

Company Registration No. 1624460 (England and Wales)

BRADGATE CONTAINERS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2006

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BRADGATE CONTAINERS LIMITED

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BRADGATE CONTAINERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2006

The directors present their report and financial statements for the year ended 31 August 2006.

Principal activities and review of the business

The company's principal activity during the year was the manufacture of acoustic and containerised equipment.

The directors consider the company to have performed well during this financial year. New markets have been investigated and substantial gains in turnover and profitability have been secured.

Raw material prices have been a major risk to the profitability of the business but careful negotiations have minimised the effect of these increases within the company. Also currency changes have had both positive and negative effects, the latter especially effecting dollar contracts.

The ongoing business models still show growth for the company which will continue to be financed by inhouse funds rather than external sources.

Results and dividends

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

Research and development

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

Directors

The following directors have held office since 1 September 2005:

W A James
J W James
P N Stapleton
D Gallacher
J P Bexon
I C Caddick

Directors' interests

The directors' interests in the shares of the ultimate parent company were as stated below:

	Ordinary shares of £ 1 each	
	31 August 2006	1 September 2005
W A James	4,544	6,250
J W James	4,544	6,250
P N Stapleton	4,544	6,250
D Gallacher	4,544	6,250
J P Bexon	-	-
I C Caddick	-	-

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

BRADGATE CONTAINERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Marsh and Moss Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

The directors are responsible for preparing 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

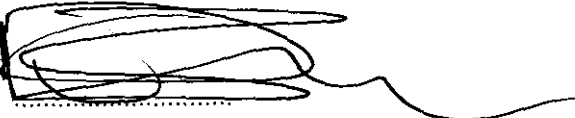
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 the company's auditors are aware of that information.

On behalf of the board



P N Stapleton

Director

23.1.07

BRADGATE CONTAINERS LIMITED

INDEPENDENT AUDITORS' REPORT TO BRADGATE CONTAINERS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 18, together with the financial statements of Bradgate Containers Limited for the year ended 31 August 2006 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 audit 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 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Marsh and Moss Limited

.....23.1.07.....

Accountants and
Registered Auditors

The Gables
Bishop Meadow Road
Loughborough
Leicestershire
LE11 5RQ

BRADGATE CONTAINERS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2006

	Notes	2006 £	2005 £
Gross profit		4,603,427	3,353,146
Administrative expenses		(3,796,411)	(2,901,443)
Operating profit	2	807,016	451,703
Other interest receivable and similar income		593	30,203
Interest payable and similar charges	4	(177,772)	(12,900)
Profit on ordinary activities before taxation		629,837	469,006
Tax on profit on ordinary activities	5	(506,014)	(202,588)
Profit for the year	15	123,823	266,418

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.

BRADGATE CONTAINERS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 AUGUST 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	7	2,065,452		2,160,234	
Investments	8	300,600		300,600	
		<u>2,366,052</u>		<u>2,460,834</u>	
Current assets					
Stocks	9	1,034,907		674,511	
Debtors	10	2,943,908		2,997,263	
Cash at bank and in hand		94,137		178,836	
		<u>4,072,952</u>		<u>3,850,610</u>	
Creditors: amounts falling due within one year	11	<u>(4,017,431)</u>		<u>(2,034,345)</u>	
Net current assets			55,521		1,816,265
Total assets less current liabilities			2,421,573		4,277,099
Provisions for liabilities	12		<u>(86,469)</u>		<u>(65,818)</u>
			<u>2,335,104</u>		<u>4,211,281</u>
Capital and reserves					
Called up share capital	14	25,000		25,000	
Profit and loss account	15	2,310,104		4,186,281	
Shareholders' funds	16		<u>2,335,104</u>		<u>4,211,281</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and authorised for issue on23.11.07.....



P N Stapleton
Director

BRADGATE CONTAINERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2006

	2006		2005	
	£	£	£	£
Net cash inflow/(outflow) from operating activities	1,913,123		(296,325)	
Returns on investments and servicing of finance				
Interest received	593		30,203	
Interest paid	-		2,100	
	<u>593</u>		<u>32,303</u>	
Net cash inflow for returns on investments and servicing of finance	593		32,303	
Taxation	(342,545)		(8,376)	
Capital expenditure				
Payments to acquire tangible assets	(288,980)		(602,996)	
Receipts from sales of tangible assets	170,117		120,450	
	<u>(118,863)</u>		<u>(482,546)</u>	
Net cash outflow for capital expenditure	(118,863)		(482,546)	
Equity dividends paid	(2,000,000)		-	
	<u>(2,000,000)</u>		<u>-</u>	
Net cash outflow before management of liquid resources and financing	(547,692)		(754,944)	
	<u>(547,692)</u>		<u>(754,944)</u>	
Decrease in cash in the year	<u>(547,692)</u>		<u>(754,944)</u>	

BRADGATE CONTAINERS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2006

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2006	2005
		£	£
	Operating profit	807,016	451,703
	Depreciation of tangible assets	232,138	209,586
	(Profit)/loss on disposal of tangible assets	(18,493)	835
	Increase in stocks	(360,396)	(79,193)
	Decrease/(increase) in debtors	53,355	(786,653)
	Increase/(decrease) in creditors within one year	1,199,503	(92,603)
	Net cash inflow/(outflow) from operating activities	1,913,123	(296,325)

2	Analysis of net (debt)/funds	1 September 2005	Cash flow	Other non-cash changes	31 August 2006
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	178,836	(84,699)	-	94,137
	Bank overdrafts	-	(462,993)	-	(462,993)
		<u>178,836</u>	<u>(547,692)</u>	<u>-</u>	<u>(368,856)</u>
	Net funds/(debt)	<u>178,836</u>	<u>(547,692)</u>	<u>-</u>	<u>(368,856)</u>

3	Reconciliation of net cash flow to movement in net (debt)/funds	2006	2005
		£	£
	Decrease in cash in the year	(547,692)	(754,944)
	Movement in net (debt)/funds in the year	(547,692)	(754,944)
	Opening net funds	178,836	933,780
	Closing net (debt)/funds	(368,856)	178,836

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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

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

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.5 Tangible fixed assets and depreciation

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

Land and buildings Freehold	Straight line over fifty years
Land and buildings Leasehold	Straight line over fifty years
Plant and machinery	15% Reducing balance basis
Computer equipment	25% Straight line / 50% Straight line
Fixtures, fittings & equipment	15% Reducing balance basis
Motor vehicles	25% Reducing balance basis

1.6 Leasing

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

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes direct materials, labour and manufacturing overheads incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs to completion and selling costs.

1.9 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.

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

1 Accounting policies

(continued)

1.10 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax 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.

1.11 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.

2	Operating profit	2006 £	2005 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	232,138	209,586
	Loss on disposal of tangible assets	-	835
	Research and development	-	4,966
	Operating lease rentals	195,892	191,708
	Auditors' remuneration	8,470	7,500
	and after crediting:		
	Profit on disposal of tangible assets	(18,493)	-
	Profit on foreign exchange transactions	(38,082)	(977)
		<u>232,138</u>	<u>209,586</u>
3	Investment income	2006 £	2005 £
	Bank interest	10,383	29,908
	Other interest	(9,790)	295
		<u>593</u>	<u>30,203</u>
4	Interest payable	2006 £	2005 £
	On other loans wholly repayable within five years	-	(2,100)
	On overdue tax	177,772	15,000
		<u>177,772</u>	<u>12,900</u>

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

5	Taxation	2006 £	2005 £
	Domestic current year tax		
	U.K. corporation tax	181,196	163,581
	Adjustment for prior years	304,167	-
	Current tax charge	485,363	163,581
	Deferred tax		
	Deferred tax charge/credit current year	20,651	39,007
		506,014	202,588
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	629,837	469,006
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	188,951	140,702
	Effects of:		
	Non deductible expenses	12,428	51,300
	Depreciation add back	64,093	63,126
	Capital allowances	(84,276)	(86,348)
	Adjustments to previous periods	304,167	-
	Other tax adjustments	-	(5,199)
		296,412	22,879
	Current tax charge	485,363	163,581
6	Dividends	2006 £	2005 £
	Ordinary interim paid 1 December 2005	2,000,000	-

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

7 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2005	1,345,618	17,076	1,354,313	365,624	715,119	3,797,750
Additions	-	-	8,025	10,579	270,376	288,980
Disposals	-	-	-	-	(356,524)	(356,524)
At 31 August 2006	1,345,618	17,076	1,362,338	376,203	628,971	3,730,206
Depreciation						
At 1 September 2005	156,680	4,016	868,416	271,985	336,419	1,637,516
On disposals	-	-	-	-	(204,900)	(204,900)
Charge for the year	23,261	341	73,753	20,819	113,964	232,138
At 31 August 2006	179,941	4,357	942,169	292,804	245,483	1,664,754
Net book value						
At 31 August 2006	1,165,677	12,719	420,169	83,399	383,488	2,065,452
At 31 August 2005	1,188,938	13,060	485,897	93,639	378,700	2,160,234

Included within freehold land and buildings are non depreciable assets of £182,615 (2005 £182,615).

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 September 2005 & at 31 August 2006	<u>300,600</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Industrial Marine Silencers Limited	England	Ordinary	100.00
Kirton Engineering Limited	England	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2006 £	Profit for the year 2006 £
Industrial Marine Silencers Limited	1,421,028	178,456
Kirton Engineering Limited	<u>1,635,678</u>	<u>70,168</u>

The principal activity of Industrial Marine Silencers Limited is that of the design and manufacture of exhaust silencers.

The principal activity of Kirton Engineering Limited is that of the manufacture of water reclamation equipment.

9 Stocks and work in progress

	2006 £	2005 £
Raw materials and consumables	363,384	283,927
Work in progress	<u>671,523</u>	<u>390,584</u>
	<u>1,034,907</u>	<u>674,511</u>

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

10 Debtors	2006 £	2005 £
Trade debtors	2,680,781	2,703,367
Amounts owed by subsidiary undertakings	49,668	108,799
Other debtors	29,559	5,718
Prepayments and accrued income	183,900	179,379
	<u>2,943,908</u>	<u>2,997,263</u>
11 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	462,993	-
Payments received on account	242,705	-
Trade creditors	1,494,572	1,013,001
Amounts owed to subsidiary undertakings	29,075	78,444
Corporation tax	304,299	161,481
Other taxes and social security costs	187,128	439,001
Directors' current accounts	114,302	253,902
Other creditors	186,239	15,292
Accruals and deferred income	996,118	73,224
	<u>4,017,431</u>	<u>2,034,345</u>

There is an unscheduled mortgage debenture dated 10 March 1989 incorporating a fixed and floating charge over all current and future assets of the company.

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 September 2005	65,818
Profit and loss account	20,651
	<hr/>
Balance at 31 August 2006	86,469
	<hr/>

The deferred tax liability is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	86,469	65,818
	<hr/>	<hr/>

13 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2006 £	2005 £
Contributions payable by the company for the year	86,493	90,613
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14 Share capital

	2006 £	2005 £
Authorised		
30,000 Ordinary shares of £1 each	30,000	30,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	25,000	25,000
	<hr/>	<hr/>

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2005	4,186,281
Profit for the year	123,823
Dividends paid	(2,000,000)
Balance at 31 August 2006	<u>2,310,104</u>

16 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	123,823	266,418
Dividends	(2,000,000)	-
Net (depletion in)/addition to shareholders' funds	<u>(1,876,177)</u>	<u>266,418</u>
Opening shareholders' funds	4,211,281	3,944,863
Closing shareholders' funds	<u>2,335,104</u>	<u>4,211,281</u>

17 Contingent liabilities

There is an intercompany cross guarantee dated 21 May 2002 between Bradgate Containers (Holdings) Limited, Bradgate Containers Limited, Kirton Engineering Limited and Industrial & Marine Silencers Limited.

18 Financial commitments

At 31 August 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2007:

	Land and buildings		Other	
	2006 £	2005 £	2006 £	2005 £
Operating leases which expire:				
Within one year	-	-	1,120	-
Between two and five years	-	-	26,154	30,634
In over five years	164,545	164,545	-	-
	<u>164,545</u>	<u>164,545</u>	<u>27,274</u>	<u>30,634</u>

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

19 Capital commitments	2006 £	2005 £
At 31 August 2006 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	52,099	-

20 Directors' emoluments	2006 £	2005 £
Emoluments for qualifying services	1,802,634	921,145
Company pension contributions to money purchase schemes	86,493	90,613
	1,889,127	1,011,758

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2005- 4).

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

Emoluments for qualifying services	459,511	246,912
Company pension contributions to money purchase schemes	41,000	39,600

The following directors emoluments were payable to Bradgate Containers Limited directors by its subsidiaries:-

Emoluments for qualifying services	600,000	180,000
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Emoluments disclosed above include the following amounts paid to the highest paid director by its subsidiaries:

Emoluments for qualifying services	150,000	45,000
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BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

21 Transactions with directors

Included within debtors falling due within one year are the following amounts owed by directors of the company.

	Amount outstanding		Maximum
	2006	2005	in year
	£	£	£
Directors loan - W A James	1,172	5,718	8,411
Directors loan - D Gallacher	18,179	-	18,179

Included within creditors falling due within one year are the following amounts owed to directors of the company.

	Amount outstanding	
	2006	2005
	£	£
Directors loan - W A James	-	-
Directors loan - J W James	105,000	201,200
Directors loan - P N Stapleton	9,302	20,027
Directors loan - D Gallacher	-	32,874

22 Employees

Number of employees

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

	2006 Number	2005 Number
Office and management	31	31
Manufacturing and services	24	22
	55	53

Employment costs

	2006 £	2005 £
Wages and salaries	2,741,032	1,804,487
Social security costs	349,800	344,657
Other pension costs	86,493	90,613
	3,177,325	2,239,757

BRADGATE CONTAINERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

23 Ultimate parent company

The ultimate parent company is Bradgate Containers (Holdings) Limited, a company registered in England and Wales.

Bradgate Containers (Holdings) Limited prepares group financial statements and copies can be obtained from - Leicester Road, Shepshed, Loughborough, Leicestershire.

24 Related party transactions

Bradgate Containers Limited paid rent and insurance of £164,545 and £4,814 to Bradgate Industrial Properties Limited. The directors, Mr W A James and Mr J W James, each own 50% of the share capital in Bradgate Industrial Properties Limited.

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.