

Registration number: 00606312

# Light Aircraft Association Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

# Light Aircraft Association Limited

## Contents

Company Information	1
Directors' Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 15
Detailed Profit and Loss Account	16 to 17

# Light Aircraft Association Limited

## Company Information

<b>Chairman</b>	Mr T Hardy
<b>Directors</b>	Mr T Hardy Mr D Mole Mr M B Z de Ferranti Mr W N W Garton-Jones Mr J C McKenna Mr G J Newby Mr S Slater Mr D J Millin Mr E M Smith
<b>Company secretary</b>	Mr D Mole
<b>Registered office</b>	Turweston Aerodrome Nr Brackley Northamptonshire NN13 5YD
<b>Auditors</b>	Phipps Henson McAllister 4 South Bar Street Banbury Oxfordshire OX16 9AA
<b>Bankers</b>	National Westminster Bank plc 20 Dean Street London W1A 1SX

## **Light Aircraft Association Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr T Hardy - Chairman

Mr D Mole - Company secretary and director

Mr M B Z de Ferranti

Mr W N W Garton-Jones

Mr J C McKenna

Mr G J Newby

Mr S Slater

Mr D J Millin (appointed 6 July 2018)

Mr E M Smith (appointed 26 October 2018)

Mr B Davies (resigned 21 October 2018)

Mr S A Hutt (resigned 21 October 2018)

Mr W J Lee (resigned 21 October 2018)

#### **Principal activity**

The principal activity of the company is that of a membership organisation.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

# Light Aircraft Association Limited

## Directors' Report for the Year Ended 31 December 2018

### Chairman's statement

During 2018 the Association achieved a stable and satisfactory financial performance. A reduction in the recorded turnover from the 2017 accounts reflects the previous year's donation of £81,025 from LAAET following the decision of the trustees to close the charity. This donation was passed to the Armstrong Isaacs Fund and is shown as a Restricted Fund in the accounts. Turnover from normal operations during 2018 were £1,312,580 and costs were £975,542; creating a pre-tax surplus of £62,859 or 4.79% of turnover.

As stated in last year's accounts, the Association has sufficient reserves to protect our members from any short term increase in the cost of membership and it is therefore intended that during 2019 to increase engineering staffing levels, both to improve the level of service to members and to provide longer-term succession planning. This will lead to a planned short-term deficit in coming years, but represents an important investment in our future.

Throughout the year the board of directors has continued to explore ways of improving member benefits. This has included further work with Air Courtage Assurances to develop its member-led insurance programmes, as well as enhancing member training activities in line with our agreed strategy to invest in improved educational products in the coming years.

We continue to work with the CAA to improve the scope and utility of the LAA aircraft fleet, including gaining the agreement for the use of selected LAA Permit aircraft for post-PPL remunerated use and we are also seeking approval to enable the use of member's aircraft for remunerated ab-initio training. In addition we are seeking CAA approval for the transition of additional aircraft types to LAA oversight.

We are continuing to work hard in our position as a significant voice on behalf of sport flying in the UK. We have a key advocacy role in areas such as airspace management, future airfield planning strategies, STEM and education, as well as our core engineering oversight role.

This work clearly would not be possible without the unstinting support of many volunteers who give their time freely. They are supported by a small band of loyal and hardworking employees who are committed to delivering excellent service to our members. On behalf of the board and all LAA members, I would like to express our thanks to those who make our Association so successful.

Approved by the Board on ..... and signed on its behalf by:

.....  
Mr T Hardy  
Chairman

.....  
Mr D Mole  
Company secretary and director

## **Light Aircraft Association Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 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 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.

## **Light Aircraft Association Limited**

### **Independent Auditor's Report to the Members of Light Aircraft Association Limited**

#### **Opinion**

We have audited the financial statements of Light Aircraft Association Limited (the 'company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Light Aircraft Association Limited**

### **Independent Auditor's Report to the Members of Light Aircraft Association Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## **Light Aircraft Association Limited**

### **Independent Auditor's Report to the Members of Light Aircraft Association Limited**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

.....  
Christopher Henson (Senior Statutory Auditor)  
For and on behalf of Phipps Henson McAllister, Statutory Auditor

4 South Bar Street  
Banbury  
Oxfordshire  
OX16 9AA

Date:.....

## Light Aircraft Association Limited

### Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover		1,312,580	1,399,601
Cost of sales		<u>(272,825)</u>	<u>(259,180)</u>
Gross profit		1,039,755	1,140,421
Administrative expenses		<u>(975,542)</u>	<u>(921,653)</u>
Operating profit		<u>64,213</u>	<u>218,768</u>
Income from other fixed asset investments		344	-
Other interest receivable and similar income		6,837	4,456
Amounts written off investments		<u>(8,535)</u>	<u>-</u>
		<u>(1,354)</u>	<u>4,456</u>
Profit before tax	5	<u>62,859</u>	<u>223,224</u>
Profit for the financial year		<u><u>62,859</u></u>	<u><u>223,224</u></u>

The above results were derived from continuing operations.

In 2017, transfers of capital and donations were included in the profit for the year. For 2018, these have been included in movements of other reserves (Note 14).

**Light Aircraft Association Limited**  
**(Registration number: 00606312)**  
**Balance Sheet as at 31 December 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	6	41,479	42,234
<b>Current assets</b>			
Stocks	7	6,017	5,600
Debtors	8	36,088	59,555
Investments	9	972,086	778,902
Cash at bank and in hand		634,382	678,133
		1,648,573	1,522,190
<b>Creditors:</b> Amounts falling due within one year	10	(283,731)	(269,716)
<b>Net current assets</b>		1,364,842	1,252,474
<b>Net assets</b>		1,406,321	1,294,708
<b>Capital and reserves</b>			
Called up share capital		100	100
Other reserves		284,377	235,624
Profit and loss account		1,121,844	1,058,984
Total equity		1,406,321	1,294,708

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on ..... and signed on its behalf by:

.....  
Mr T Hardy  
Chairman

.....  
Mr D Mole  
Company secretary and director

## Light Aircraft Association Limited

### Statement of Changes in Equity for the Year Ended 31 December 2018

	<b>Share capital</b>	<b>Other reserves</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2018	100	235,624	1,058,985	1,294,709
Profit for the year	-	-	62,859	62,859
Other reserves - donations received	-	52,980	-	52,980
Other reserves - funds used	-	(4,227)	-	(4,227)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	48,753	62,859	111,612
At 31 December 2018	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>Share capital</b>	<b>Other reserves</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2017	100	152,953	918,431	1,071,484
Profit for the year	-	-	223,224	223,224
Other comprehensive income: Movement in year	-	82,671	(82,671)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	82,671	140,553	223,224
At 31 December 2017	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A breakdown of Other reserves can be found in Note 14

# Light Aircraft Association Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 1 General information

The address of its registered office is:

Turweston Aerodrome

Nr Brackley

Northamptonshire

NN13 5YD

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	15% reducing balance / 33% straight line
Other equipment	15% reducing balance / 25% straight line
Motor vehicles	25% reducing balance

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# Light Aircraft Association Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Staff numbers

The average number of persons employed by the company (not including unpaid directors) during the year, was 14 (2017 - 12).

### 4 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>4,650</u>	<u>4,400</u>

### 5 Profit before tax

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	<u>17,493</u>	<u>14,410</u>

## Light Aircraft Association Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 6 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	85,731	18,500	35,530	139,761
Additions	-	18,329	829	19,158
Disposals	-	(18,500)	-	(18,500)
At 31 December 2018	<u>85,731</u>	<u>18,329</u>	<u>36,359</u>	<u>140,419</u>
<b>Depreciation</b>				
At 1 January 2018	68,278	16,082	13,168	97,528
Charge for the year	4,432	4,582	8,480	17,494
Eliminated on disposal	-	(16,082)	-	(16,082)
At 31 December 2018	<u>72,710</u>	<u>4,582</u>	<u>21,648</u>	<u>98,940</u>
<b>Carrying amount</b>				
At 31 December 2018	<u><u>13,021</u></u>	<u><u>13,747</u></u>	<u><u>14,711</u></u>	<u><u>41,479</u></u>
At 31 December 2017	<u><u>17,453</u></u>	<u><u>2,417</u></u>	<u><u>22,364</u></u>	<u><u>42,234</u></u>

#### 7 Stocks

	2018 £	2017 £
Other inventories	<u>6,017</u>	<u>5,600</u>

#### 8 Debtors

	2018 £	2017 £
Trade debtors	14,214	10,519
Prepayments	14,772	49,036
Other debtors	7,102	-
	<u>36,088</u>	<u>59,555</u>

#### 9 Current asset investments

	2018 £	2017 £
Other investments	<u>972,086</u>	<u>778,902</u>

## Light Aircraft Association Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 10 Creditors

##### Creditors: amounts falling due within one year

	2018 £	2017 £
<b>Due within one year</b>		
Trade creditors	23,028	6,697
Taxation and social security	15,327	15,028
Accruals and deferred income	10,744	-
Other creditors	234,632	247,991
	<u>283,731</u>	<u>269,716</u>

#### 11 Share capital

##### Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>10,000</u>	<u>100.00</u>	<u>10,000</u>	<u>100.00</u>

#### 12 Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
< 1 year	52,456	52,456
1 - 5 years	104,914	157,370
	<u>157,370</u>	<u>209,826</u>

#### 13 Related party transactions

The company was controlled by its members throughout the year. There is no ultimate controlling party.

##### Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	63,961	61,123
Contributions paid to money purchase schemes	3,106	3,045
	<u>67,067</u>	<u>64,168</u>



## Light Aircraft Association Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 14 Other reserves

<b>Fund</b>	<b>At 01/01/2018</b>	<b>Donations received in year</b>	<b>Funds used</b>	<b>At 31/12/2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
HQ & Buildings Fund	144,307	-	-	144,307
Trophy Fund	9,518	-	(39)	9,479
Armstrong Isaac Fund	81,799	2,980	(4,188)	80,591
I Brewster Legacy Fund	-	50,000	-	50,000
	<u>235,624</u>	<u>52,980</u>	<u>(4,227)</u>	<u>284,377</u>

#### Description of Funds

##### **HQ & Buildings Fund**

Funds raised 2005-2008 including 'Buy a Brick' and other schemes to contribute to new LAA HQ building.

##### **Trophy Fund**

Funds allocated for maintenance and preparation of Club awards and Trophies.

##### **Armstrong Isaac Fund**

Funds initially allocated for pilot training scholarships, today used to fund up to five bursaries per annum. In 2017 £48,611 held on behalf of fund was transferred back to reserved account and £33,188 was received on closure of LAA ET.

##### **Ian Brewster**

Legacy of Dr Ian Brewster. No restriction on use.

## Light Aircraft Association Limited

### Detailed Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
<b>Turnover</b>		
Membership income	492,313	490,447
Rally income	47,774	42,277
Permit renewal income	615,137	611,786
Publication income	114,258	120,756
Other income	43,098	134,335
	<u>1,312,580</u>	<u>1,399,601</u>
<b>Cost of sales</b>		
Opening stock	5,600	4,400
Purchases	10,755	11,928
Engineering expenses	19,085	19,339
Magazine expenses	147,908	140,410
Promotional events	13,839	6,049
Course expenses	16,394	14,077
Advertising and marketing	32,145	36,228
NPPL expenditure	436	849
Rally costs	32,680	31,500
Closing stock	(6,017)	(5,600)
	<u>(272,825)</u>	<u>(259,180)</u>
Cost of sales		
	<u>1,039,755</u>	<u>1,140,421</u>
Gross profit		
<b>Administrative expenses</b>		
Wages and salaries (excluding directors)	506,134	462,594
Directors remuneration	63,961	61,123
Directors NIC (Employers)	7,410	7,278
Directors pensions (Defined contribution)	3,106	3,045
Contract staff costs	35,754	48,907
Staff training	1,716	3,907
Recruitment costs	-	115
Board and volunteer expenses	7,178	6,269
Rent and room hire	64,198	63,960
Buildings insurance	3,612	3,000
Liability insurance	85,595	83,321
Repairs and maintenance	1,737	15,747
Premises expenses	38,529	32,534
Telephone and internet	8,239	5,058
Staff expenses	10,689	11,171
Computer software and maintenance costs	17,500	13,236
Printing, postage and stationery	31,649	26,840
Trade subscriptions	23,920	14,413
Sundry expenses	1,241	1,144

This page does not form part of the statutory financial statements.

## Light Aircraft Association Limited

### Detailed Profit and Loss Account for the Year Ended 31 December 2018

	2018	2017
	£	£
AGM/EGM expenses	-	223
Motor expenses	1,468	3,135
Entertaining	5,381	4,971
Accountancy fees	-	1,100
Auditor's remuneration - The audit of the company's annual accounts	4,650	4,400
Management fees	3,146	-
Legal and professional fees	3,080	3,990
Bad debts written off	660	-
Bank charges	14,296	13,345
Depreciation of plant and machinery (owned)	17,493	14,410
Irrecoverable VAT	12,282	12,526
(Profit)/loss on disposal of tangible fixed assets	918	(109)
	<u>(975,542)</u>	<u>(921,653)</u>
Operating profit	<u>64,213</u>	<u>218,768</u>
Income from other fixed asset investments	344	-
Other interest receivable and similar income	6,837	4,456
Reduction in value of investments	<u>(8,535)</u>	<u>-</u>
	<u>(1,354)</u>	<u>4,456</u>
Profit before tax	<u><u>62,859</u></u>	<u><u>223,224</u></u>

This page does not form part of the statutory financial statements.