Company No: 1564040

CML Group Limited

Annual Report

Year ended 31 March 2008

Contents of the Annual Report

Company Information

Directors	I D Brodie (Chairman) K N Edwards D N Haden G D Stewart
Secretary	K N Edwards
Registered office	PO Box 25 South Marston Park Swindon Wiltshire SN3 4TR
Registered number	1564040
Auditors	Grant Thornton UK LLP Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	Barclays Bank PLC Park House Stoke Gifford Bristol BS34 8TN

Report of the Directors

The directors present their report and the audited financial statements for the year ended 31 March 2008

Principal activities

The principal activities of the company in the year were precision engineering and manufacture of sub assemblies and components for the aerospace and transportation industries

Business review and future developments

CML performed well in 2007/08 with an improvement in operating profit before exceptional items and group recharges of 17% over the previous financial year on an increase in sales of 10% Despite pricing pressures from both customers and suppliers, through a programme of continuous improvement and tight control of overheads, CML has increased the return before exceptional items on sales to 14 3% (2007 13 5%) maintaining a very respectable return on capital employed of 45% (2007 46%)

Build rates for our major programme (Airbus A320) continued to increase with the consequence that investment in additional capacity for the Precision Machining Division will be required in the first half of the new financial year Turnover for the Fabrications Division grew by a further 16% this year on the back of strong demand for current programmes and the additional requirements for in-service spares which accounted for 30% of Fabrications sales The Treatments Division continues to provide excellent service in support of the other three divisions whilst increasing third party sales by some 21%

A strong performance was achieved in the Composites Division with sales up by 28% on the previous financial year Throughout the year, this division has seen build rates increase from key customers such as Airbus and Hawker Beechcraft with demand forecasted to continue at a high level CML has a firm base from which to develop further its composites capacity and capability To this end, the management team has been strengthened with the appointment of a dedicated Composites Development Manager with plans to increase engineering capability in the coming year

As part of the strategy going forward, CML is looking to diversify further into military programmes This will create a greater balance to complement the high levels of sales to the commercial and business jet sectors CML has invested in an upgrade of their Autoclave and Clean Room facilities to meet the exacting standards required by BAE Systems for the supply of composite components for the F35 Joint Strike Fighter, the first orders for which have now been received

Looking forward, the company is focusing on training and developing staff to support continuous improvement activities throughout the business In addition, CML will invest selectively in equipment to increase capacity and to support the aerospace industry's migration towards the increased use of light-weight carbon structures and titanium (hard metal) These actions will stand the company in good stead for the future

Notwithstanding the current economic situation, build rates going forward are showing strong growth, particularly for CML's largest customers such as Airbus, Hawker Beechcraft and GKN

Report of the Directors
(continued)

Key Performance Indicators

Sales/Head £000			Order Book £m (12 months)			ROCE		
2006	2007	2008	2006	2007	2008	2006	2007	2008
68	68	72	8 7	8 6	10 5	39%	46%	45%

(a) Production efficiencies enabled much of the 10% sales increase to come through to improve sales/head ratio, up 5% on last year

(b) The 22% increase on last year's order book demonstrates the strength of the aerospace market, providing a strong underpinning for next year

(c) ROCE is operating profit before exceptional items and a group recharges as a percentage of operating capital employed ROCE was excellent at 45% The fall since last year reflects the Company policy to move further from operating lease to finance lease for major equipment, together with pressure from customers for CML to hold higher levels of buffer inventory

Outlook

CML's core Airbus A320 and Hawker Beechcraft Corporate Jet programmes have strong production schedules for the next few years In addition, CML has recently won approval to supply composite parts for the JSF programme and is an existing supplier of parts into the Airbus A330 airframe used on the military tanker aircraft Therefore, CML should be able to look forward with confidence to a continuing period of sustained and steady growth

Dividends

The directors paid a final dividend for the year of £153,000 (2007 £64,000)

Principal risks and uncertainties facing the company

The financial statements contain certain forward-looking statements These statements are made by the Directors in good faith, based on the information available to them up to the time of approval of this report Actual results may differ from those expressed in such statements, depending on a variety of factors These factors include customer acceptance of the Company's products, changes in customer requirements and in levels of demand in the market, restrictions to market access, competitive pressure on pricing, delivery or technology, global defence spending levels, delays or additional cost in product design and launch programmes, fluctuations in manufacturing delivery performance, yields and costs, the loss or lack of key personnel, overall economic conditions

Financial instruments

The Company's operations expose it to a variety of financial risks including the effects of changes in interest rates, foreign currency exchange rates, credit risk and liquidity risk

The Company's principal financial instruments comprise cash and bank deposits and obligations under finance leases together with trade debtors and trade creditors that arise directly from its operations

The main risks arising from the Company's financial instruments can be analysed as follows

Report of the Directors
(continued)

Price risk

The Company has no significant exposure to securities price risk, as it holds no listed equity investments

Foreign currency risk

The Company operates in the UK but can be exposed in its trading operations to the risk of changes in foreign currency exchange rates The main foreign currency in which the Company operates is the US dollar The Company does not use derivative instruments in its management of this risk

Credit risk

The Company's principal financial assets are bank balances, cash and trade debtors, which represent the Company's maximum exposure to credit risk in relation to financial assets

The Company's credit risk is primarily attributable to its trade debtors Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Company's management based on prior experience and their assessment of the current economic environment The Company has no significant concentration of credit risk, with exposure spread over a large number of customers
The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Liquidity risk

The Company's policy has been to ensure continuity of funding through acquiring an element of the Company's fixed assets under finance leases, and arranging funding for operations via medium-term inter-group loans and credit facilities to aid short-term flexibility

Cash flow interest rate risks

Interest-bearing assets comprise cash and bank deposits, all of which earn interest at a market rate Interest rate on finance leases is at fixed rates and the Company's policy is to keep the finance lease borrowings within defined limits such that the risk that could arise from a significant change in interest rates would not have material impact on cash flows The Directors monitor the overall level of borrowings and interest costs to limit any adverse effects on financial performance of the Company

Environment
The Company's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business During the period covered by this report the Company has not incurred any significant fines or penalties or been investigated for any significant breach of environmental regulations

In September 2007, CML achieved accreditation to the ISO 14001 Environmental Management standard and, with support from the Carbon Trust, CML is committed to reduce its carbon footprint over the coming year through the implementation of energy saving projects

Report of the Directors
(continued)

Employee involvement
During the year the Company has continued its policy of full involvement of employees wherever possible This has taken place through the provision of information, consultation on policy issues where appropriate, and the mutual setting of objectives against which performance is measured The Company takes the approach of maximising performance through the heightening of awareness of corporate objectives and policies

Disabled persons
It is the Company's policy to offer equal opportunities to disabled persons applying for vacancies, having regard to their abilities in relation to the job for which they apply It is also Company practice, wherever possible, to continue the employment of any employees who become disabled during the course of their employment

Directors

The directors of the company who served during the year are set out on page 1

The interests of the directors, who are all main board directors of Intelek plc except for those directors noted below, are disclosed in the financial statements of that company

The beneficial interests of the directors and their families at 31 March 2008 and the beginning of the year in the ordinary share capital of Intelek plc, other than for main board directors are detailed below

	Ordinary shares of 5p each			
	Beneficial		Options under Executive Scheme	
	2008	2007	2008	2007
D N Haden	-	-	15,000	15,000
G D Stewart	60,735	43,919	80,000	80,000

There have been no changes in the above since the year end The options granted under the terms of the Executive Scheme are exercisable between 2008 and 2013 at prices of between 10 5p and 20p per share No options were exercised in the year

Statement of directors' responsibilities for the financial statements

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 judgments and 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

CML GROUP LIMITED

Report of the Directors

(continued)

- 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

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and

- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

RSM Robson Rhodes LLP resigned as auditors on 1 July 2007 and were replaced with Grant Thornton UK LLP Grant Thornton UK LLP are willing to continue in office and a resolution to re-appoint then will be proposed at the following Annual General Meeting

Approval

The report of the directors was approved by the Board on 28 July 2008 and signed on its behalf by

K N EDWARDS
Director and Secretary

Report of the Independent Auditor to the Members of CML Group

We have audited the financial statements of CML Group for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, and notes 1 to 23 These financial statements have been prepared under the accounting policies set out therein

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 Directors' Report and financial statements in accordance with United Kingdom law and 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 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we 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

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

Report of the Independent Auditor to the Members of CML Group

(continued)

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 2008 and of its profit for the year 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

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Birmingham
28 July 2008

Profit and Loss Account

for the year ended 31 March 2008

	Note	2008 £	2007 £
Turnover - continuing operations	2	12,878,175	11,703,949
Cost of sales		(10,244,833)	(9,364,903)
Gross profit		2,633,342	2,339,046
Distribution costs		(183,008)	(184,130)
Administrative expenses (including exceptional items and group recharges)		(1,221,043)	(1,826,285)
Operating profit before exceptional items and group recharges		1,845,639	1,582,096
Group recharges Defined benefit pension contribution		(576,000)	(519,000)
Exceptional pension contribution payment		(40,348)	(734,465)
Operating profit - continuing operations	3	1,229,291	328,631
Net interest payable	4	(47,184)	(32,563)
Profit on ordinary activities before taxation		1,182,107	296,068
Taxation	7	(361,358)	(175,515)
Profit for the year	17	820,749	120,553

There are no other recognised gains and losses other than those reported in the profit and loss account

CML GROUP LIMITED

Balance Sheet

at 31 March 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible fixed assets	9	2,266,853	2,053,603
Current assets			
Stocks	10	1,290,899	1,039,052
Debtors	11	2,767,889	2,276,810
Cash at bank and in hand		1,737,376	1,601,181
		5,796,164	4,917,043
Creditors: Amounts falling due within one year	12	(3,720,193)	(3,090,942)
Net current assets		2,075,971	1,826,101
Total assets less current liabilities		4,342,824	3,879,704
Creditors: Amounts falling due after more than one year	13	(861,853)	(1,064,156)
Provisions for liabilities and charges	14	-	-
Deferred income	15	(3,487)	(5,813)
Net assets		3,477,484	2,809,735
Capital and reserves			
Called up share capital	16	100,000	100,000
Profit and loss account	17	1,177,484	509,735
Capital contribution reserve	17	2,200,000	2,200,000
Equity shareholders' funds	18	3,477,484	2,809,735

The financial statements were approved by the Board on 28 July 2008 and signed on its behalf by

G D STEWART
Director

D N HADEN
Director

Notes to the Financial Statements

31 March 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention

Turnover

Turnover is the amount receivable for goods and services supplied, excluding value added tax Turnover is recognised on long term contracts as these progress and comprises the sales value of work performed in the year

Depreciation

Depreciation is provided to write down the cost of tangible fixed assets over their estimated useful lives No depreciation is provided on assets in the course of construction The principal annual rates used are

Plant and fixtures	8% to 20%	straight line (see below)
Motor vehicles	25%	straight line
Assets in course of construction	Not depreciated	

In certain cases plant and machinery is depreciated to residual value over 12½ years and then to £Nil value over a further five years

Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value Cost comprises direct material and labour and, where appropriate, includes attributable overheads Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal

Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date Deferred tax assets and liabilities are not discounted

Foreign currencies

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

Notes to the Financial Statements

31 March 2008

1. ACCOUNTING POLICIES (continued)

Pensions
The Company accounts for the Intelek Pension Scheme, defined benefit section, in accordance with FRS 17 "Retirement Benefits" As the assets of this multi-employer defined benefit scheme could not be split between the participating employers on a reasonable basis, the pension scheme is accounted for as if it were a defined contribution scheme, as permitted by FRS 17

In respect of the defined contribution section of the Intelek Pension Scheme, pension contributions are charged to the profit and loss account as incurred

Government grants
Grants in respect of fixed assets are credited to the profit and loss account in equal annual instalments over the useful lives of the assets concerned Other grants are credited to the profit and loss account in the same year as the expenditure to which they contribute

Leased assets
Fixed assets subject to finance leases are capitalised and depreciated in accordance with the depreciation policy stated above The corresponding liability for the capital element is included in creditors, and the interest, calculated on the basis of the amount outstanding, is charged against profits over the period of the lease The rental and operating lease costs of all other assets are charged against profit before interest, as incurred

Cash flow statement
The company has taken advantage of the exemption not to prepare a cash flow statement on the basis that it is a wholly-owned subsidiary of Intelek plc for which consolidated financial statements have been prepared

2. TURNOVER BY GEOGRAPHICAL MARKET

	2008 £	2007 £
United Kingdom	12,038,543	11,412,614
Rest of Europe	19,485	159,621
America	820,147	131,714
	12,878,175	11,703,949

An element of the sales made to United Kingdom customers is in respect of end customers based in overseas markets, particularly in the United States

Notes to the Financial Statements

31 March 2008

3. OPERATING PROFIT

Operating profit is arrived at after charging/(crediting)

	2008 £	2007 £
Depreciation	381,946	354,844
Amortisation of government grants	(2,326)	(2,325)
Profit on sale of fixed assets	(10,669)	(3,396)
Operating lease rentals		
- plant and machinery	125,664	229,848
- land and buildings	206,200	206,200
Auditors' remuneration – audit services	11,300	11,041
Auditors' remuneration – taxation services	2,800	2,700

4. NET INTEREST PAYABLE

	2008 £	2007 £
Bank overdraft interest	5,007	6,415
Finance leases and hire purchase	81,458	66,344
Interest receivable on group loans	(39,281)	(40,196)
	47,184	32,563

5. EMPLOYEES

Average monthly number of employees, including directors

	2008 No.	2007 No.
Production	166	159
Administration and distribution	13	13
	179	172

Staff costs, including directors

	2008 £	2007 £
Wages and salaries	4,533,732	4,201,816
Social security costs	440,800	404,873
Other pension costs	154,227	147,846
	5,128,759	4,754,535

Notes to the Financial Statements

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6. DIRECTORS

Emoluments of the company's directors

	2008 £	2007 £
Emoluments	210,232	202,222
Pension contributions	14,728	14,122
	224,960	216,344

Highest paid director

	2008 £	2007 £
Emoluments excluding pension contributions	130,104	123,727
Pension contributions	9,303	8,815
	139,407	132,542
No of directors who accrue benefits under a money purchase scheme	2	2

All other directors accrue retirement benefits within the parent company

7. TAXATION

	2008 £	2007 £
Group relief payable		
Current tax on income for the year	344,038	313,432
Adjustment in respect of prior year	48,888	59,517
Total current tax charge	392,926	372,949
Deferred taxation		
Net origination of timing differences	10,537	(192,778)
Adjustment in respect of prior years	(42,105)	2,531
Impact of future change in rate of corporation tax	-	(7,187)
Deferred taxation (note 14)	(31,568)	(197,434)
Tax on profit on ordinary activities	361,358	175,515

Notes to the Financial Statements

31 March 2008

7. TAXATION (continued)

Current tax reconciliation

	2008 £	2007 £
Profit on ordinary activities before taxation	1,182,107	296,068
Theoretical tax at UK corporation tax rate of 30% (2007 30%)	354,632	88,820
Effects of		
- Adjustments in respect of prior years	48,888	59,517
- Expenditure that is not tax deductible	1,424	18,063
- Accelerated capital allowances	104,152	85,500
- Short term timing differences	(116,170)	121,049
Actual current taxation charge	392,926	372,949

8. DIVIDENDS

	2008 £	2007 £
Final dividend paid of £1 53 per share (2007 £0 64 per share)	153,000	64,000

Notes to the Financial Statements

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9. TANGIBLE FIXED ASSETS

	Plant and fixtures £	Motor vehicles £	Total £
Cost			
At 1 April 2007	6,976,081	83,551	7,059,632
Additions	554,267	42,760	597,027
Disposals	(2,648)	(29,300)	(31,948)
At 31 March 2008	7,527,700	97,011	7,624,711
Depreciation			
At 1 April 2007	4,961,711	44,318	5,006,029
Charged in year	358,932	23,014	381,946
Disposals	(2,648)	(27,469)	(30,117)
At 31 March 2008	5,317,995	39,863	5,357,858
Net book value			
At 31 March 2008	2,209,705	57,148	2,266,853
At 31 March 2007	2,014,370	39,233	2,053,603

The net book value of the tangible fixed assets includes £1,395,614 (2007 £1,126,992) in respect of assets held under finance leases and hire purchase Depreciation charged in the year on those assets amounted to £183,133 (2007 £137,257)

Notes to the Financial Statements

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10. STOCKS

	2008 £	2007 £
Raw materials and consumables	463,021	351,611
Work in progress	796,737	655,919
Finished goods and goods for resale	31,141	31,522
	1,290,899	1,039,052

The replacement cost of the above would not be significantly different from the values stated

11. DEBTORS

	2008 £	2007 £
Trade debtors	2,469,436	2,088,315
Other debtors	1,379	1,050
Prepayments and accrued income	175,875	97,814
Deferred tax asset (note 14)	121,199	89,631
	2,767,889	2,276,810

12. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank overdraft (secured)	86,617	80,880
Obligations under finance leases	338,610	257,813
Trade creditors	1,059,674	959,501
Amounts due to parent undertaking	870,748	519,000
Other taxation and social security	463,783	430,769
Other creditors	47,843	4,173
Accruals	459,992	465,857
Corporation tax	392,926	372,949
	3,720,193	3,090,942

The overdraft is secured on the assets of the group

Notes to the Financial Statements

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

	2008 £	2007 £
Amounts owed to parent undertakings	-	294,748
Other creditors		
Obligations under finance leases		
- due between one and two years	346,144	268,402
- due between two and five years	515,709	501,006
	861,853	1,064,156

14 DEFERRED TAXATION

	Deferred taxation £
Provision at 1 April 2007	89,631
Credit to the profit and loss account (note 7)	31,568
Asset at 31 March 2008	121,199

	2008 £	2007 £
Deferred taxation comprises:		
Accelerated capital allowances	121,199	(23,346)
Short term timing differences	-	112,977
Deferred tax asset (note 11)	121,199	89,631

15 DEFERRED INCOME

	Government grant £
At 1 April 2007	5,813
Credit to profit and loss account	(2,326)
At 31 March 2008	3,487

Notes to the Financial Statements

31 March 2008

16 SHARE CAPITAL

	2008 £	2007 £
Authorised, allotted and fully paid		
100,000 ordinary shares of £1 each	100,000	100,000

17. RESERVES

	Capital contribution reserve £	Profit and loss account £
At 1 April 2007	2,200,000	509,735
Profit for the year	-	820,749
Dividends paid	-	(153,000)
At 31 March 2008	2,200,000	1,177,484

18. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the year	820,749	120,553
Dividends paid	(153,000)	(64,000)
Movement in equity shareholders' funds	667,749	56,553
Opening shareholders' funds	2,809,735	2,753,182
Closing equity shareholders' funds	3,477,484	2,809,735

19. CONTINGENT LIABILITY

The company has given an unlimited cross company guarantee in favour of Barclays Bank PLC as security for its borrowings and those of certain group undertakings

Notes to the Financial Statements

31 March 2008

20. FINANCIAL COMMITMENTS

Operating lease commitments

The annual commitments under operating leases are analysed to the year in which each lease expires, as follows

	2008 £	2007 £
Land and buildings, leases expiring		
within one year	16,000	16,000
between one and five years	10,200	10,200
beyond five years	180,000	180,000
	206,200	206,200
Plant and machinery, leases expiring		
within one year	-	125,666
between one and five years	-	-
	-	125,666
Other leases expiring		
within one year	-	-
Between one and five years	30,800	25,820
	30,800	25,820

21. PENSION SCHEME-DEFINED BENEFIT SECTION

As explained in Note 1, the Company's participation in the defined benefit section of the Intelek pension scheme is accounted for as a defined contribution arrangement on full adoption of FRS 17 The full disclosures required by FRS 17 of the aggregate valuation as at 31 March 2008 are given in the financial statements of Intelek plc The net pension deficit after deferred tax at 31 March 2008 is £3,753,000 (2007 £3,804,000)

22. RELATED PARTY DISCLOSURES

Advantage has been taken of the special exemption for group companies regarding related party disclosures

23. PARENT UNDERTAKING

The ultimate parent company is Intelek plc, which is registered in England and Wales Its group accounts are available on the Intelek web-site, www intelek plc uk