

ST BERNARD COMPOSITES LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 APRIL 2005**

COMPANY REGISTRATION NUMBER 706645



ST BERNARD COMPOSITES LIMITED

COMPANY INFORMATION

Directors	JRG Wood TJC Webborn SCR Wood JJ Bennett HM Cameron
Secretary	HM Cameron
Company number	706645
Registered office	Saberhouse Lynchford Road Farnborough Hampshire GU14 6JE
Auditors	Baker Tilly The Clock House 140 London Road Guildford Surrey GU1 1UW

ST BERNARD COMPOSITES LIMITED

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ST BERNARD COMPOSITES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 3 APRIL 2005

The Directors present their report and financial statements for the period ended 3 April 2005.

Principal activities and review of the business

The Company is principally engaged in advanced composites engineering.

In the light of the current trading environment, the results for the period and the financial position at the end of the period were considered satisfactory by the Directors, in line with current and future expectations.

Future developments

The Directors are confident that the business will continue to develop in line with the prevailing market conditions, under-pinned by a commitment to Research and Development.

Results and dividends

The results for the period are set out on page 4.

The Directors do not recommend payment of an ordinary dividend.

Directors

The Directors who held office during the period to 3 April 2005 were as follows:

JRG Wood
TJC Webborn
SCR Wood
JJ Bennett
HM Cameron

Directors' interests

The interests of the Directors in the share capital of the Holding Company, SBP Holdings Limited, are disclosed in that Company's Directors' report.

According to the register of Directors' interests, no rights to subscribe for shares in the Company were granted to any of the Directors or their immediate families, or exercised by them, during the financial period.

Share capital

In order to simplify its share structure on 8 December 2004 the Company repurchased the whole of the issued 'A' non-voting shares at par, representing 22% of the Company's issued share capital, for a total consideration of £21,021.

Taxation status

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

ST BERNARD COMPOSITES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 3 APRIL 2005

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Baker Tilly be reappointed as Auditors of the Company will be put to the Annual General Meeting.

Directors' responsibilities

Company Law requires the Directors to prepare financial statements for each financial year which 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 those 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, 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 proper accounting records which 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.

By order of the Board



HM Cameron

Secretary

7 October 2005

ST BERNARD COMPOSITES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ST BERNARD COMPOSITES LIMITED

We have audited the financial statements on pages 4 to 16.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 3 April 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Baker Tilly

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey, GU1 1UW

7 October 2005

ST BERNARD COMPOSITES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 3 APRIL 2005

	Notes	Period ended 3 April 2005 £	Period ended 4 April 2004 £
Turnover	2	11,951,781	11,698,598
Cost of sales		(7,886,869)	(7,847,799)
Gross profit		<u>4,064,912</u>	<u>3,850,799</u>
Distribution costs		(183,327)	(146,874)
Administrative expenses		(3,152,265)	(3,202,436)
Other operating income		219,237	7,299
Operating profit	3	<u>948,557</u>	<u>508,788</u>
Interest payable and similar charges	4	(142,993)	(165,817)
Profit on activities before taxation		<u>805,564</u>	<u>342,971</u>
Tax on profit on ordinary activities	5	266,679	89,467
Profit on ordinary activities after taxation	15	<u><u>538,885</u></u>	<u><u>253,504</u></u>

The profit for the period all derives from continuing activities.

The Company had no recognised gains or losses other than the profit for the period.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

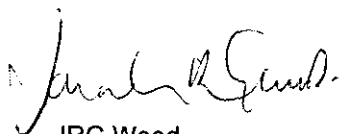
Reported profit on ordinary activities before taxation	805,564	342,971
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	11,699	15,772
Historical cost profit on ordinary activities before taxation	<u>817,263</u>	<u>358,743</u>
Historical cost profit for the period retained after taxation	<u><u>550,584</u></u>	<u><u>269,276</u></u>

ST BERNARD COMPOSITES LIMITED

BALANCE SHEET AS AT 3 APRIL 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	6		<u>5,554,819</u>		<u>5,602,982</u>
Current assets					
Stocks	7	2,216,035		1,987,479	
Debtors	8	2,816,769		2,170,046	
Cash at bank and in hand		16		2,062	
		<u>5,032,820</u>		<u>4,159,587</u>	
Creditors: amounts falling due within one year	9	(2,904,653)		(2,502,259)	
Net current assets			<u>2,128,167</u>		<u>1,657,328</u>
Total assets less current liabilities			<u>7,682,986</u>		<u>7,260,310</u>
Creditors: amounts falling due after more than one year	10		(1,492,946)		(1,662,860)
Provisions for liabilities and charges	11		(169,609)		(94,883)
			<u>6,020,431</u>		<u>5,502,567</u>
Capital and reserves					
Called up share capital	13		74,074		95,095
Capital redemption reserve	14		26,026		5,005
Revaluation reserve	14		1,184,675		1,196,374
Profit and loss account	14		4,735,656		4,206,093
Shareholders' funds - equity interests	15		<u>6,020,431</u>		<u>5,502,567</u>

The financial statements were approved by the Board on 7 October 2005.



JRG Wood

Director



HM Cameron

Director

ST BERNARD COMPOSITES LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 3 APRIL 2005

	Period ended 3 April 2005 £	Period ended 4 April 2004 £
Net cash inflow from operating activities	566,167	1,056,366
Returns on investments and servicing of finance		
Bank interest	(117,136)	(126,536)
Interest on finance leases	(32,717)	(34,744)
Net cash outflow for returns on investments and servicing of finance	(149,853)	(161,280)
Taxation	(59,770)	(39,145)
Capital expenditure		
Payments to acquire tangible assets	(524,358)	(684,234)
Receipts from sales of tangible assets	1,766	6,800
Net cash outflow for capital expenditure	(522,592)	(677,434)
Net cash inflow/(outflow) before management of liquid resources and financing	(166,048)	178,507
Financing		
Buy-back of company shares	(21,021)	-
Increase/(repayment) of long term bank loan	(194,532)	847,829
(Decrease)/increase in short term loan	(4,137)	(774,104)
Capital element of hire purchase contracts	47,572	76,722
	(172,118)	150,447
Increase/(decrease) in cash in the period	<u>(338,166)</u>	<u>328,954</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 3 APRIL 2005

1 Reconciliation of operating profit to net cash inflow from operating activities		2005	2004
		£	£
Operating profit		948,557	508,788
Depreciation of tangible assets		570,755	541,066
Loss on disposal of tangible assets		-	924
(Increase)/decrease in stocks		(228,556)	36,729
(Increase)/decrease in debtors		(646,723)	290,291
(Decrease) in creditors within one year		(77,866)	(321,432)
Net cash inflow from operating activities		566,167	1,056,366

2 Analysis of net debt	4 April 2004	Cash flow	Other non-cash changes	3 April 2005
	£	£	£	£
Net cash:				
Cash at bank and in hand	2,062	(2,046)	-	16
Bank overdrafts	(312,499)	(336,120)	-	(648,619)
	<u>(310,437)</u>	<u>(338,166)</u>	<u>-</u>	<u>(648,603)</u>
Debt:				
Finance leases	(507,689)	(47,572)	-	(555,261)
Debts falling due within one year	(160,896)	4,137	-	(156,759)
Debts falling due after one year	(1,346,579)	194,532	-	(1,152,047)
	<u>(2,015,164)</u>	<u>151,097</u>	<u>-</u>	<u>(1,864,067)</u>
Net debt	<u>(2,325,601)</u>	<u>(187,069)</u>	<u>-</u>	<u>(2,512,670)</u>

3 Reconciliation of net cash flow to movement in net debt		2005	2004
		£	£
Increase/(decrease) in cash in the period		(338,166)	328,954
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		151,097	(150,447)
Movement in net debt in the period		(187,069)	178,507
Opening net debt		(2,325,601)	(2,504,108)
Closing net debt		(2,512,670)	(2,325,601)

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 APRIL 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of land and buildings.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

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

Freehold buildings	2.5% straight line
Leasehold land & buildings	2.5% straight line
Plant & machinery	12.5% straight line
Fixtures and fittings	10% - 33% straight line
Motor vehicles	25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

No depreciation is provided in respect of freehold land.

1.5 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 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.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the Company during the period.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 APRIL 2005

1.8 Deferred taxation

Deferred taxation is provided in full, at appropriate rates, 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.

1.9 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 the profit and loss account.

1.10 Research and Development

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

2	Turnover	2005 £	2004 £
	United Kingdom	7,375,558	5,520,082
	Overseas	4,576,223	6,178,516
		<u>11,951,781</u>	<u>11,698,598</u>
3	Operating profit	2005 £	2004 £
	Operating profit is stated after charging/(crediting):		
	Depreciation of tangible assets	570,755	541,066
	Loss/(Profit) on disposal of fixed assets	-	924
	Research and development	164,551	67,389
	Directors' emoluments	410,920	408,228
	Auditors' remuneration	14,000	13,250
	Remuneration of auditors for non-audit work	16,860	13,699
	Operating lease rentals - plant and machinery	48,665	48,665
	Exchange (gains)	(204,532)	(153,904)
		<u></u>	<u></u>
4	Interest payable	2005 £	2004 £
	On bank loans and overdrafts	27,800	63,989
	On loans repayable after 5 years	81,063	67,083
	Hire purchase interest	34,130	34,745
		<u>142,993</u>	<u>165,817</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 APRIL 2005

5 Taxation

	2005 £	2004 £
Domestic current year tax		
UK corporation tax on profits of year	211,918	80,000
Adjustment for prior years	(19,965)	-
Current tax charge	<u>191,953</u>	<u>80,000</u>
Deferred tax		
Current year	10,283	4,437
Deferred taxation - change in tax rate	54,932	5,030
Prior year	9,511	-
Tax charge for the year	<u>266,679</u>	<u>89,467</u>
Factors affecting the tax charge for the year		
The tax assessed for the year varies from the standard rate of corporation tax of 30% (2004: 19%) as follows:		
Profit on ordinary activities before taxation	<u>805,564</u>	<u>342,971</u>
Profit on ordinary activities before taxation multiplied by the standard applicable rate of UK corporation tax of 30% (2004: 19%)	241,669	65,164
Effects of:		
Non deductible expenses	2,900	1,661
Depreciation in excess of capital allowances	18,585	9,086
Other tax adjustments	(6,561)	702
Research and development	(24,683)	(6,402)
Adjustments to previous periods	(19,965)	-
Marginal tax rate charge	(19,992)	9,789
Current tax charge	<u>191,953</u>	<u>80,000</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 APRIL 2005

6 Tangible fixed assets

	Land & buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation					
At 4 April 2004	3,829,544	3,356,391	1,277,174	135,358	8,598,467
Additions	-	339,557	169,348	15,453	524,358
Disposals	-	-	-	(15,311)	(15,311)
At 3 April 2005	<u>3,829,544</u>	<u>3,695,948</u>	<u>1,446,522</u>	<u>135,500</u>	<u>9,107,514</u>
Depreciation					
At 4 April 2004	138,168	2,107,004	662,136	88,177	2,995,485
On disposals	-	-	-	(13,545)	(13,545)
Charge for the period	74,617	334,265	141,747	20,126	570,755
At 3 April 2005	<u>212,785</u>	<u>2,441,269</u>	<u>803,883</u>	<u>94,758</u>	<u>3,552,695</u>
Net book value					
At 3 April 2005	<u>3,616,759</u>	<u>1,254,679</u>	<u>642,639</u>	<u>40,742</u>	<u>5,554,819</u>
At 4 April 2004	<u>3,691,376</u>	<u>1,249,387</u>	<u>615,038</u>	<u>47,181</u>	<u>5,602,982</u>
The net book value of land and buildings comprises:				2005 £	2004 £
Freehold				998,244	1,011,326
Leasehold				2,618,515	2,680,050
				<u>3,616,759</u>	<u>3,691,376</u>

The freehold land and buildings were valued on an open market basis with existing use by independent Chartered Surveyors in February 1998 at £1,075,000. The directors are not aware of any material change in value and therefore the valuation has not been updated.

The leasehold land and buildings were valued on an open market basis with existing use by independent Chartered Surveyors as at 6 April 2003 at £2,700,000.

On a historical cost basis land and buildings would be included at:	2005 £	2004 £
Cost	<u>2,938,207</u>	<u>2,938,207</u>
Aggregate depreciation	<u>510,515</u>	<u>447,579</u>

Included in plant & machinery are assets held under finance leases or hire purchase contracts as follows

	2005 £	2004 £
Net book value	<u>750,366</u>	<u>637,370</u>
Depreciation charge for the period	<u>126,118</u>	<u>114,379</u>

ST BERNARD COMPOSITES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 APRIL 2005**

7	Stocks and work in progress	2005	2004
		£	£
	Raw materials and consumables	819,347	643,355
	Work in progress	1,396,688	1,344,124
		<u>2,216,035</u>	<u>1,987,479</u>
8	Debtors	2005	2004
		£	£
	Trade debtors	2,662,514	1,998,811
	Other debtors	97,873	10,334
	Prepayments and accrued income	56,382	160,901
		<u>2,816,769</u>	<u>2,170,046</u>
9	Creditors: amounts falling due within one year	2005	2004
		£	£
	Bank overdraft	648,619	312,499
	Bank loan - debt due within one year	156,759	160,896
	Net obligations under finance leases and hire purchase contracts	214,362	191,408
	Trade creditors	1,009,734	1,006,961
	Corporation tax	211,918	79,998
	Other taxes and social security costs	166,393	117,111
	Other creditors	91,234	67,134
	Accruals and deferred income	405,634	566,252
		<u>2,904,653</u>	<u>2,502,259</u>

The bank overdraft is secured by way of a charge over certain trade debtors.

ST BERNARD COMPOSITES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 APRIL 2005**

10 Creditors: amounts falling due after more than one year	2005	2004
	£	£
Bank loan	1,152,047	1,346,579
Net obligations under finance leases and hire purchase agreements	340,899	316,281
	<u>1,492,946</u>	<u>1,662,860</u>

The bank loan is repayable as follows:

Between one and two years	156,759	160,896
Between two and five years	470,276	482,688
In five years or more	525,012	702,995
	<u>1,152,047</u>	<u>1,346,579</u>

The bank loan is secured by a fixed charge over the company's leasehold property and is repayable by instalments by 2013.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	239,584	191,408
Repayable between one and five years	358,728	343,115
	<u>598,312</u>	<u>534,523</u>
Finance charges and interest allocated to future accounting periods	(43,051)	(26,834)
	<u>555,261</u>	<u>507,689</u>
Included in liabilities falling due within one year	(214,362)	(191,408)
	<u>340,899</u>	<u>316,281</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 APRIL 2005

11 Provisions for liabilities and charges

	Deferred taxation £
Balance at 4 April 2004	94,883
Profit and loss account	74,726
	<u>169,609</u>

Deferred tax is provided at 30% (2004 - 19%) analysed over the following timing differences:

	2005 £	2004 £
Accelerated capital allowances	171,415	94,883
Other timing differences	(1,806)	-
	<u>169,609</u>	<u>94,883</u>

No provision for deferred taxation has been made in respect of the freehold and long leasehold land and buildings included in these accounts at valuation. It is estimated that if they were sold at valuation the tax liability would amount to £73,000

12 Pension costs

The Company contributes to personal pension plans for certain employees. The pension cost charge represents contributions payable by the Company and amounted to £101,577 (2004 - £119,570). At the balance sheet date contributions of £6,019 (2004 - £9,783) were unpaid and are included in creditors.

13 Share capital

	2005 £	2004 £
Authorised		
79,079 Ordinary shares of £1 each	79,079	79,079
21,021 'A' Non-voting shares of £1 each	21,021	21,021
	<u>100,100</u>	<u>100,100</u>
Allotted, called up and fully paid		
74,074 Ordinary shares of £1 each	74,074	74,074
21,021 'A' Non-voting shares of £1 each	-	21,021
	<u>74,074</u>	<u>95,095</u>

During the year, the 'A' Non-voting shares of £1 each were bought back by the Company. The consideration paid was £21,021.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 APRIL 2005

14 Statement of movement on reserves

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
Balance at 4 April 2004	5,005	1,196,374	4,206,093
Retained profit for the period	-	-	538,885
Acquisition of own shares	21,021		(21,021)
Transfer from revaluation reserve to profit and loss account	-	(11,699)	11,699
Balance at 3 April 2005	<u>26,026</u>	<u>1,184,675</u>	<u>4,735,656</u>

The freehold and leasehold land and buildings were valued on an open market basis by a firm of independent Chartered Surveyors.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

15 Reconciliation of movements in Shareholders' funds

	2005 £	2004 £
Profit for the financial period	538,885	253,504
Acquisition of own shares	(21,021)	-
Net addition to Shareholders' funds	<u>517,864</u>	<u>253,504</u>
Opening Shareholders' funds	5,502,567	5,249,063
Closing Shareholders' funds	<u>6,020,431</u>	<u>5,502,567</u>

16 Commitments

Capital commitments at the end of the period for which no provision has been made are as follows:

	2005 £	2004 £
Contracted	<u>60,926</u>	<u>123,775</u>

At 3 April 2005 the Company had annual commitments under non-cancellable operating leases as follows:

	2005 £	2004 £
Expiry date:		
Within one year	25,500	-
Between two and five years	<u>-</u>	<u>48,491</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 APRIL 2005

17 Directors' emoluments	2005 £	2004 £
Remuneration	361,361	357,778
Pension contributions	49,559	50,450
	<u>410,920</u>	<u>408,228</u>
Emoluments of the highest paid Director	<u>84,347</u>	<u>81,467</u>
Pension contributions for the highest paid Director	<u>12,797</u>	<u>12,797</u>

The number of Directors for whom retirement benefits are accruing under money purchase pension schemes is 5 (2004 - 5)

18 Employees

The average monthly number of employees (including Directors) during the period was:

	2005	2004
Direct production staff	111	112
Selling and distribution	2	2
Other support staff	57	56
	<u>170</u>	<u>170</u>

Employment costs	2005 £	2004 £
Wages and salaries	3,689,848	3,936,467
Social security costs	348,359	345,551
Other pension costs	91,033	119,570
Other employment costs	66,299	71,293
	<u>4,195,539</u>	<u>4,472,881</u>

19 Ultimate holding company

The company's immediate and ultimate holding company and controlling party is SBP Holdings Limited, a company incorporated in Great Britain.