

ST BERNARD COMPOSITES LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 APRIL 2006**

COMPANY REGISTRATION NUMBER 706645



ST BERNARD COMPOSITES LIMITED

COMPANY INFORMATION

Directors	JRG Wood TJC Webborn SCR Wood JJ Bennett C Dewar S D Leed J B Merritt
Secretary	S D Leed
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 2 APRIL 2006

The Directors present their report and financial statements for the period ended 2 April 2006.

Principal activities and review of the business

The Company is principally engaged in advanced composites engineering.

Turnover has increased by 36% to £16,253,622 during the period. This trend of profitable growth is expected to continue with an increasing order book and firm orders stretching well ahead.

The Directors are satisfied with the performance for the period. Most of the Company's business activities are managed and transacted from the Invincible Road site, and steps are underway to sell the land and buildings where the Head Office and a few manufacturing activities are based and transfer them to the main site. This will enable consolidation of all activities within the one site and lead to improved effectiveness and efficiency.

The sector continues to be very competitive, and the Company has sustained its long-standing practice of continuous investment in its infrastructure and innovative engineering and design, which is delivering lean manufacturing, improved productivity and excellent customer service.

During the period, capital investment continued in new plant and equipment and site facilities in order to both service the growth, and improve manufacturing and support capabilities.

The Directors are committed to this business strategy of continuous investment and improvement in people, plant, processes and systems as a sound foundation to continuing profitable growth.

The global growth away from metallic to composite structures within the aerospace industry augers well for the positioning of the Company and gives the Directors confidence in its medium and long term future.

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 2 April 2006 were as follows:

JRG Wood
TJC Webborn
SCR Wood
JJ Bennett
HM Cameron (Resigned 31/03/06)
C Dewar (Appointed 20/03/06)
S D Leed (Appointed 01/04/06)

JB Merritt was appointed as a Director on 10/07/06

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.

ST BERNARD COMPOSITES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 2 APRIL 2006

Taxation status

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

Statement as to disclosure of information to auditors

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the Auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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.

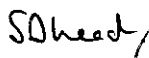
Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. 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



S D Leed
Secretary
22 September 2006

ST BERNARD COMPOSITES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ST BERNARD COMPOSITES LIMITED

We have audited the financial statements on pages 4 to 18

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 (United Kingdom Generally Accepted Accounting Practice) 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 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 are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Directors' Report is consistent with the 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.

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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs at 2 April 2006 and of its profit for the period then ended and 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.


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

26 SEPTEMBER 2006

ST BERNARD COMPOSITES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 2 APRIL 2006**

		Period ended 2 April 2006 £	Period ended 3 April 2005 £
	Notes		
Turnover	2	16,253,622	11,951,781
Cost of sales		(11,757,399)	(7,886,869)
Gross profit		4,496,223	4,064,912
Distribution costs		(221,396)	(183,327)
Administrative expenses		(3,241,068)	(3,152,265)
Other operating income		83,718	219,237
Operating profit	3	1,117,477	948,557
Interest payable and similar charges	4	(210,238)	(142,993)
Profit on activities before taxation		907,239	805,564
Tax on profit on ordinary activities	5	(253,441)	(266,679)
Profit on ordinary activities after taxation	15	653,798	538,885

The profit for the period all derives from continuing activities.

ST BERNARD COMPOSITES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 2 APRIL 2006

	Period ended 2 April 2006 £	Period ended 3 April 2005 £
Profit for the financial period	653,798	538,885
Unrealised surplus on revaluation of properties	1,242,829	-
Total recognised gains and losses relating to the period	<u>1,896,627</u>	<u>538,885</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	907,239	805,564
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	22,085	11,699
Historical cost profit on ordinary activities before taxation	<u>929,324</u>	<u>817,263</u>
Historical cost profit for the period retained after taxation	<u>1,182,765</u>	<u>1,083,942</u>

ST BERNARD COMPOSITES LIMITED

BALANCE SHEET AS AT 2 APRIL 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	6		<u>8,247,671</u>		<u>5,554,819</u>
Current assets					
Stocks	7	3,444,504		2,216,035	
Debtors	8	3,956,204		2,816,769	
Cash at bank and in hand		1,596		16	
		<u>7,402,304</u>		<u>5,032,820</u>	
Creditors: amounts falling due within one year	9	(5,443,790)		(2,904,653)	
Net current assets			<u>1,958,514</u>		<u>2,128,167</u>
Total assets less current liabilities			<u>10,206,185</u>		<u>7,682,986</u>
Creditors: amounts falling due after more than one year	10	(2,016,835)		(1,492,946)	
Provisions for liabilities and charges	11	(272,292)		(169,609)	
			<u>7,917,058</u>		<u>6,020,431</u>
Capital and reserves					
Called up share capital	13	74,074		74,074	
Capital redemption reserve	14	26,026		26,026	
Revaluation reserve	14	2,405,419		1,184,675	
Profit and loss account	14	5,411,539		4,735,656	
Shareholders' funds - equity interests	15		<u>7,917,058</u>		<u>6,020,431</u>

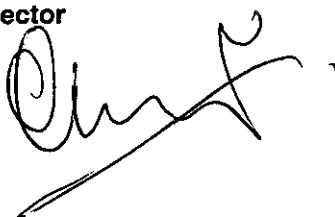
The financial statements on pages 4 to 18 were approved by the Board of Directors and authorised for issue on 22 September 2006 and are signed on its behalf by:

JRG Wood

TJC Webbhorn

Director

Director

ST BERNARD COMPOSITES LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 2 APRIL 2006

	Period ended 2 April 2006 £	Period ended 3 April 2005 £
Net cash inflow from operating activities	519,657	566,167
Returns on investments and servicing of finance		
Bank interest	(154,508)	(117,136)
Interest on finance leases	(37,691)	(32,717)
Net cash outflow for returns on investments and servicing of finance	(192,199)	(149,853)
Taxation	(211,918)	(59,770)
Capital expenditure		
Payments to acquire tangible assets	(1,998,323)	(524,358)
Receipts from sales of tangible assets	4,945	1,766
Net cash outflow for capital expenditure	(1,993,378)	(522,592)
Net cash outflow before management of liquid resources and financing	(1,877,838)	(166,048)
Financing		
Buy-back of Company shares	-	(21,021)
Increase/(decrease) of long term bank loans	601,248	(194,532)
Increase/(decrease) in short term loans	695,305	(4,137)
Capital element of hire purchase contracts	(130,889)	47,572
	1,165,664	(172,118)
Decrease in cash in the period	<u>(712,174)</u>	<u>(338,166)</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 2 APRIL 2006

1 Reconciliation of operating profit to net cash inflow from operating activities		2006	2005
		£	£
Operating profit		1,117,477	948,557
Depreciation of tangible assets		579,380	570,755
Loss on disposal of tangible assets		(2,025)	-
(Increase)/decrease in stocks		(1,228,469)	(228,556)
(Increase)/decrease in debtors		(1,139,435)	(646,723)
(Decrease) in creditors within one year		1,192,729	(77,866)
Net cash inflow from operating activities		<u>519,657</u>	<u>566,167</u>

2 Analysis of net debt	3 April 2005	Cash flow	Other non-cash changes	2 April 2006
	£	£	£	£
Net cash:				
Cash at bank and in hand	16	1,580	-	1,596
Bank overdrafts	(648,619)	(713,754)	-	(1,362,373)
	<u>(648,603)</u>	<u>(712,174)</u>	<u>-</u>	<u>(1,360,777)</u>
Debt:				
Finance leases	(555,261)	130,889	-	(424,372)
Debts falling due within one year	(156,759)	(695,305)	-	(852,064)
Debts falling due after one year	(1,152,047)	(601,248)	-	(1,753,295)
	<u>(1,864,067)</u>	<u>(1,165,664)</u>	<u>-</u>	<u>(3,029,731)</u>
Net debt	<u>(2,512,670)</u>	<u>(1,877,838)</u>	<u>-</u>	<u>(4,390,508)</u>

3 Reconciliation of net cash flow to movement in net debt		2006	2005
		£	£
Increase/(decrease) in cash in the period		(712,174)	(338,166)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(1,165,664)	151,097
Movement in net debt in the period		<u>(1,877,838)</u>	<u>(187,069)</u>
Opening net debt		(2,512,670)	(2,325,601)
Closing net debt		<u>(4,390,508)</u>	<u>(2,512,670)</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

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 Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the term of 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. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

1 Accounting policies - continued

1.7 Pensions

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

1.8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

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

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.

1.11 Income recognition

Income is recognised in proportion to the amount of work performed during the period.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

2	Turnover	2006	2005
		£	£
	United Kingdom	8,409,945	7,375,558
	Overseas	7,843,677	4,576,223
		<u>16,253,622</u>	<u>11,951,781</u>
3	Operating profit	2006	2005
		£	£
	Operating profit is stated after charging/(crediting):		
	Depreciation of tangible assets	579,380	570,755
	Loss/(Profit) on disposal of fixed assets	(2,025)	-
	Research and development	168,929	164,551
	Directors' emoluments	437,895	410,920
	Auditors' remuneration	14,040	14,000
	Remuneration of auditors for non-audit work	7,030	16,860
	Operating lease rentals - plant and machinery	27,633	48,665
	Exchange (gains)	(83,718)	(204,532)
		<u></u>	<u></u>
4	Interest payable	2006	2005
		£	£
	On bank loans and overdrafts	75,305	27,800
	On loans repayable after 5 years	97,242	81,063
	Hire purchase interest	37,691	34,130
		<u>210,238</u>	<u>142,993</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

5 Taxation

	2006 £	2005 £
Domestic current year tax		
UK corporation tax on profits of period	150,758	211,918
Adjustment for prior years	-	(19,965)
Current tax charge	<u>150,758</u>	<u>191,953</u>
Deferred tax		
Current period	99,578	10,283
Deferred taxation - change in tax rate	-	54,932
Prior period	3,105	9,511
Deferred tax charge	<u>102,683</u>	<u>74,726</u>
Tax charge for the period	<u>253,441</u>	<u>266,679</u>
Factors affecting the tax charge for the period		
The tax assessed for the period varies from the standard rate of corporation tax of 30% (2005: 30%) as follows:		
Profit on ordinary activities before taxation	<u>907,239</u>	<u>805,564</u>
Profit on ordinary activities before taxation multiplied by the standard applicable rate of UK corporation tax of 30% (2005: 30%)	272,172	241,669
Effects of:		
Non deductible expenses	1,774	2,900
Capital allowances in excess of depreciation	(74,056)	18,585
Other tax adjustments	999	(6,561)
Research and development	(25,340)	(24,683)
Adjustments to previous periods	-	(19,965)
Marginal tax rate charge	(24,791)	(19,992)
Current tax charge	<u>150,758</u>	<u>191,953</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

6 Tangible fixed assets

	Land & buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation					
At 4 April 2005	3,829,544	3,695,948	1,446,522	135,500	9,107,514
Additions	803,515	964,566	241,348	22,894	2,032,323
Disposals	-	-	-	(16,745)	(16,745)
Revaluation	1,000,456	-	-	-	1,000,456
At 2 April 2006	<u>5,633,515</u>	<u>4,660,514</u>	<u>1,687,870</u>	<u>141,649</u>	<u>12,123,548</u>
Depreciation					
At 4 April 2005	212,785	2,441,269	803,883	94,758	3,552,695
On disposals	-	-	-	(13,825)	(13,825)
Charge for the period	101,466	305,815	157,273	14,826	579,380
Released on revaluation	(242,373)	-	-	-	(242,373)
At 2 April 2006	<u>71,878</u>	<u>2,747,084</u>	<u>961,156</u>	<u>95,759</u>	<u>3,875,877</u>
Net book value					
At 2 April 2006	<u>5,561,637</u>	<u>1,913,430</u>	<u>726,714</u>	<u>45,890</u>	<u>8,247,671</u>
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>

The net book value of land and buildings comprises:

	2006 £	2005 £
Freehold	1,550,000	998,244
Leasehold	4,011,637	2,618,515
	<u>5,561,637</u>	<u>3,616,759</u>

The freehold land and buildings were valued on an open market basis by the Directors on 2 April 2006 at £1,550,000.

The leasehold land and buildings were valued on an open market basis with existing use by independent Chartered Surveyors as at June 2005 at £3,280,000.

On a historical cost basis land and buildings would be included at:

	2006 £	2005 £
Cost	<u>3,741,722</u>	<u>2,938,207</u>
Aggregate depreciation	<u>585,504</u>	<u>510,515</u>

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

	2006 £	2005 £
Net book value	<u>640,631</u>	<u>750,366</u>
Depreciation charge for the period	<u>139,622</u>	<u>126,118</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

7	Stocks and work in progress	2006	2005
		£	£
	Raw materials and consumables	956,430	819,347
	Work in progress	2,488,074	1,396,688
		<u>3,444,504</u>	<u>2,216,035</u>
8	Debtors	2006	2005
		£	£
	Trade debtors	3,655,513	2,662,514
	Other debtors	120,463	97,873
	Prepayments and accrued income	180,228	56,382
		<u>3,956,204</u>	<u>2,816,769</u>
9	Creditors: amounts falling due within one year	2006	2005
		£	£
	Bank overdraft	1,362,373	648,619
	Bank loan - debt due within one year	852,064	156,759
	Net obligations under finance leases and hire purchase contracts	160,832	214,362
	Trade creditors	2,031,891	1,009,734
	Corporation tax	150,758	211,918
	Other taxes and social security costs	133,734	166,393
	Other creditors	143,463	91,234
	Accruals and deferred income	608,675	405,634
		<u>5,443,790</u>	<u>2,904,653</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 2 APRIL 2006

10 Creditors: amounts falling due after more than one year	2006 £	2005 £
Bank loan	1,753,295	1,152,047
Net obligations under finance leases and hire purchase agreements	263,540	340,899
	<u>2,016,835</u>	<u>1,492,946</u>
The bank loan is repayable as follows:		
Between one and two years	249,463	156,759
Between two and five years	734,396	470,276
In five years or more	769,436	525,012
	<u>1,753,295</u>	<u>1,152,047</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	196,748	239,584
Repayable between one and five years	263,539	358,728
	<u>460,287</u>	<u>598,312</u>
Finance charges and interest allocated to future accounting periods	(35,915)	(43,051)
	<u>424,372</u>	<u>555,261</u>
Included in liabilities falling due within one year	(160,832)	(214,362)
	<u>263,540</u>	<u>340,899</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

11 Provisions for liabilities and charges

Deferred
taxation
£

Balance at 4 April 2005	169,609
Profit and loss account	102,683
	<u>272,292</u>

Deferred tax is provided at 30% (2005 - 30%) analysed over the following timing differences:

	2006 £	2005 £
Accelerated capital allowances	275,096	171,415
Other timing differences	(2,804)	(1,806)
	<u>272,292</u>	<u>169,609</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 £127,000 (2005 - £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 £114,708 (2005 - £101,577). At the balance sheet date contributions of £9,348 (2005 - £6,019) were unpaid and are included in creditors.

13 Share capital

	2006 £	2005 £
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	<u>74,074</u>	<u>74,074</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

14 Statement of movement on reserves

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
Balance at 4 April 2005	26,026	1,184,675	4,735,656
Retained profit for the period	-	-	653,798
Unrealised surplus on revaluation of properties	-	1,242,829	-
Transfer from revaluation reserve to profit and loss account	-	(22,085)	22,085
Balance at 2 April 2006	<u>26,026</u>	<u>2,405,419</u>	<u>5,411,539</u>

15 Reconciliation of movements in Shareholders' funds

	2006 £	2005 £
Profit for the financial period	653,798	538,885
Unrealised surplus on revaluation of properties	1,242,829	-
Acquisition of own shares	-	(21,021)
Net addition to Shareholders' funds	<u>1,896,627</u>	<u>517,864</u>
Opening Shareholders' funds	6,020,431	5,502,567
Closing Shareholders' funds	<u>7,917,058</u>	<u>6,020,431</u>

16 Commitments

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

	2006 £	2005 £
Contracted	<u>112,915</u>	<u>60,926</u>

At 2 April 2006 the Company had annual commitments under non-cancellable operating leases as follows:

	2006 £	2005 £
Expiry date: Within one year	<u>-</u>	<u>25,500</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2006

17 Directors' emoluments	2006 £	2005 £
Remuneration	384,089	361,361
Pension contributions	53,806	49,559
	<u>437,895</u>	<u>410,920</u>
Emoluments of the highest paid Director	<u>89,023</u>	<u>84,347</u>
Pension contributions for the highest paid Director	<u>13,361</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:

	2006	2005
Direct production staff	130	111
Selling and distribution	2	2
Other support staff	61	57
	<u>193</u>	<u>170</u>

Employment costs	2006 £	2005 £
Wages and salaries	4,585,163	3,689,848
Social security costs	436,397	348,359
Other pension costs	114,708	91,033
Other employment costs	65,076	66,299
	<u>5,201,344</u>	<u>4,195,539</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.