



**Half Year to 30<sup>th</sup> September 2009**

## **REVIEW OF BUSINESS**

The Balance Sheet confirms the comments made in the Review that accompanied the Audited Accounts to 31<sup>st</sup> March 2009 in respect of building up headroom to withstand the difficulties that many businesses are experiencing because of the recession and the credit crunch. The cash at bank of over £1 million would have been around a further £0.5 million higher if an OEM account has not been overdue with payments. Monies were received from them in October. On 27<sup>th</sup> November 2009 SLP Engineering Ltd, a very long standing and important client for Mech-Tool was unfortunately placed in Administration. The company had very significantly reduced its exposure to this account. By the time of the administration order, exposure was limited to various retention amounts.

Mech-Tool throughout 2009 has attracted record levels of enquiries and the medium to long term future looks very encouraging, especially once expenditure finally commences on new nuclear power stations in the UK. Whilst the offshore wind farm market remains buoyant for Mech-Tool, financing is having a major influence on many offshore oil and gas and onshore petrochemical related projects. It is expected that the company will generate a similar level of profitability in the second half to that achieved in the six months to 30<sup>th</sup> September, but this is likely to be attained off a lower second half turnover.

# Mech-Tool Engineering Limited



	Half Year to		Full Year to	
	30th September 2009		31st March 2009	
	£	£	£	£
<b>TURNOVER</b>		8,914,508		17,537,668
Cost of Sales		8,104,352		15,832,805
<b>GROSS PROFIT</b>		810,156		1,704,863
Distribution costs	63,860		125,633	
Administrative expenses	381,846		751,213	
		445,706		876,846
<b>OPERATING PROFIT</b>		364,450		828,017
Interest Receivable and similar income		802		5,884
Interest payable and similar charges		8,354		22,816
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		356,898		811,085
Tax on profit on ordinary activities		74,637		265,753
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		282,261		545,332

# Mech-Tool Engineering Limited



	Half Year to 30th September 2009		Full Year to 31st March 2009	
	£	£	£	£
<b>FIXED ASSETS</b>				
Tangible Assets		860,982		883,243
<b>CURRENT ASSETS</b>				
Stock	60,975		124,172	
Debtors	5,277,585		5,007,493	
Cash at Bank	1,129,906		574,222	
	6,468,466		5,705,887	
<b>CREDITORS</b>				
Amounts falling due within one year	4,680,171		4,757,812	
<b>NET CURRENT ASSETS</b>		1,788,295		948,075
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,649,277		1,831,318
<b>CREDITORS</b>				
Amounts falling due after more than one year.		-638,316		-102,612
<b>PROVISIONS FOR LIABILITIES</b>		-49,427		-49,427
<b>NET ASSETS</b>		1,961,534		1,679,279
<b>CAPITAL AND RESERVES</b>				
Called up share capital		1,050,000		1,050,000
Profit and loss account		911,534		629,279
<b>SHAREHOLDERS FUNDS</b>		1,961,534		1,679,279