

Company Registration No. SC080167

AARDVARK CLEAR MINE LIMITED

Report & Financial Statements

31 March 2009

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Aardvark Clear Mine Limited

The directors submit their report and financial statements for the year ended 31 March 2009.

Results and dividends

The profit for the period, after taxation, amounted to £457,783 (2008: £436,697). The Directors do not propose the payment of a dividend.

Principal activity and review of the business

The company's principal activity during the year was the sales and marketing of the Aardvark Joint Service Flail Unit.

There have been no events since the Balance Sheet date which materially affect the company.

Directors and their interests

The directors of the company during the period were:

B S Findlay
A E Smith
A Rodgers
W A Faerestrand

The company's ultimate holding company is Penman Engineering Holdings Ltd. The Directors and their interests in the share capital of that company are shown in its Report and Accounts.

Directors' Indemnity

The company directors have been indemnified by the company against any costs incurred by them in defending any proceedings brought against them arising out of their positions as directors.

Aardvark Clear Mine Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period. 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 judgements and estimates that are reasonable and prudent, 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 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as the Company's auditors will be put to the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small companies.

By order of the Board

A handwritten signature in black ink, appearing to be 'A Rodgers', with a long horizontal line extending to the right.

A Rodgers – Secretary
18 January 2010

Aardvark Clear Mine Limited

Independent Auditors' Report to the Members of Aardvark Clear Mine Limited

We have audited the financial statements of Aardvark Clear Mine Limited for the period ended 31 March 2009 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 company's circumstances, consistently applied and adequately disclosed.

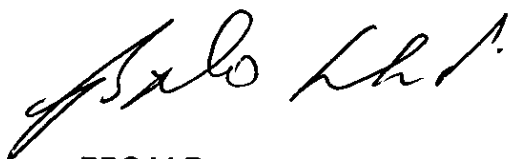
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Aardvark Clear Mine Limited

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 the company's affairs as at 31 March 2009 and of its profit for the period 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.



BDO LLP
Chartered Accountants and Registered Auditors
Glasgow
United Kingdom
18 January 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Aardvark Clear Mine Limited

Profit & Loss Account
Year ended 31 March 2009

	Notes	12 Months ended 31 March 2009	17 Months ended 31 March 2008
Turnover	2	6,022,872	5,096,621
Cost of Sales		<u>4,977,260</u>	<u>3,167,401</u>
Gross Profit		1,045,612	1,929,220
Admin Expense		<u>411,713</u>	<u>1,338,375</u>
Operating Profit	4	633,899	590,845
Interest Receivable		271	29,727
Interest payable and similar charges		<u>-</u>	<u>(5,338)</u>
Profit on ordinary Activities before taxation		634,170	615,234
Taxation	5	<u>176,387</u>	<u>178,537</u>
Profit on Ordinary Activities after tax	12	<u><u>457,783</u></u>	<u><u>436,697</u></u>

All amounts relate to continuing activities. There are no recognised gains or losses for the current or preceding financial period other than as included in the profit and loss account. Accordingly, no Statement of Total Recognised Gains and Losses is presented.

Aardvark Clear Mine Limited

Balance Sheet

At 31 March 2009

Company Number SCO80167

	Notes	2009	2008
Fixed Assets			
Tangible Assets	6	48,914	48,525
Investments	7	603	603
Current Assets			
Stock	8	201,062	869,249
Debtors	9	4,204,172	1,830,848
Cash at bank and in hand		<u>833,190</u>	<u>94,672</u>
		5,238,423	2,794,769
Creditors - Amounts falling due within one year	10	(3,479,060)	(1,492,800)
Net Current Assets		<u>1,759,363</u>	<u>1,301,969</u>
Total Assets less Current Liabilities		<u>1,808,880</u>	<u>1,351,097</u>
Capital and reserves			
Share Capital	11	100	100
Revenue reserves	12	<u>1,808,780</u>	<u>1,350,997</u>
		<u>1,808,880</u>	<u>1,351,097</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors and authorised for issue on 18 January 2010

Signed on behalf of the Board of Directors


Bryan S Findlay


Anthony Rodgers

Aardvark Clear Mine Limited

Notes to the financial statements Period ended 31 March 2009

1. Accounting Policies

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial period.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Cash Flow Statement

The Company has taken advantage of the exemption conferred by the Financial Reporting Standard 1 "Cash Flow Statements (Revised 1996)" not to prepare a Cash Flow Statement on the grounds that it is a "small" company under the Companies Act 1985.

Tangible Fixed Assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on cost less residual value in equal annual instalments over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

	% per annum
Heritable buildings	5
Property improvements	25
Plant and machinery	25
Office equipment	25

No depreciation is charged on heritable land

Investments

Fixed asset investments are shown at cost less provision for impairment.

Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises the cost of materials and sub contractor costs. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Long Term Contracts

Profit on long term contracts is recognised as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit recorded is calculated on a prudent basis to reflect the proportion of the work carried out at the period end by recording turnover and related costs as contract activity progresses. Turnover is calculated on the basis of sales value of work performed by reference to the total sales value and stage of completion of these contracts. Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of work performed less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Full provision is made for losses on all contracts in the period in which they are foreseen.

Aardvark Clear Mine Limited

Notes to the financial statements Period ended 31 March 2009

1. Accounting Policies (Continued)

Taxation

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

Deferred taxation 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.

2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and VAT.

An analysis of turnover by class of business and geographical location is not presented as, in the opinion of the Directors; such disclosure could be prejudicial to the best interest of the company.

3. Information Regarding Directors and Employees

	2009 £	2008 £
Directors Emoluments	<u>-</u>	<u>203,821</u>

	2009 £	2008 £
Staff costs during the period including Directors		
Wages and salaries	271,080	666,011
Social security costs	<u>27,459</u>	<u>72,025</u>
	<u>298,539</u>	<u>738,036</u>

The monthly average number of employees during the year was made up as follows:

	2009 Number	2008 Number
Distribution and Manufacture	7	8
Administration	<u>1</u>	<u>3</u>
	<u>8</u>	<u>11</u>

Aardvark Clear Mine Limited

Notes to the financial statements Period ended 31 March 2009

4. Operating (loss)/profit

	2009 £	2008 £
This is stated after charging:		
Auditors' remuneration - audit services	5,000	5,000
- non audit services	1,250	-
Depreciation of owned assets	7,011	21,793
Profit on Disposal of fixed assets	-	2,813

5. Tax on (loss)/profit on ordinary activities

	2009 £	2008 £
Current tax:		
UK corporation tax on profit for the period	176,960	177,217
Adjustment in respect of prior years	(573)	1,320
Tax on profit on ordinary activities	176,387	178,537

The standard rate of corporation tax for the period, based on the UK rate of corporation tax is 30% (2008 30%). The actual tax charge for the current period and the previous period differs from the standard rate for the reasons set out in the following reconciliations.

	2009 £	2008 £
Profit on ordinary activities before tax	634,170	615,234
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2008: 30%)	190,251	184,570
Effect of:		
Disallowed expenses and non qualifying depreciation	300	3,465
Capital allowances in excess of depreciation	(1,591)	(2,036)
Marginal relief	(12,000)	(8,782)
Prior year adjustments	(573)	1,320
Current tax charge for the period	176,387	178,537

Aardvark Clear Mine Limited

Notes to the financial statements
Period Ended 31 March 2009

6. Tangible Fixed Assets

	Heritable Land & Buildings	Property Improvements	Plant and Machinery	Office Equipment	Total
Cost					
Opening Balance	40,500	61,788	125,265	146,697	374,250
Additions	-	-	-	7,400	7,400
Disposals	-	-	-	(121,351)	(121,351)
Closing	<u>40,500</u>	<u>61,788</u>	<u>125,265</u>	<u>32,746</u>	<u>260,299</u>
Depreciation					
Opening Balance	(4,208)	(61,788)	(113,032)	(146,697)	(325,725)
Charge for year	-	-	(4,133)	(2,878)	(7,011)
Disposals	-	-	-	121,351	121,351
Closing balance	<u>(4,208)</u>	<u>(61,788)</u>	<u>(117,165)</u>	<u>(28,224)</u>	<u>(211,385)</u>
NBV at 31 March 2009	<u>36,292</u>	<u>-</u>	<u>8,100</u>	<u>4,522</u>	<u>48,914</u>
NBV at 31 March 2008	<u>36,292</u>	<u>-</u>	<u>12,233</u>	<u>-</u>	<u>48,525</u>

Heritable land and buildings includes land which is not depreciated amounting to £30,500 (2008: £30,500).

The heritable land and buildings shown on the accounts at £36,292 have, in the opinion of the directors, a market value of approx £ 64,000 in excess of the book value.

Aardvark Clear Mine Limited

Notes to the financial statements Period Ended 31 March 2009

7. Investments Held as Fixed Assets

Cost and Net Book Value	2009	2008
	£	£
Shares In Subsidiary	<u>603</u>	<u>603</u>

The following is a subsidiary undertaking of Aardvark Clear Mine Limited

	Proportion of ordinary shares held	Activity	Country of registration
Aardvark Landmine Clearance Incorporated	100%	Landmine Clearance	USA

The un-audited financial statements of Aardvark Landmine Clearance Inc at 31 March 2009 show that the company equity shareholders' funds of \$26,620 and a recognised profit for the financial period of \$ 1,487

8. Stocks

	2009	2008
	£	£
Raw materials and consumables	89,634	116,454
Work-in-progress	11,428	339,957
Finished Goods	100,000	100,000
Payments on Account	<u>-</u>	<u>312,838</u>
	<u>201,062</u>	<u>869,249</u>

Aardvark Clear Mine Limited

Notes to the financial statements Period Ended 31 March 2009

9. Debtors

	2009 £	2008 £
Trade debtors	2,391,973	575,729
Intercompany – debtors	1,783,179	1,216,191
Other debtors	12,153	22,568
Prepayments and accrued income	11,367	10,860
Withholding Tax	5,500	5,500
	<u>4,204,172</u>	<u>1,830,848</u>

10. Creditors: amounts falling due within one period

	2009 £	2008 £
Bank Overdraft	26,705	38,064
Trade creditors	502,514	152,849
Corporation tax	175,814	177,217
Other taxes and social security costs	9,744	10,823
Intercompany Creditor	846,781	689,920
Accruals and deferred income	1,917,501	423,927
	<u>3,479,060</u>	<u>1,492,800</u>

The Royal Bank of Scotland holds a charge over the assets of the company as security for any borrowings which may arise; cross guarantees are in place with group companies as at 31 March 2009.

11. Called Up Share Capital

	£	£
Authorised 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Called up allotted and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Aardvark Clear Mine Limited

Notes to the financial statements Period Ended 31 March 2009

12. Profit and Loss Account

	2009 £	2008 £
Balance at 1 April 2008	1,350,997	914,300
Profit for the financial period	<u>457,783</u>	<u>436,697</u>
	<u>1,808,780</u>	<u>1,350,997</u>

13. Reconciliation of Movements in Equity Shareholders' Funds

	£	£
Profit for the financial period	457,783	436,697
Opening equity shareholders funds	<u>1,351,097</u>	<u>914,400</u>
	<u>1,808,880</u>	<u>1,351,097</u>

14. Ultimate Parent Company

The company's immediate parent company is Aardvark (UK) Limited.

The ultimate parent company is Penman Engineering Holdings Limited, a private company registered in Scotland. Financial statements of the ultimate parent company can be obtained from Heathhall Dumfries.

Aardvark Holdings Limited is exempt from preparing consolidated financial statements under the provisions of Section 248 of the Companies Act 1985 by virtue of the fact that the company is the parent of a medium sized group.

15. Related Party Transactions

The company did not trade with Aardvark Holdings Limited during the period. The balance outstanding at the yearend due from Aardvark Holdings Limited was £488,813 (2008:£488,813).

The company did not trade with Aardvark (UK) during the year. The balance outstanding at the yearend due to Aardvark (UK) Limited was £846,781 (2008 £846,781).

The Company did not trade with Penman Engineering Holdings Limited but had a balance due from them of £235,479 (2008 £1,216,191).

The Company had purchases of £339,251 in the year from Penman Engineering Limited (2008 £nil). The balance due to Penman Engineering Limited at the year end was £1,058,887 (2008 £1,216,191). There was an additional balance due to Penman Engineering Limited at the year end of £398,620 (2008: Nil) which is included within trade creditors.