

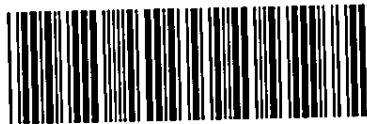
Company Registration No. 06495417 (England and Wales)

ALLEN GEARING SOLUTIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

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COMPANIES HOUSE

ALLEN GEARING SOLUTIONS LIMITED

COMPANY INFORMATION

Directors

P Cartwright
K Johnson
J Watkiss

Company number

06495417

Registered office

Atlas Works
Station Road
Persnore
Worcestershire
WR10 2BZ

Auditors

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

Bankers

Lloyds TSB Bank plc
125 Colmore Row
Birmingham
B3 3SF

Solicitors

Harrison Clark LLP
5 Deansway
Worcester
WR1 2JG

ALLEN GEARING SOLUTIONS LIMITED

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ALLEN GEARING SOLUTIONS LIMITED

DIRECTORS' REPORT

For the year ended 31 August 2009

Company Registration No. 06495417 (England and Wales)

The directors present their report and financial statements for the year ended 31 August 2009.

Principal activities and review of the business

The company commenced trading as Allen Gearing Solutions Limited (trade name Allen Gears) on 1st September 2008 and since that date the principal activity of the company continued to be that of the design, manufacture and servicing of high performance gearboxes for a range of power generation, oil and gas, industrial and marine propulsion applications.

Order input in the year was buoyant across most markets the company operated in but was particularly strong in hydro power, nuclear power, marine propulsion and servicing. On that basis, the order book leading into the second year of trading was extremely pleasing and will give the company a sound basis to achieve it's targets in year two.

The directors are especially pleased with the results given the difficult external market conditions and expect to improve performance further in 2009/2010.

During the year, the company invested £1.7M in a new state of the art gear grinding machine which will considerably enhance capability and capacity for a wide range of external and internal gear grinding processes. The machine was installed successfully and will have a very positive impact on financial results going forward.

Results and dividends

The results for the year, which are set out in the profit and loss account, show a pre-tax profit of £2,085,657.

Principal risks and uncertainties

The management of the company and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the general economic climate and customers delaying the commencement of projects.

Research and development

The company invests its labour and design resources in to the development of new products and processes to enhance the quality of its products in order to remain competitive in the industrial gear manufacturing industry.

Future outlook

The company is well prepared to respond to any changes in the external commercial environment or trading conditions in order to maintain and improve future performance.

The markets the company operates in are expected to remain strong in the medium to long term giving some confidence that future performance will deliver strong financial results.

During the year the company also entered into a new market in the form of renewable power generation. It is anticipated that this will produce sizeable long term future revenue and the benefits of this will commence in 2010.

In summary, given our strong order book, including some larger contracts running through to 2012, the directors believe the future outlook is extremely positive.

ALLEN GEARING SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2009

Key performance indicators

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve development, performance or the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Financial instruments

The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures and by taking out credit insurance. The nature of its financial instruments means that they are not subject to price or liquidity risk.

Directors

The following directors have held office since 1 September 2008:

P Cartwright
K Johnson
J Watkiss

Auditors

Hazlewoods LLP were appointed auditors to the company during the year and have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

ALLEN GEARING SOLUTIONS LIMITED

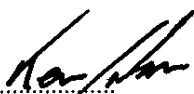
DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2009

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



K Johnson

Director

23 November 2009

ALLEN GEARING SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALLEN GEARING SOLUTIONS LIMITED

We have audited the financial statements of Allen Gearing Solutions Limited for the year ended 31 August 2009 set out on pages 5 to 19. 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 set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.


A Brooks Esq (Senior Statutory Auditor)
for and on behalf of Hazlewoods LLP, Statutory Auditor

27 November 2009
Cheltenham

ALLEN GEARING SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2009

		Year ended 31 August 2009 £	Period from 6 February to 31 August 2008 £
	Notes		
Turnover	2	26,661,460	-
Cost of sales		(18,255,767)	-
Gross profit		8,405,693	-
Administrative expenses		(6,165,358)	-
Operating profit	3	2,240,335	-
Other interest receivable and similar income	4	2,543	-
Interest payable and similar charges	5	(157,221)	-
Profit on ordinary activities before taxation		2,085,657	-
Tax on profit on ordinary activities	6	(404,078)	-
Profit for the year	16	1,681,579	-

All of the results for the year arise from the trade acquired on 1 September 2008

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

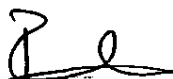
ALLEN GEARING SOLUTIONS LIMITED

BALANCE SHEET

As at 31 August 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Intangible assets	7	1,077,246		-	
Tangible assets	8	3,533,602		-	
		4,610,848		-	
Current assets					
Stocks	9	3,729,359		-	
Debtors	10	5,325,660		100	
Cash at bank and in hand		395,418		-	
		9,450,437		100	
Creditors: amounts falling due within one year	11	(9,251,668)		-	
Net current assets		198,769		100	
Total assets less current liabilities		4,809,617		100	
Creditors: amounts falling due after more than one year	12	(1,649,114)		-	
Provisions for liabilities	13	(1,468,924)		-	
		1,691,579		100	
Capital and reserves					
Called up share capital	15	10,000		100	
Profit and loss account	16	1,681,579		-	
Shareholders' funds	17	1,691,579		100	

Approved by the Board and authorised for issue on 27 November 2009



P Cartwright
Director

ALLEN GEARING SOLUTIONS LIMITED

CASH FLOW STATEMENT

For the year ended 31 August 2009

	Year ended 31 August 2009 £	Period from 6 February to 31 August 2008 £
Net cash inflow from operating activities	146,533	-
Returns on investments and servicing of finance		
Interest received	2,543	-
Interest paid	(157,221)	-
Net cash outflow for returns on investments and servicing of finance	(154,678)	-
Taxation	(119,448)	-
Capital expenditure		
Payments to acquire trade and net assets of the business *	(2,117,967)	-
Payments to acquire tangible assets	(36,192)	-
Receipts from sales of tangible assets	65,250	-
Net cash outflow for capital expenditure	(2,088,909)	-
Net cash outflow before management of liquid resources and financing	(2,216,502)	-
Financing		
Issue of ordinary share capital	10,000	-
Other new long term loans	759,000	-
Other new short term loans	1,350,000	-
Sale and leaseback of plant and machinery	650,000	-
Capital element of hire purchase contracts	(157,080)	-
Net cash inflow from financing	2,611,920	-
Increase in cash in the year	395,418	-

* The payments to acquire the trade and net assets of the business relates to the purchase disclosed in note 7 to the financial statements.

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE CASH FLOW STATEMENT

For the year ended 31 August 2009

1 Reconciliation of operating profit to net cash inflow from operating activities	2009 £	2008 £
Operating profit	2,240,335	-
Depreciation of tangible assets	351,793	-
Amortisation of intangible assets	269,312	-
Loss on disposal of tangible assets	16,408	-
Decrease in stocks	770,517	-
Increase in debtors	(1,782,490)	-
Decrease in creditors	(2,666,135)	-
Increase in provisions	946,793	-
Net cash inflow from operating activities	146,533	-

2 Analysis of net debt	1 September 2008 £	Cash flow £	Other non-31 August 2009 cash changes £	£
Net cash:				
Cash at bank and in hand	-	395,418	-	395,418
Debt:				
Hire purchase contracts	-	(492,920)	-	(492,920)
Debts falling due within one year	-	(1,350,000)	-	(1,350,000)
Debts falling due after one year	-	(759,000)	-	(759,000)
	-	(2,601,920)	-	(2,601,920)
Net debt	-	(2,206,502)	-	(2,206,502)

3 Reconciliation of net cash flow to movement in net debt	2009 £	2008 £
Increase in cash in the year	395,418	-
Cash inflow from increase in debt and lease financing	(1,951,920)	-
Change in net debt resulting from cash flows	(1,556,502)	-
Sale and leaseback of plant and machinery	(650,000)	-
Movement in net debt in the year	(2,206,502)	-
Opening net debt	-	-
Closing net debt	(2,206,502)	-

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

1.5 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	5% - 15% on cost
Fixtures, fittings & equipment	20% on cost

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.8 Stock and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour, together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs expected to be incurred to completion and disposal.

1.9 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.10 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

1 Accounting policies

(Continued)

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 Foreign currency translation

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

2 Turnover and profit on ordinary activities before taxation

	Turnover 2009 £	2008 £
Class of business		
New gears	15,487,135	-
Servicing	11,174,325	-
	<u>26,661,460</u>	<u>-</u>

Geographical market

	Turnover 2009 £	2008 £
UK	9,299,042	-
Europe	4,985,005	-
North America	5,744,477	-
Rest of World	6,632,936	-
	<u>26,661,460</u>	<u>-</u>

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

3	Operating profit	2009	2008
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	269,312	-
	Depreciation of tangible assets	351,793	-
	Loss on disposal of tangible assets	16,408	-
	Operating lease rentals	173,376	-
	Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	-
	Fees payable to the company's auditor for accountancy and taxation services	3,150	-
	and after crediting:		
	Profit on foreign exchange transactions	(190,699)	-
		<u><u> </u></u>	<u><u> </u></u>
4	Investment income	2009	2008
		£	£
	Bank interest	2,543	-
		<u> </u>	<u> </u>
		2,543	-
		<u><u> </u></u>	<u><u> </u></u>
5	Interest payable	2009	2008
		£	£
	Invoice discounting facility charges	97,762	-
	Directors' loan account interest	9,000	-
	Hire purchase interest	50,459	-
		<u> </u>	<u> </u>
		157,221	-
		<u><u> </u></u>	<u><u> </u></u>

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

6	Taxation	2009 £	2008 £
	Domestic current year tax		
	U.K. corporation tax	177,297	-
	Current tax charge	177,297	-
	Deferred tax		
	Deferred tax charge/credit current year	226,781	-
		404,078	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	2,085,657	-
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 0.00%)	583,984	-
	Effects of:		
	Non deductible expenses	1,206	-
	Depreciation add back	103,096	-
	Capital allowances	(326,975)	-
	Enhanced research and development expenditure	(180,344)	-
	Small companies relief	(3,670)	-
		(406,687)	-
	Current tax charge	177,297	-

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2008	-
Additions	1,346,558
	<hr/>
At 31 August 2009	1,346,558
	<hr/>
Amortisation	
At 1 September 2008	-
Charge for the year	269,312
	<hr/>
At 31 August 2009	269,312
	<hr/>
Net book value	
At 31 August 2009	1,077,246
	<hr/>
At 31 August 2008	-
	<hr/>

On 1 September 2008 the company acquired the trade and assets of the business from Rolls Royce Plc for £2,220,000 of which £201,000 was paid on completion and £2,019,000 was deferred consideration. Goodwill arising on acquisition has been calculated as follows:

	£
Tangible fixed assets	2,512,552
Stock	4,499,876
Trade debtors	3,394,787
Other debtors and prepayments	148,383
Cash at bank	102,033
Trade creditors	(2,524,186)
Other creditors and accruals	(580,486)
Payments on account	(6,384,167)
Provisions	(295,350)
	<hr/>
	873,442
Consideration paid	2,220,000
	<hr/>
Goodwill arising	1,346,558
	<hr/>

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2008	-	-	-
Additions	3,931,568	35,485	3,967,053
Disposals	(100,000)	-	(100,000)
At 31 August 2009	3,831,568	35,485	3,867,053
Depreciation			
At 1 September 2008	-	-	-
On disposals	(18,342)	-	(18,342)
Charge for the year	344,696	7,097	351,793
At 31 August 2009	326,354	7,097	333,451
Net book value			
At 31 August 2009	3,505,214	28,388	3,533,602

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Net book values			
At 31 August 2009	1,768,161	28,388	1,796,549
Depreciation charge for the year			
At 31 August 2009	344,696	7,097	351,793

9 Work in progress

	2009	2008
	£	£
Work in progress	3,729,359	-

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

10 Debtors	2009 £	2008 £
Trade debtors	4,912,465	-
Called up share capital not paid	-	100
Other debtors	283,201	-
Prepayments and accrued income	129,994	-
	<u>5,325,660</u>	<u>100</u>

11 Creditors: amounts falling due within one year	2009 £	2008 £
Payments received on account	3,191,233	-
Net obligations under hire purchase contracts	120,715	-
Trade creditors	3,193,024	-
Corporation tax	57,849	-
Other taxes and social security costs	149,299	-
Other loans	1,350,000	-
Other creditors	268,207	-
Accruals and deferred income	921,341	-
	<u>9,251,668</u>	<u>-</u>

Other loans of £1,350,000 relates to deferred consideration owed to Rolls-Royce plc. This is secured by a fixed and floating charge over the assets of the company.

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

12 Creditors: amounts falling due after more than one year	2009 £	2008 £
Payments on account of long term contracts	417,909	-
Other loans	759,000	-
Net obligations under hire purchase contracts	372,205	-
Other long term creditors	100,000	-
	<u>1,649,114</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	2,109,000	-
	<u>2,109,000</u>	<u>-</u>
Included in current liabilities	(1,350,000)	-
	<u>759,000</u>	<u>-</u>

Other loans includes an amount of £669,000 of deferred consideration owed to Rolls-Royce plc. This is secured by a fixed and floating charge over the assets of the company.

13 Provisions for liabilities

	Deferred tax liability £	Warranties £	Total £
Profit and loss account	226,781	1,242,143	1,468,924
Balance at 31 August 2009	<u>226,781</u>	<u>1,242,143</u>	<u>1,468,924</u>

The deferred tax liability is made up as follows:

	2009 £	2008 £
Accelerated capital allowances	<u>226,781</u>	<u>-</u>

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

14 Pension and other post-retirement benefit commitments

Defined contribution

	2009 £	2008 £
Contributions payable by the company for the year	194,949	-

15 Share capital

	2009 £	2008 £
Allotted, called up and fully paid		
4,000 A Ordinary shares of £1 each	4,000	-
3,500 B Ordinary shares of £1 each	3,500	-
2,500 C Ordinary shares of £1 each	2,500	-
100 Ordinary shares of £1 each	-	100
	10,000	100

During the year the company's 100 Ordinary shares of £1 each were converted into 40 A Ordinary shares of £1 each, 35 B Ordinary shares of £1 each and 25 C Ordinary shares of £1 each. In addition the company issued a further 3,960 A Ordinary shares, a further 3,465 B Ordinary shares and a further 2,475 C shares all of £1 each for cash consideration.

16 Statement of movements on profit and loss account

	Profit and loss account £
Profit for the period and at 31 August 2009	1,681,579

17 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	1,681,579	-
Proceeds from issue of shares	9,900	-
Net addition to shareholders' funds	1,691,479	-
Opening shareholders' funds	100	100
Closing shareholders' funds	1,691,579	100

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

18 Financial commitments

At 31 August 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2010:

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	620	-
Between two and five years	-	-	5,239	-
In over five years	100,000	-	29,723	-
	<u>100,000</u>	<u>-</u>	<u>35,582</u>	<u>-</u>

19 Directors' emoluments

	2009	2008
	£	£
Emoluments for qualifying services	36,249	-
Company pension contributions to money purchase schemes	14,610	-
	<u>50,859</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2008 - 0).

ALLEN GEARING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2009

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2009 Number	2008 Number
Employees	195	-

Employment costs

	2009 £	2008 £
Wages and salaries	5,668,456	-
Social security costs	529,316	-
Other pension costs	194,949	-
	6,392,721	-

21 Control

The company is controlled by the directors.

22 Related party transactions

The company was charged management fees of £409,908 during the period on an arms length basis by KPJ Management LLP, a limited liability partnership controlled by the directors.

At the year end the company owed director K Johnson £40,000 (2008: nil), director P Cartwright £35,000 (2008: nil) and director J Watkiss £25,000 (2008: nil) in respect of loans made to the company which fall due after more than one year. Interest at a rate of 10% was payable on the loans during the year.