

**A B RHEAD & ASSOCIATES LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2009**



Murphy Salisbury  
Chartered Accountants and Registered Auditors  
15 Warwick Road  
Stratford Upon Avon  
Warwickshire  
CV37 6YW

**CONTENTS OF THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2009**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors on the Abbreviated Accounts</b>	<b>6</b>
<b>Abbreviated Profit and Loss Account</b>	<b>7</b>
<b>Abbreviated Balance Sheet</b>	<b>8</b>
<b>Notes to the Abbreviated Accounts</b>	<b>9</b>

**A B RHEAD & ASSOCIATES LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 JULY 2009**

**DIRECTORS:**

A B Rhead  
A C Ferguson  
C G Williams  
N A Curry  
B J Moore

**SECRETARY:**

B J Moore

**REGISTERED OFFICE:**

15 Warwick Road  
Stratford-upon-Avon  
Warwickshire  
CV37 6YW

**REGISTERED NUMBER:**

01890057 (England and Wales)

**AUDITORS:**

Murphy Salisbury  
Chartered Accountants and Registered Auditors  
15 Warwick Road  
Stratford Upon Avon  
Warwickshire  
CV37 6YW

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 JULY 2009**

The directors present their report with the accounts of the company for the year ended 31 July 2009

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of supplying quantity surveying services

**REVIEW OF BUSINESS**

The company continued to experience good growth over the 12 month period ending 31st July 2009

We are pleased to report growth in revenue of 8.9% on the previous year, delivering profit before tax of 13.7% for the company

This is a significant achievement working within the construction industry in what can only be described as extremely difficult trading conditions

The restructure that we put in place in 2008 has enabled us to grow key areas of the business. We secured our first contract within the air & maritime sector providing project controls and earned value management to a major European aircraft development company

The training and development of our resources remains pivotal to the business and has helped to retain and attract talent within each of the business divisions. We further developed our professional status by becoming members of the Association for Project Safety (APS) and the Association for Project Management (APM). Membership of these two industry bodies represents our commitment to ensuring effective safety and management across all the projects under our portfolio

Training is and will continue to be a priority for the business. We are supporting over 25% of our workforce to achieve either first or second degree status in a discipline relevant to the portfolio of services that we provide including environmental services, legal services (claims and dispute avoidance/resolution), quantity surveying, construction project management, health & safety, risk management and planning/project controls

Our expansion into the UAE has been a major achievement for the business. By establishing a presence in the UAE we have demonstrated our commitment to the region which in turn provides a high level of security to our growing local client base. We believe the number of oil and gas projects across this region will provide ample growth opportunities for our business over the coming years

The company remains focussed on delivering its growth strategy through a robust and market tested business plan which includes continued organic growth coupled with targeted acquisitions. The business has significant opportunity to lead market consolidation through a strong balance sheet underpinned by a proven track record of growth. The management team will continue to grow the enterprise value of the business whilst offering broader and challenging opportunities to the team

**DIVIDENDS**

The total distribution of dividends for the year ended 31 July 2009 will be £435,993

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2008 to the date of this report

A B Rhead  
A C Ferguson  
C G Williams  
N A Curry  
B J Moore

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company made charitable donations totalling £5,585 (2008, £8,409)

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 JULY 2009**

**RISKS AND UNCERTAINTIES**

The company has been fortunate to sustain good growth throughout what can only be described as turbulent economic times. Health & Safety remain key focus areas for the business. We continue to ensure that our people's well-being lies at the heart of our culture. It is our continued duty to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all of our employees.

We are accredited to OHSAS 18001 and as such we continue to review and where possible enhance our Health and Safety Policy Statement, carry out risk assessments and controls and implement appropriate training and competency for all members of the team. Our annual corporate review and audit ensures accurate management arrangements are in place to support Health & Safety across the whole business.

The economic climate and the cost of capital remains a major challenge for the construction industry. We are well positioned in markets which are recognised to be more resilient to recession than markets such as the public sector and housing. Our continued focus working in the energy sector on oil, gas and electricity projects and the power generation business working on wind farm and renewable energy resource projects has provided a level of protection against these tough trading conditions.

We must not be complacent and we understand that the funding available to construct and develop major capital programmes has become harder to secure. As a result, we are continually looking to develop new and innovative solutions to assist our clients to enhance the management and reporting of the construction projects under development.

Remaining agile and responsive to our clients needs will enhance our position in the market and enable us to continue to grow market share across the sectors in which we operate.

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 JULY 2009**

**EMPLOYEE SHARE SCHEMES**

The company has share option schemes whereby certain employees are able to subscribe for ordinary shares in The Rhead Group Limited, the ultimate parent company

Share options are granted on the recommendation of the board of directors on a discretionary basis. The schemes are used to provide long-term incentives to the recipients to assist in creating and sustaining growth in share value.

Share options granted can only be exercised whilst in continued employment and prior to the tenth anniversary of grant of the option. These share options were granted in November 2007.

All share incentives are over £1 ordinary shares of the company. There are performance conditions attached to some share option grants.

The employee expense is recognised equally over the vesting period for each option. The employee expense in the year to 31 July 2009 was £191,609 (2008: £3,560).

The fair value has been calculated from the price paid on a recent share issue.

Grant date	No shares at start of period	Granted	Exercised	Surrendered	No shares at end of period	Exercise prices	Vesting period
<b>Year ending 31 July 2008</b>							
31/07/08	-	10	-	-	10	£1	0-4 yrs
	-	10	-	-	10		
<b>Year ended 31 July 2009</b>							
31/07/08	10		-	-	10	£1	0-4 yrs
31/07/09	-	53	(21)	-	32	£1	0-4 yrs
31/07/09	-	100	(100)	-	-	£400	0-4 yrs
	10	153	(121)	-	42		

**DIRECTORS INDEMNITY INSURANCE**

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 JULY 2009**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Murphy Salisbury, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'B J Moore', written over a horizontal line.

B J Moore - Secretary

19 January 2010

**REPORT OF THE INDEPENDENT AUDITORS TO**  
**A B RHEAD & ASSOCIATES LIMITED**  
**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages seven to fifteen, together with the full financial statements of A B Rhead & Associates Limited for the year ended 31 July 2009 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Mark Bullock (Senior Statutory Auditor)  
for and on behalf of Murphy Salisbury  
Chartered Accountants and Registered Auditors  
15 Warwick Road  
Stratford Upon Avon  
Warwickshire  
CV37 6YW

19 January 2010



**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2009**

	Notes	2009 £	2008 £
<b>TURNOVER</b>	2	19,535,301	17,937,483
Cost of sales and other operating income		(13,894,123)	(13,573,699)
		<hr/> 5,641,178	<hr/> 4,363,784
Administrative expenses		<hr/> 2,996,588	<hr/> 2,333,933
<b>OPERATING PROFIT</b>	4	2,644,590	2,029,851
Interest receivable and similar income		<hr/> 36,074	<hr/> 63,186
		2,680,664	2,093,037
Interest payable and similar charges	5	<hr/> 158	<hr/> 689
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,680,506	2,092,348
Tax on profit on ordinary activities	6	<hr/> 775,274	<hr/> 633,634
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<hr/> 1,905,232	<hr/> 1,458,714
<b>PROFIT FOR THE YEAR</b>		1,905,232	1,458,714
Retained profit brought forward		<hr/> 3,997,755	<hr/> 2,518,195
		5,902,987	3,976,909
Dividends	7	(435,993)	(82)
Transfer to profit and loss reserve		<hr/> -	<hr/> 20,928
<b>RETAINED PROFIT CARRIED FORWARD</b>		<hr/> <hr/> 5,466,994	<hr/> <hr/> 3,997,755

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

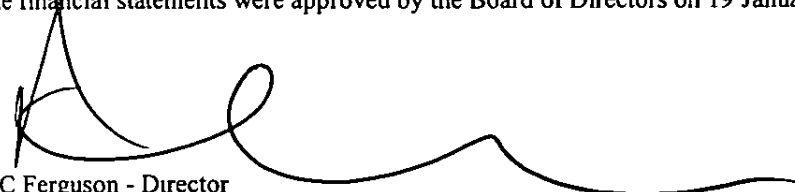
**ABBREVIATED BALANCE SHEET**

**31 JULY 2009**

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	8	315,824	223,690
Investments	9	95,100	95,000
		<u>410,924</u>	<u>318,690</u>
<b>CURRENT ASSETS</b>			
Debtors	10	7,872,330	6,309,077
Cash at bank and in hand		1,755,243	1,299,459
		<u>9,627,573</u>	<u>7,608,536</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	4,483,092	3,892,370
<b>NET CURRENT ASSETS</b>		<u>5,144,481</u>	<u>3,716,166</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,555,405</u>	<u>4,034,856</u>
<b>PROVISIONS FOR LIABILITIES</b>	13	-	7,923
<b>NET ASSETS</b>		<u><u>5,555,405</u></u>	<u><u>4,026,933</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	12,903	12,903
Share premium	15	12,715	12,715
Other reserves	15	62,793	3,560
Profit and loss account		5,466,994	3,997,755
<b>SHAREHOLDERS' FUNDS</b>	20	<u><u>5,555,405</u></u>	<u><u>4,026,933</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 19 January 2010 and were signed on its behalf by

  
A C Ferguson - Director

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2009**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Preparation of consolidated financial statements**

The financial statements contain information about A B Rhead & Associates Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

**Turnover**

Turnover represents net sales of services provided during the year, excluding value added tax

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 50% straight line basis

**Deferred tax**

Full provision is made in respect of timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are only recognised where their recoverability in the short term is regarded as more likely than not

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**Share options**

Share options are accounted for in accordance with FRS 20 'Share-based payments'. Options issued to directors and employees in the company have been valued at the price paid on a recent share issue during the period

The value of the share options is recognised in the profit and loss account as 'Other employee costs' over the period that they are accrued

The value is also reflected within the balance sheet within 'Share based payment reserve'

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2009**

**2 TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2009 £	2008 £
UK	19,104,403	17,562,279
Rest of World	430,898	375,204
	<u>19,535,301</u>	<u>17,937,483</u>

**3 STAFF COSTS**

	2009 £	2008 £
Wages and salaries	4,651,598	3,531,696
Social security costs	553,510	390,284
Other pension costs	346,837	196,652
	<u>5,551,945</u>	<u>4,118,632</u>

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

	2009	2008
Administration	30	9
Surveyors	68	77
	<u>98</u>	<u>86</u>

**4 OPERATING PROFIT**

The operating profit is stated after charging

	2009 £	2008 £
Hire of plant and machinery	2,179	672
Depreciation - owned assets	105,351	75,297
Auditors' remuneration	9,000	8,750
	<u>116,530</u>	<u>84,719</u>
Directors' remuneration	808,003	709,944
Directors' pension contributions to money purchase schemes	132,573	122,548

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>5</u>	<u>5</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	2009 £	2008 £
Emoluments etc	237,803	211,443
Pension contributions to money purchase schemes	33,000	33,000

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2009**

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2009	2008
	£	£
Bank interest	158	237
Interest on taxation paid late	-	452
	<u>158</u>	<u>689</u>

**6 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2009	2008
	£	£
Current tax		
UK corporation tax	783,238	633,085
Origination and reversal of timing differences	(7,964)	549
Tax on profit on ordinary activities	<u>775,274</u>	<u>633,634</u>

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2009	2008
	£	£
Profit on ordinary activities before tax	<u>2,680,506</u>	<u>2,092,348</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 29.333%)	750,542	613,748
Effects of		
Expenses not deductible	32,363	23,353
Depreciation in excess of capital allowances	(8,621)	(2,127)
Share based payment not deductible for tax purposes	8,954	1,044
Movement in provisions	-	(2,933)
Current tax charge	<u>783,238</u>	<u>633,085</u>

**7 DIVIDENDS**

	2009	2008
	£	£
Final	435,993	-
Interim	-	82
	<u>435,993</u>	<u>82</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 JULY 2009**

**8 TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 August 2008	151,793	37,598	346,213	535,604
Additions	37,267	7,569	152,649	197,485
At 31 July 2009	189,060	45,167	498,862	733,089
<b>DEPRECIATION</b>				
At 1 August 2008	60,023	1,958	249,933	311,914
Charge for year	14,315	9,698	81,338	105,351
At 31 July 2009	74,338	11,656	331,271	417,265
<b>NET BOOK VALUE</b>				
At 31 July 2009	114,722	33,511	167,591	315,824
At 31 July 2008	91,770	35,640	96,280	223,690

**9 FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 August 2008	95,000
Additions	100
At 31 July 2009	95,100
<b>NET BOOK VALUE</b>	
At 31 July 2009	95,100
At 31 July 2008	95,000

The company's investments at the balance sheet date in the share capital of companies include the following

**C-in-A Limited**

Nature of business Hire and lease of motor vehicles

	% holding 100 00	2009 £	2008 £
Class of shares			
Ordinary			
Aggregate capital and reserves		174,588	153,931
Profit for the year		20,657	36,385

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 JULY 2009**

**9 FIXED ASSET INVESTMENTS - continued**

**F & P Consulting Limited**

Nature of business Supply of quantity surveying services

	%		
Class of shares	holding		
Ordinary	100 00		
		2009	2008
		£	£
Aggregate capital and reserves		770,613	615,904
Profit for the year		154,709	262,867

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Trade debtors	5,160,672	3,802,500
Amounts owed by group undertakings	2,533,164	2,350,605
Sundry debtors	48,000	81,104
Deferred tax asset	41	-
Prepayments	130,453	74,868
	<u>7,872,330</u>	<u>6,309,077</u>

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Trade creditors	1,401,109	1,152,812
Amounts owed to group undertakings	709,508	447,204
Taxation	331,238	304,780
Social security and other taxes	137,843	93,912
VAT	255,698	371,454
Other creditors	218,399	192,697
Directors' current accounts	112	202
Accrued expenses	1,429,185	1,329,309
	<u>4,483,092</u>	<u>3,892,370</u>

**12 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2009	2008	2009	2008
	£	£	£	£
Expiring				
Within one year	7,600	15,000	104,753	126,403
Between one and five years	96,520	59,820	166,665	214,118
	<u>104,120</u>	<u>74,820</u>	<u>271,418</u>	<u>340,521</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2009**

**13 PROVISIONS FOR LIABILITIES**

	2008
	£
Deferred tax	7,923
	<u>7,923</u>
	Deferred
	tax
	£
Balance at 1 August 2008	7,923
Accelerated capital allowances	(7,964)
	<u>(41)</u>
Balance at 31 July 2009	<u>(41)</u>

**14 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			2009	2008
Number	Class	Nominal value	£	£
12,903	Ordinary	£1	<u>12,903</u>	<u>12,903</u>

**15 RESERVES**

	Share premium	Other reserves	Totals
	£	£	£
At 1 August 2008	12,715	3,560	16,275
Reserve for year	-	191,609	191,609
Transfer to profit and loss reserve	-	(132,376)	(132,376)
	<u>12,715</u>	<u>62,793</u>	<u>75,508</u>
At 31 July 2009	<u>12,715</u>	<u>62,793</u>	<u>75,508</u>

Other reserves is the share based payment reserve

**16 PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The cost of contributions to the pension scheme amount to £346,837 (2008 £196,652). At 31 July 2009 there were no outstanding contributions (2008 £Nil).

**17 ULTIMATE PARENT COMPANY**

The company's immediate and ultimate parent company is The Rhead Group Limited.

**18 RELATED PARTY DISCLOSURES**

FRS 8 "Related Party Disclosures" requires disclosure of the details of material transactions between the reporting entity and related parties. The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of The Rhead Group Limited.

**19 ULTIMATE CONTROLLING PARTY**

The company is controlled by A C Ferguson, a director, by virtue of his holding the majority of the shares in the ultimate parent undertaking.



**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2009**

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Profit for the financial year	1,905,232	1,458,714
Dividends	(435,993)	(82)
	<hr/>	<hr/>
Share option reserve	1,469,239	1,458,632
Share options exercised	231,609	3,560
	<hr/>	<hr/>
Share options exercised	(172,376)	-
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	<b>1,528,472</b>	<b>1,462,192</b>
Opening shareholders' funds	4,026,933	2,564,741
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>5,555,405</b>	<b>4,026,933</b>
	<hr/>	<hr/>

**21 EMPLOYEE SHARE SCHEMES**

The company has share option schemes whereby certain employees are able to subscribe for ordinary shares in The Rhead Group Limited, the ultimate parent company

Share options are granted on the recommendation of the board of directors on a discretionary basis. The schemes are used to provide long-term incentives to the recipients to assist in creating and sustaining growth in share value.

Share options granted can only be exercised whilst in continued employment and prior to the tenth anniversary of grant of the option. These share options were granted in November 2007.

All share incentives are over £1 ordinary shares of the company. There are performance conditions attached to some share option grants.

The employee expense is recognised equally over the vesting period for each option. The employee expense in the year to 31 July 2009 was £191,609 (2008: £3,560).

The fair value has been calculated from the price paid on a recent share issue.

Grant date	No shares at start of period	Granted	Exercised	Surrendered	No shares at end of period	Exercise prices	Vesting period
<b>Year ending 31 July 2008</b>							
31/07/08	-	10	-	-	10	£1	0-4 yrs
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
	-	10	-	-	10		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
<b>Year ended 31 July 2009</b>							
31/07/08	10		-	-	10	£1	0-4 yrs
31/07/09	-	53	(21)	-	32	£1	0-4 yrs
31/07/09	-	100	(100)	-	-	£400	0-4 yrs
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
	10	153	(121)	-	42		
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