

AUDYUS LIMITED

Report and Financial Statements

30 June 2009



AUDYUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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CHAIRMAN'S STATEMENT

Products

Recently I was at the What Hi Fi annual awards dinner. This is the most prestigious trade event in the Hi Fi calendar, with all the key manufacturers waiting to see if their products have performed well enough to pick up a coveted Product of the Year Award. These awards have a significant impact on UK, and increasingly on worldwide sales, as the What Hi Fi franchise successfully establishes itself in overseas markets. Last year the Audyus Group ("Cyrus") won four awards, including the CD player of the year for the 3rd year in a row. This was equal to our best haul ever.

On the desk in front of me are FIVE 2009 awards for Cyrus products. Once again each CD player won the award for best in its price range, with the CD6 SE again winning Product of the Year, the 4th year in a row Cyrus has won this award. No other manufacturer has been able to develop anything to rival our SE technology for CD players. The bettering of last year's haul of four awards was due to the success of our new range of XP amplifiers, with the Cyrus 8 XP d winning best in its price range, and the Cyrus 6 XP gaining the accolade of Product of the Year. With the CD and now also amplifier products of the year, Cyrus products will make it onto many consumers' short lists.

These awards, along with a couple of Diapasons d'Or in France, and a number of other key 2009 awards, will give our marketing team plenty of collateral to work with over the coming year. The R&D department are also not idle, with further improvements and new products in the pipeline.

Financial Performance

As I forecast this time last year, 2009 has been a profitable year for the business. Operating profit of £239k (2008, £31k loss), on marginally increased turnover of £3.4m (2008, £3.2m), shows that the investment of the last couple of years has begun to pay off. The awards should mean that this payback continues throughout 2010 and beyond.

Given the continuing uncertainty of financial markets, and in particular the availability of normal bank credit, the Company has taken the precaution of further strengthening its balance sheet post year end, raising money from a financial investor who recognises Cyrus as a market leader and is keen to be involved in the future success of the business. This prudent move also gives Cyrus the ability to invest further in the business bringing forward various projects that have been under consideration.

Outlook

With such a fantastically strong stable of products, our intention this year is to focus more on building the brand, and introducing it to new customers. Whilst the products must be strong, to provide a foundation on which to build the brand, it is the recognition of the Cyrus name to the public, along with its associations with excellence and success that will drive customers to seek out our products.



PETER BARTLETT

Chairman and Managing Director

AUDYUS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2009.

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

ACTIVITIES

The group and company's principal activity is the design and manufacture of high quality audio equipment.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors were very pleased with the results achieved in the year. The benefits of last year's launch of the SE CD player range have come through. The year also benefited from the launch of the XP range of amplifiers towards the end of the year.

With an exceptionally strong product range, the directors are looking to invest further in marketing to improve both turnover and profits in the year ahead.

POST BALANCE SHEET EVENT

Since the year end there has been a further equity investment of £214k in the company, the full proceeds of which have been advanced to Cyrus Audio Limited to fund additional working capital and further product development.

DIVIDENDS

The directors do not recommend the payment of a dividend (2008 - £nil).

DIRECTORS

The directors who served throughout the year were as follows:

Peter Bartlett
Simon Freethy

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). 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 group and company and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

AUDYUS LIMITED

DIRECTORS' REPORT

AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that:

- 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 ought to have taken as a director to make himself 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.

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

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



Director

S Freethy

23 November 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUDYUS LIMITED

We have audited the financial statements of Audyus Limited for the year ended 30 June 2009 which comprise the consolidated profit and loss account, the consolidated and individual company balance sheets and the related notes 1 to 23. 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 sections 495 and 496 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 group's and the parent 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 group's and the parent company's affairs as at 30 June 2009 and of the group's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUDYUS LIMITED (continued)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.

AS, Swarbrick

Andrew Swarbrick BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge, United Kingdom

25 November 2009

AUDYUS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 30 June 2009

	Note	2009 £	2008 £
TURNOVER	2	3,429,414	3,223,061
Cost of sales		(1,943,605)	(2,029,928)
Gross profit		1,485,809	1,193,133
Distribution costs		(359,732)	(323,993)
Administrative expenses		(887,380)	(900,422)
OPERATING PROFIT (LOSS)	4	238,697	(31,282)
Interest receivable and similar income	5	29	433
Interest payable and similar charges	6	(26,051)	(46,209)
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		212,675	(77,058)
Tax on profit (loss) on ordinary activities	7	(33,398)	24,145
RETAINED PROFIT (LOSS) FOR THE FINANCIAL YEAR	19	179,277	(52,913)

All activities derived from continuing operations.

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account.


AUDYUS LIMITED

CONSOLIDATED BALANCE SHEET 30 June 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Intangible assets	9	4,268	5,094
Tangible assets	10	72,537	68,248
		<u>76,805</u>	<u>73,342</u>
CURRENT ASSETS			
Stocks	12	637,056	571,327
Debtors	13	598,264	549,606
Cash at bank and in hand		19,721	5,025
		<u>1,255,041</u>	<u>1,125,958</u>
CREDITORS: amounts falling due within one year	14	<u>(799,529)</u>	<u>(904,938)</u>
NET CURRENT ASSETS		<u>455,512</u>	<u>221,020</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		532,317	294,362
CREDITORS: amounts falling due after more than one year	15	(19,170)	(57,126)
PROVISIONS FOR LIABILITIES AND CHARGES	17	<u>(26,798)</u>	<u>(20,164)</u>
NET ASSETS		<u>486,349</u>	<u>217,072</u>
CAPITAL AND RESERVES			
Called up share capital	18	121,645	110,000
Share premium account	19	162,555	84,200
Profit and loss account	19	202,149	22,872
SHAREHOLDERS' FUNDS	20	<u>486,349</u>	<u>217,072</u>

The financial statements of Audyus Limited, registered number 5158526, were approved by the Board of Directors and authorised for issue on 23 November 2009

Signed on behalf of the Board of Directors



Director

S Freethy

AUDYUS LIMITED

BALANCE SHEET 30 June 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	11	8,261	8,261
CURRENT ASSETS			
Debtors – falling due after one year	13	284,200	194,200
TOTAL ASSETS		292,461	202,461
CREDITORS: amounts falling due after more than one year	15	(19,170)	(15,460)
NET ASSETS		273,291	187,001
CAPITAL AND RESERVES			
Called up share capital	18	121,645	110,000
Share premium account	19	162,555	84,200
Profit and loss account	19	(10,909)	(7,199)
SHAREHOLDERS' FUNDS	20	273,291	187,001

The financial statements of Audyus Limited, registered number 5158526, were approved by the Board of Directors and authorised for issue on 23 November 2009

Signed on behalf of the Board of Directors



Director

S Freethy

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Basis of preparation

The financial statements are prepared under the historical cost convention.

The company and group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement and Directors' report on pages 1 to 3.

Despite the economic conditions, demand for the group's products remains strong. Consequently the business has had a very profitable year which has enabled it to build up its reserves and cash balances. In addition, since the year end, Audyus has raised fresh capital which has been lent down to the business. This has greatly strengthened the group's financial position.

The group meets its day to day working capital requirements through an invoice discounting facility which it has had in place for 5 years and is on a 6 months rolling notice period. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should only require limited use of this facility going forward. The group also has an, as yet unused, overdraft facility, giving it further financial flexibility.

Therefore the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Intangible fixed assets

Trademarks are valued at cost on acquisition and are depreciated in equal amounts over their estimated useful economic lives of 10 years.

Tangible fixed assets

Depreciation is provided on fixed assets so as to write off cost over the estimated useful lives of the assets. The annual rates of depreciation applied are as follows:

Short term leasehold improvements	Over the term of the lease
Fixtures and fittings	20%-33% per annum on cost
Plant and equipment	8%-33% per annum on cost
IT equipment	33% per annum on cost

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Leases

Operating lease rentals are charged to the profit and loss account as incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

1. ACCOUNTING POLICIES (continued)

Taxation

Current 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 provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

The group operates a defined contribution pension scheme in respect of the employees. The cost of contributions is charged to the profit and loss account as they arise.

Cash flow statement

The group has taken advantage of the exemption afforded by FRS1 (revised) not to prepare a cash flow statement on the basis that it is a small group.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates 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. Translation differences arising are dealt with in the profit and loss account.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and value added tax. Revenue is recognised on shipment of products to customers.

The turnover is attributable to the group's principal activity. 36% (2008 - 40%) of turnover arose outside the United Kingdom.

AUDYUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2009 £	2008 £
Directors' emoluments		
Emoluments (excluding pension contributions)	150,292	153,923
Company contributions to money purchase pension schemes in respect of directors' services	4,500	3,533
	No	No
The number of directors who:		
Are members of a money purchase pension scheme	1	1
Average number of persons employed (including directors)		
Sales and administration	12	14
R&D and production	19	19
	31	33
	£	£
Staff costs incurred during the year in respect of these employees were:		
Wages and salaries	814,824	879,182
Social security costs	88,790	99,887
Pension costs	24,647	26,610
	928,261	1,005,679

The information presented above comprises information about the group and company.

4. OPERATING PROFIT (LOSS)

	2009 £	2008 £
Operating profit (loss) is after charging:		
Amortisation of intangible fixed assets	826	826
Depreciation of tangible fixed assets:		
Owned assets	23,125	29,683
Rentals under operating leases:		
Other operating leases	93,568	99,496
Auditors' remuneration (group and company)	10,800	10,450

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Bank interest	29	433

AUDYUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2009

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Loans and overdraft	22,341	45,359
Discount on deferred consideration	3,710	850
	<u>26,051</u>	<u>46,209</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £	2008 £
Current tax		
United Kingdom corporation tax	29,764	(23,576)
Deferred taxation		
Timing differences, origination and reversal	3,634	(569)
Total tax charge (credit) on loss on ordinary activities	<u>33,398</u>	<u>(24,145)</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 21% (2008 - 20%). The actual tax charge (credit) for the current year and preceding year differs from the standard tax rate for the reasons set out in the following reconciliation:

	2009 £	2008 £
Loss on ordinary activities before tax	212,675	(77,058)
Tax at 21% (2008 - 20%) thereon	44,662	(15,412)
Factors affecting charge (credit) for the year:		
Disallowable expenditure	4,196	2,586
Research and development credit	(15,490)	(11,326)
Utilised losses	(2,074)	-
Capital allowances in (excess) deficit of depreciation	(1,530)	576
Total actual amount of current tax charge (credit)	<u>29,764</u>	<u>(23,576)</u>

Analysis of deferred tax balances

	2009 £	2008 £
Accelerated capital allowances	3,798	2,238
Unutilised losses	-	(2,074)
	<u>3,798</u>	<u>164</u>

AUDYUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2009

7. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Analysis of movement in deferred tax provision

	2009 £	2008 £
Deferred taxation		
At 1 July 2008	164	733
Charged (credited) to the profit and loss account	3,634	(569)
At 30 June 2009 (note 17)	<u>3,798</u>	<u>164</u>

8. LOSS OF PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss on ordinary activities after taxation for the financial year amounts to £3,710 (2008 - £850).

9. INTANGIBLE FIXED ASSETS

Group	Trademarks £
Cost	
At 1 July 2008 and 30 June 2009	<u>8,260</u>
Amortisation	
At 1 July 2008	3,166
Charge for the year	<u>826</u>
At 30 June 2009	<u>3,992</u>
Net book value	
At 30 June 2009	<u>4,268</u>
At 30 June 2008	<u>5,094</u>

Trademarks are stated at the valuation made by the directors considered to be fair value of rights acquired on 1 September 2004.

AUDYUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2009

10. TANGIBLE FIXED ASSETS

Group	Short term leasehold improve- ments £	Fixtures and fittings £	Plant and equipment £	IT equipment £	Total £
Cost					
At 1 July 2008	20,410	6,018	157,226	19,381	203,035
Additions in year	11,096	1,750	20,247	1,014	34,107
Disposals	-	-	(6,693)	-	(6,693)
At 30 June 2009	31,506	7,768	170,780	20,395	230,449
Accumulated depreciation					
At 1 July 2008	19,210	6,018	93,414	16,145	134,787
Charge for the year	785	29	19,666	2,645	23,125
Eliminated on disposals	-	-	-	-	-
At 30 June 2009	19,995	6,047	113,080	18,790	157,912
Net book value					
At 30 June 2009	11,511	1,721	57,700	1,605	72,537
At 30 June 2008	1,200	-	63,812	3,236	68,248

11. INVESTMENTS HELD AS FIXED ASSETS

Company	Shares in subsidiary undertakings £
Cost	
At 1 July 2008 and 30 June 2009	8,261

All of the investments are unlisted.

Subsidiary undertaking	Country of registration	Activity	% of shares held
Cyrus Audio Limited	England and Wales	Design and manufacture of high quality audio equipment	100%
Cyrus Trademarks Limited	British Virgin Islands	Non trading	100%

Cyrus Trademarks Limited owns the Cyrus trademarks.

AUDYUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2009

12. STOCKS

	Group	
	2009 £	2008 £
Raw materials	473,716	462,896
Finished goods	163,340	108,431
	<u>637,056</u>	<u>571,327</u>

13. DEBTORS

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	544,564	466,958	-	-
Corporation tax recoverable	-	23,576	-	-
Prepayments and accrued income	53,700	59,072	-	-
Amounts owed by subsidiary undertaking	-	-	284,200	194,200
	<u>598,264</u>	<u>549,606</u>	<u>284,200</u>	<u>194,200</u>

Amounts owed by subsidiary undertaking fall due after one year. All other amounts fall due within one year.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2009 £	2008 £
Bank overdraft (secured)	216,490	372,574
Bank loan (note 16)	41,666	62,500
Directors' loans	25,000	75,000
Trade creditors	362,028	282,601
Corporation tax	29,932	-
Other taxation and social security costs	40,405	48,771
Accruals and deferred income	84,008	63,492
	<u>799,529</u>	<u>904,938</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2009

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

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loan (note 16)	-	41,666	-	-
Other creditors	19,170	15,460	19,170	15,460
	<u>19,170</u>	<u>57,126</u>	<u>19,170</u>	<u>15,460</u>

The bank loan is advanced under the Small Firms' Loan Guarantee Scheme. The assets of the company are secured by a fixed and floating charge in favour of National Westminster Bank plc over all facilities. Interest is payable at 3% pa over the bank's base rate.

Other creditors is deferred consideration payable on the acquisition on Cyrus Trademarks Limited after unwinding of discount to 30 June 2009 and is due after more than five years.

16. BORROWINGS

	Group	
	2009	2008
	£	£
Bank loan	<u>41,666</u>	<u>104,166</u>
The maturity of the above amounts is as follows:		
In one year or less	41,666	62,500
In more than one year but not more than two years	-	41,666
	<u>41,666</u>	<u>104,166</u>

17. PROVISIONS FOR LIABILITIES AND CHARGES

	Group	
	2009	2008
	£	£
Deferred tax (note 7)	3,798	164
Warranty provision	23,000	20,000
	<u>26,798</u>	<u>20,164</u>

AUDYUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2009

18. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Called up, allotted and fully paid		
121,645 (2008 - 110,000) A ordinary shares of £1 each	121,645	110,000

During the year the company issued 11,645 (2008 - 10,000) A ordinary shares of £1 each at a premium of £6.73 (2008 - £1.50) per share.

19. STATEMENT OF MOVEMENT IN RESERVES

Group	Share premium account £	Profit and loss account £
At 1 July 2008	84,200	22,872
Retained profit for the year	-	179,277
Share issue	78,355	-
At 30 June 2009	162,555	202,149
Company		
At 1 July 2008	84,200	(7,199)
Retained loss for the year	-	(3,710)
Share issue	78,355	-
At 30 June 2009	162,555	(10,909)

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Profit (loss) attributable to members of the company	179,277	(52,913)	(3,710)	(850)
Share issue	90,000	25,000	90,000	25,000
Net addition to (decrease in) shareholders' funds	269,277	(27,913)	86,290	24,150
Opening shareholders' funds	217,072	244,985	187,001	162,851
Closing shareholders' funds	486,349	217,072	273,291	187,001

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2009

21. FINANCIAL COMMITMENTS

At 30 June 2009 the group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Leases which expire:				
Within one year	52,000	-	22,977	-
Within two to five years	-	52,000	12,118	24,141
	<u>52,000</u>	<u>52,000</u>	<u>35,095</u>	<u>24,141</u>

22. RELATED PARTIES

The company has taken advantage of the exemption offered under FRS 8 not to disclose transactions with other group companies as consolidated accounts are prepared.

At the year end the ultimate controlling party is P Bartlett. With the new share issue since the year end, there is now no ultimate controlling party.

During the year the subsidiary company repaid loans to directors of £50,000 (2008 – £75,000 was advanced by the directors). £25,000 was outstanding at the year end but has been repaid since. The loans are unsecured and attract interest of between 5% and 20% per annum. The loan holders have waived the right to any interest.

23. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the year end the company issued 37,247 A ordinary shares of £1 each at a premium of £4.79 per share and repurchased 1,940 A ordinary shares of £1 each for £15,000.