

CALEY OCEAN SYSTEMS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

Company Registration No. SC200730 (Scotland)

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CALEY OCEAN SYSTEMS LIMITED

COMPANY INFORMATION

Directors	David Cooper James McPherson
Secretary	David Cooper
Company number	SC200730
Registered office	Mavor Avenue East Kilbride Glasgow G74 4PU
Auditors	William Duncan & Co. Bank Chambers 31 The Square Cumnock KA18 1AT
Business address	Mavor Avenue East Kilbride Glasgow G74 4PU
Bankers	Royal Bank of Scotland 272 Stonelaw Road Glasgow G73 3SB
Solicitors	Biggart Baillie 310 St Vincent Street Glasgow G2 5QR

CALEY OCEAN SYSTEMS LIMITED

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CALEY OCEAN SYSTEMS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

The directors present their report and financial statements for the year ended 30 September 2010.

Principal activities and review of the business

The principal activity of the company continued to be that of the design of lifting and handling equipment and other special purpose machinery.

In this financial year the company continued to be profitable and ended the year with good forward orders in hand for the coming year. The market conditions improved somewhat as the effects of the global financial crisis gradually diminished although it remained somewhat tentative. The company adapted to the challenges presented by the prevailing trading conditions and performed well.

The advancement of the in-house computer aided design and analysis capabilities has continued from being a development process and has now evolved to be consistently applied across all areas of project design and definition.

The in-house testing facility has proven to be very effective with a number of complex projects achieving the highest level of performance in the factory before being despatched. This testing has consistently demonstrated the excellence which is achieved from the care and attention during the design process.

The coming year will continue to bring fresh challenges with the forward order prospects appearing both interesting and exciting. The company is well placed to meet these demands and looks forward with keen anticipation to the coming year.

Results and dividends

The results for the year are set out on page 5.

The profit after taxation for the year was £201,382 (2009 : Profit £196,418).

Directors

The following directors have held office since 1 October 2009:

David Cooper

James McPherson

Auditors

The auditors, William Duncan & Co., are deemed to be reappointed under section 487(2) of the Companies Act 2006.

CALEY OCEAN SYSTEMS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 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:

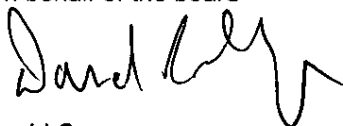
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



David Cooper

Director

27 June 2011

CALEY OCEAN SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CALEY OCEAN SYSTEMS LIMITED

We have audited the financial statements of Caley Ocean Systems Limited for the year ended 30 September 2010 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CALEY OCEAN SYSTEMS LIMITED

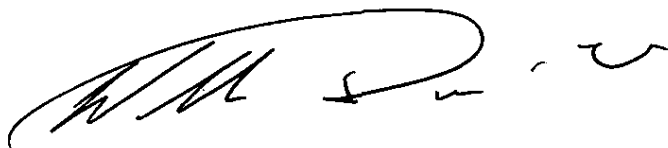
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CALEY OCEAN SYSTEMS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Graeme Bryson ACA CTA (Senior Statutory Auditor)
for and on behalf of William Duncan & Co.

27 June 2011

Chartered Accountants
Statutory Auditor

Bank Chambers
31 The Square
Cumnock
KA18 1AT

CALEY OCEAN SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	5,664,754	8,853,021
Cost of sales		(3,811,089)	(6,293,389)
Gross profit		1,853,665	2,559,632
Administrative expenses		(1,602,324)	(2,367,835)
Other operating income		7,992	34,062
Operating profit	3	259,333	269,573
Group loan written off		-	(43,714)
Profit on ordinary activities before interest		259,333	225,859
Other interest receivable and similar income	4	2,644	21,171
Interest payable and similar charges	5	(122)	(3,984)
Profit on ordinary activities before taxation		261,855	243,046
Tax on profit on ordinary activities	6	(60,473)	(46,628)
Profit for the year	15	201,382	196,418

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CALEY OCEAN SYSTEMS LIMITED

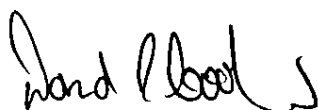
BALANCE SHEET

AS AT 30 SEPTEMBER 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	8		445,829		459,395
Current assets					
Stocks	9	243,955		166,897	
Debtors	10	2,422,802		2,085,689	
Cash at bank and in hand		1,850,255		3,058,186	
		<u>4,517,012</u>		<u>5,310,772</u>	
Creditors: amounts falling due within one year	11	<u>(2,910,672)</u>		<u>(3,649,380)</u>	
Net current assets			<u>1,606,340</u>		<u>1,661,392</u>
Total assets less current liabilities			<u>2,052,169</u>		<u>2,120,787</u>
Provisions for liabilities	12		<u>(70,000)</u>		<u>(100,000)</u>
			<u>1,982,169</u>		<u>2,020,787</u>
Capital and reserves					
Called up share capital	14	80,000		80,000	
Revaluation reserve	15	355,159		355,159	
Profit and loss account	15	1,547,010		1,585,628	
Shareholders' funds	16	<u>1,982,169</u>		<u>2,020,787</u>	

Approved by the Board and authorised for issue on 27 June 2011

David Cooper
Director



Mr James McPherson
Director



Company Registration No. SC200730

CALEY OCEAN SYSTEMS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	2010	2009
	£	£
Net cash (outflow)/inflow from operating activities	(1,039,252)	1,954,982
Returns on investments and servicing of finance		
Interest received	2,644	21,171
Interest paid	(122)	(3,984)
Net cash inflow for returns on investments and servicing of finance	2,522	17,187
Taxation	(46,628)	(153,836)
Capital expenditure		
Payments to acquire tangible assets	(4,573)	(63,846)
Receipts from sales of tangible assets	-	103,058
Net cash (outflow)/inflow for capital expenditure	(4,573)	39,212
Equity dividends paid	(120,000)	(120,000)
Net cash (outflow)/inflow before management of liquid resources and financing	(1,207,931)	1,737,545
Group loan written off	-	(43,714)
(Decrease)/increase in cash in the year	(1,207,931)	1,693,831

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2010	2009		
		£	£		
	Operating profit	259,333	269,573		
	Depreciation of tangible assets	18,139	45,827		
	Loss on disposal of tangible assets	-	6,942		
	(Increase)/decrease in stocks	(77,058)	255,308		
	(Increase)/decrease in debtors	(337,113)	1,306,523		
	(Decrease)/Increase in creditors within one year	(872,553)	70,809		
	Other reserve movement	(30,000)	-		
	Net cash (outflow)/inflow from operating activities	(1,039,252)	1,954,982		
2	Analysis of net funds	1 October 2009	Cash flow	Other non-cash changes	30 September 2010
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	3,058,186	(1,207,931)	-	1,850,255
	Bank deposits	-	-	-	-
	Net funds	3,058,186	(1,207,931)	-	1,850,255
3	Reconciliation of net cash flow to movement in net funds	2010	2009		
		£	£		
	(Decrease)/increase in cash in the year	(1,207,931)	1,693,831		
	Movement in net funds in the year	(1,207,931)	1,693,831		
	Opening net funds	3,058,186	1,364,355		
	Closing net funds	1,850,255	3,058,186		

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1 Accounting policies

1.1 Accounting convention

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

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover and profits

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

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of services provided to date based on proportion of the total contract value.

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:

Land and buildings Freehold	No depreciation
Plant and machinery	25% p.a straight line
Computer equipment	20%-33% p.a straight line
Fixtures, fittings & equipment	20%-25% p.a straight line
Motor vehicles	25% p.a straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full 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.

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1 Accounting policies

(continued)

1.10 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 profit and loss account.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Mavor Group Ltd, a company incorporated in Scotland, and is included in the consolidated accounts of that company.

1.12 Employee Benefit Trusts (EBT's)

Trusts have been established for the benefit of company employees and certain of their dependents. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the profit and loss account in the period to which they relate.

2 Turnover

Geographical market

	Turnover	
	2010	2009
	£	£
United Kingdom	1,502,890	3,637,683
Asia	(224,329)	369,030
Australasia	28,496	58,641
North America	1,026,368	2,424,407
Africa	-	4,224
Europe	3,331,329	2,359,036
	<u>5,664,754</u>	<u>8,853,021</u>

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2010

3	Operating profit	2010	2009
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	18,139	45,827
	Loss on disposal of tangible assets	-	6,942
	Operating lease rentals		
	- Plant and machinery	5,354	5,068
	Auditors' remuneration (including expenses and benefits in kind)	8,000	7,500
	and after crediting:		
	Profit on foreign exchange transactions	(16,074)	(80,268)
		<u><u> </u></u>	<u><u> </u></u>
 4	 Investment income	 2010	 2009
		£	£
	Bank interest	2,644	21,171
		<u> </u>	<u> </u>
		<u><u>2,644</u></u>	<u><u>21,171</u></u>
 5	 Interest payable	 2010	 2009
		£	£
	On bank loans and overdrafts	122	3,984
		<u><u> </u></u>	<u><u> </u></u>

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U.K. corporation tax	60,473	46,628
	Total current tax	<u>60,473</u>	<u>46,628</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>261,855</u>	<u>243,046</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>73,319</u>	<u>68,053</u>
	Effects of:		
	Non deductible expenses	-	13,441
	Depreciation add back	5,079	14,775
	Capital allowances	(3,350)	(13,811)
	Other tax adjustments	(14,575)	(35,830)
		<u>(12,846)</u>	<u>(21,425)</u>
	Current tax charge for the year	<u>60,473</u>	<u>46,628</u>
7	Dividends	2010 £	2009 £
	Dividends on non-equity shares:		
	Preference final proposed	<u>240,000</u>	<u>120,000</u>

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

8 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 October 2009	744,025	159,525	30,986	13,174	947,710
Additions	-	4,573	-	-	4,573
At 30 September 2010	744,025	164,098	30,986	13,174	952,283
Depreciation					
At 1 October 2009	314,025	131,217	29,899	13,174	488,315
Charge for the year	-	17,052	1,087	-	18,139
At 30 September 2010	314,025	148,269	30,986	13,174	506,454
Net book value					
At 30 September 2010	430,000	15,829	-	-	445,829
At 30 September 2009	430,000	28,308	1,087	-	459,395

The freehold land and buildings were valued on an open market basis on 1st February 2011 by James Barr Limited who are 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.

Standard security and floating charge exists over the whole assets of the company.

9 Stocks

	2010 £	2009 £
Raw materials and consumables	33,271	31,997
Long term contract balances:		
- Net cost less foreseeable losses	210,684	134,900
	<u>243,955</u>	<u>166,897</u>

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

10 Debtors	2010 £	2009 £
Trade debtors	1,737,000	1,501,640
Amounts recoverable on long term contracts	385,708	294,434
Amounts owed by parent and fellow subsidiary undertakings	192,286	62,286
Other debtors	107,808	227,329
	<u>2,422,802</u>	<u>2,085,689</u>

11 Creditors: amounts falling due within one year	2010 £	2009 £
Trade creditors	297,117	479,701
Corporation tax	60,473	46,628
Other taxes and social security costs	39,255	36,792
Other creditors	1,850,492	1,100,078
Accruals and deferred income	423,335	1,866,181
Proposed dividend	240,000	120,000
	<u>2,910,672</u>	<u>3,649,380</u>

12 Provisions for liabilities	Other £
Balance at 1 October 2009	100,000
Profit and loss account	(30,000)
	<u>70,000</u>
Balance at 30 September 2010	<u>70,000</u>

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

13 Pension and other post-retirement benefit commitments

Defined contribution

Caley Ocean Systems Limited makes contributions to a money purchase scheme on behalf of David R. Cooper and James G. McPherson to the value of £42,033 (2009 - £33,638).

	2010 £	2009 £
Contributions payable by the company for the year	102,494	77,738

14 Share capital

Allotted, called up and fully paid

	2010 £	2009 £
51,200 Ordinary A shares of £1 each	51,200	51,200
28,800 Ordinary B shares of £1 each	28,800	28,800
	80,000	80,000

15 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 October 2009	355,159	1,585,628
Profit for the year	-	201,382
Dividends paid	-	(240,000)
Balance at 30 September 2010	355,159	1,547,010

16 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	201,382	196,418
Dividends	(240,000)	(120,000)
Net (depletion in)/addition to shareholders' funds	(38,618)	76,418
Opening shareholders' funds	2,020,787	1,944,369
Closing shareholders' funds	1,982,169	2,020,787

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

17 Contingent liabilities

At the end of the year under review advance payment and performance bonds and guarantees totalling £315,877 were in issue to customers by Royal Bank of Scotland and HBOS. These guarantees are payable if the company fails to fulfill the terms of the contracts covered by them.

18 Directors' remuneration

	2010 £	2009 £
Remuneration for qualifying services	707,493	1,325,136
Company pension contributions to defined contribution schemes	42,033	33,885
	<u>749,526</u>	<u>1,359,021</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2009 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	354,307	662,675
Company pension contributions to defined contribution schemes	<u>21,295</u>	<u>16,819</u>

CALEY OCEAN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2010 Number	2009 Number
Direct & Engineering	22	21
Administration	6	6
	<u>28</u>	<u>27</u>

Employment costs

	2010 £	2009 £
Wages and salaries	1,467,425	2,081,487
Social security costs	173,407	208,383
Other pension costs	102,494	77,738
	<u>1,743,326</u>	<u>2,367,608</u>

20 Control

The company is controlled by the directors by virtue of their shareholding in the parent company, Mavor Group Limited.

21 Related party relationships and transactions

Caley Ocean Systems Limited is a related party of Caley Automation Limited through common directorship. During the year Caley Ocean Systems Limited made sales to the value of £204,445 (2009 - £191,810) to Caley Automation Limited. At 30 September 2010 Caley Automation Limited owed Caley Ocean Systems Limited £240,028 (2009 - £222,045) and due to very limited funds available for repayment, this balance excluding vat totalling £204,445 (2009 - £191,810) was written off at the year end. During the year Caley Ocean Systems Ltd gave a £130,000 (2009 - £100,000) loan to Caley Automation to help ease cashflow problems. The balance outstanding at the year end totalled £186,286 (2009 - £56,286).

CALEY OCEAN SYSTEMS LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2010

CALEY OCEAN SYSTEMS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

		2010		2009
	£	£	£	£
Turnover				
Sales		5,664,754		8,853,021
Cost of sales				
External costs	3,128,511		5,717,258	
Wages and salaries (excl. N.I.)	579,070		554,996	
Employer's NI contributions	69,495		66,219	
Staff pension costs defined contribution	50,087		35,184	
Loss / (profit) on foreign exchange	(16,074)		(80,268)	
		(3,811,089)		(6,293,389)
Gross profit	32.72%	1,853,665	28.91%	2,559,632
Administrative expenses		(1,602,324)		(2,324,121)
		251,341		235,511
Other operating income				
Sundry income		7,992		34,062
Operating profit		259,333		269,573
Exceptional items				
Group loan written off	-		(43,714)	
		-		(43,714)
Other interest receivable and similar income				
Bank interest - received		2,644		21,171
Interest payable				
Bank overdraft interest - paid		(122)		(3,984)
Profit before taxation	4.62%	261,855	2.75%	243,046

CALEY OCEAN SYSTEMS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	2010	2009
	£	£
Administrative expenses		
Wages and salaries (excl. N.I.)	180,862	201,355
Directors' remuneration	707,493	1,325,136
Employer's NI contributions	103,912	142,164
Directors' contributions on money purchase scheme	42,033	33,885
Staff pension costs defined contribution	10,374	8,669
Other staff costs	19,651	20,111
Rent	36,200	20,350
Rates & insurance	70,028	73,020
Light and heat	12,234	12,132
Repairs and maintenance	80,141	92,649
Stationery, printing & office supplies	13,879	12,749
Advertising	8,434	5,397
Telephone	13,791	12,870
Equipment leasing	5,354	5,068
Motor running expenses	2,393	2,214
Travelling expenses	33,707	35,755
Legal and prof fees - allowable	23,437	48,318
Audit fees	8,000	7,500
Bank charges	5,980	7,855
Bad and doubtful debts	204,445	191,810
Sundry expenses - allowable	376	10,776
Subscriptions - allowable	1,461	1,569
Depreciation	18,139	45,827
Loss / (profit) on sale of fixed assets	-	6,942
	<u>1,602,324</u>	<u>2,324,121</u>