,922	12,922
At 02 May 2010	209,742	345,509	555,251
Accumulated depreciation			
At 1 May 2009	209,742	232,839	442,581
Charge for the year	-	19,761	19,761
At 02 May 2010	209,742	252,600	462,342
Net book value			
At 02 May 2010	-	92,909	92,909
At 30 April 2009	-	99,748	99,748

8. TANGIBLE FIXED ASSETS

	Motor vehicles £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 May 2009	75,276	3,320,002	213,968	3,609,246
Additions	-	73,524	-	73,524
At 02 May 2010	75,276	3,393,526	213,968	3,682,770
Accumulated depreciation				
At 1 May 2009	11,818	2,709,480	152,728	2,874,026
Charge for the year	12,070	99,897	31,876	143,843
At 02 May 2010	23,888	2,809,377	184,604	3,017,869
Net book value				
At 02 May 2010	51,388	584,149	29,364	664,901
At 30 April 2009	63,458	610,522	61,240	735,220

NOTES TO THE ACCOUNTS
Year ended 02 May 2010

8. TANGIBLE FIXED ASSETS (continued)

Assets held under finance leases and similar hire purchase agreements are as follows

	Motor vehicles		Plant and machinery	
	2010	2009	2010	2009
	£	£	£	£
Cost	75,276	78,741	396,125	344,029
Accumulated depreciation	(12,071)	(11,818)	(86,358)	(66,597)
Net book value	<u>63,205</u>	<u>66,923</u>	<u>309,767</u>	<u>277,432</u>

9. INVESTMENTS

	Investments in subsidiaries £
Cost and net book value At 1 May 2009 and at 02 May 2010	<u>158,381</u>

Subsidiary undertaking	Country of registration	Activity	Portion of ordinary shares held %
Airman Engineering Services Limited	England and Wales	Supply, hire and maintenance of compressors	100
Redhouse Engineering Services Limited	England and Wales	Dormant	100
Trident Filtration SDN BHD	Malaysia	Supply of filters	100
Amoeba Plastics and Manufacturing Limited	England and Wales	Manufacture of plastic products	80

10. STOCKS

	2010 £	2009 £
Raw materials	424,460	382,062
Work in progress	1,830	820
Finished goods for resale	93,098	190,733
	<u>519,388</u>	<u>573,615</u>

NOTES TO THE ACCOUNTS
Year ended 02 May 2010

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	563,145	482,877
Amounts due from group companies	505,898	417,410
Other debtors	14,732	13,578
Prepayments	70,121	82,297
Corporation tax	36,367	47,698
	<u>1,190,263</u>	<u>1,043,860</u>

£455,898 of amounts due from group companies are due after more than one year

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Bank loan and overdraft	336,403	728,579
Amounts advanced under invoice discounting facility	305,480	-
Obligations under finance leases and hire purchase contracts (note 14)	104,230	132,652
Trade creditors	406,476	384,044
Amounts due to group companies	12,135	-
Other creditors	163,703	7,948
Taxation and social security	19,135	42,777
Accruals and deferred income	113,837	81,106
	<u>1,461,399</u>	<u>1,377,106</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Bank loan	53,304	77,872
Obligations under finance leases and hire purchase contracts (note 14)	82,704	152,208
	<u>136,008</u>	<u>230,080</u>

NOTES TO THE ACCOUNTS
Year ended 02 May 2010

14. BANK BORROWINGS

	2010	2009
	£	£
Analysis of borrowings		
Bank Overdraft	303,231	666,283
Bank Loans	86,476	140,168
Amounts advanced under invoice discounting facility	305,480	-
	<u>695,187</u>	<u>806,451</u>
Bank overdraft and loans		
Within one year or on demand	336,403	728,579
Between one to two years	20,983	24,569
Between two to five years	32,321	53,303
	<u>389,707</u>	<u>806,451</u>
Amounts advanced under invoice discounting		
Within one year or on demand	<u>305,480</u>	<u>-</u>
Other loans including finance leases and hire purchase contracts net of future finance charges		
Within one year or on demand	104,230	132,652
Between one and two years	82,704	152,208
	<u>186,934</u>	<u>284,860</u>

The bank loan and overdraft is secured by a debenture/mortgage agreement including a fixed and floating charge over the assets of the business. The bank loan is subject to a cross guarantee and debenture between Airman Engineering Services Limited and PSI Global. Obligations under finance leases are secured by the related leased assets.

NOTES TO THE ACCOUNTS
Year ended 02 May 2010

15. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred taxation movement in the year	
Balance at 1 May 2009	-
Current year charge	21,589
Adjustment in respect of prior years	23,966
	<u>45,555</u>
Balance at 30 April 2010	<u>45,555</u>

The liability for deferred tax fully provided in the accounts is as follows

	2010 £	2009 £
Capital allowances in excess of depreciation	61,142	-
Short term timing differences	(15,587)	-
	<u>45,555</u>	<u>-</u>
Total recognised deferred tax liability	<u>45,555</u>	<u>-</u>

16. CALLED UP SHARE CAPITAL

	2010 £	No	2009 £	No.
Called up, allotted and fully paid 375,851 ordinary shares of £1 each	<u>375,851</u>	<u>375,851</u>	<u>375,851</u>	<u>375,851</u>

17. MOVEMENT ON RESERVES

	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
Balance at 1 May 2009	160,349	38,200	432,848	631,397
Profit for the year	<u>-</u>	<u>-</u>	<u>228,497</u>	<u>228,497</u>
Balance at 02 May 2010	<u>160,349</u>	<u>38,200</u>	<u>661,345</u>	<u>859,894</u>

No interim dividends (2009 Nil per share) have been declared or paid in the year

NOTES TO THE ACCOUNTS
Year ended 02 May 2010

18. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit/(loss) for the year	228,497	(229,108)
Net addition / (reduction) to shareholders' funds	228,497	(229,108)
Opening shareholders' funds	1,007,248	1,236,356
Closing shareholders' funds	<u>1,235,745</u>	<u>1,007,248</u>

19. CAPITAL COMMITMENTS

As at 02 May the company did not have any expenditure contracted for but not provided for in these financial statements (2009 £nil)

20. OPERATING LEASE COMMITMENTS

As at 02 May the company was committed to making the following payments during the next year in respect of operating leases

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire:				
Within one year	-	-	-	-
Within two to five years	11,839	-	11,839	-
After more than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The company has also guaranteed the operating leases of its subsidiary company, Airman Engineering Services Limited

21. PENSION COSTS

The company operated two defined contribution schemes for all eligible employees Pension cost for the year was £ nil (2009 £56,826)

22. RELATED PARTY TRANSACTIONS

The total value of goods sold to subsidiary company Airman Engineering Services Limited in the year was £63,782 (2009 £76,846) and the total value of goods purchased from Airman Engineering Services Limited was £39,463 (2009 £35,898) During the year a loan of £5,545 was advanced to Airman Engineering Services Limited leaving a total balance outstanding at 02 May 2010 of £81,194 (2009 £75,651) in respect of cash advances and £31,499 (2009 £39,934) in respect of trade balances £7,977 (2009 £nil) was due to Airman Engineering Services Limited

The total value of goods sold to subsidiary company Amoeba Plastics and Manufacturing Limited in the year was £32,422 (2009 £4,724) and the total value of goods purchased from Amoeba Plastics and Manufacturing Limited was £155,477 (£163,154) During the year a loan of £88,763 was advanced to Amoeba Plastics and Manufacturing Limited leaving a total balance outstanding at 02 May 2010 of £302,751 (2009 £213,949) in respect of cash advances and £39,868 (2009 £9,280) in respect of trade balances £4,158 (2009 £20,776) was due to Amoeba Plastics and Manufacturing Limited

NOTES TO THE ACCOUNTS**Year ended 02 May 2010****22. RELATED PARTY TRANSACTIONS (CONTINUED)**

During the year a loan of £7,809 (2009 £81,994) was advanced to Trident Filtration SDN BHD, a subsidiary of the company, for working capital purposes. Commission charged by Trident Filtration SDN BHD on sales made on behalf of the company amounts to £15,002 (2009 £24,216) and this has been deducted from the outstanding loan balance. The total balance outstanding at 02 May 2010 in respect of cash advances was £50,585 (2009 £57,798).

Included within other creditors are the following amounts due to directors of the company

	2009			2008		
	Capital	Interest	Total	Capital	Interest	Total
	£	£	£	£	£	£
S Hunter	120,000	3,024	123,024	48	-	48
J Hunter	20,000	197	20,197	-	-	-
R Theodoulou	20,000	197	20,197	663	-	663
H Walzl	40	-	40	40	-	40
	<u>160,040</u>	<u>3,418</u>	<u>165,860</u>	<u>751</u>		<u>751</u>

The amounts within other creditors are amounts owed to related parties and are redeemable before 02 May 2011 and bear interest at a fixed rate of 10% per annum. Within other debtors, there is an amount of £2,402 (2009 £nil) due to D Hunter, a director of the company.

23. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the ultimate controlling party is S P Hunter, a director of the company.

24. FINANCIAL INSTRUMENTS

The company has derivative financial instruments that it has not recognised at fair value. The fair values at 02 May 2010 and 30 April 2009 are as follows:

	2010	2009
	£	£
Forward currency contracts	<u>12,232</u>	<u>50,205</u>

No amounts are shown in the balance sheet at either 02 May 2010 or 30 April 2009 with respect to these financial instruments.