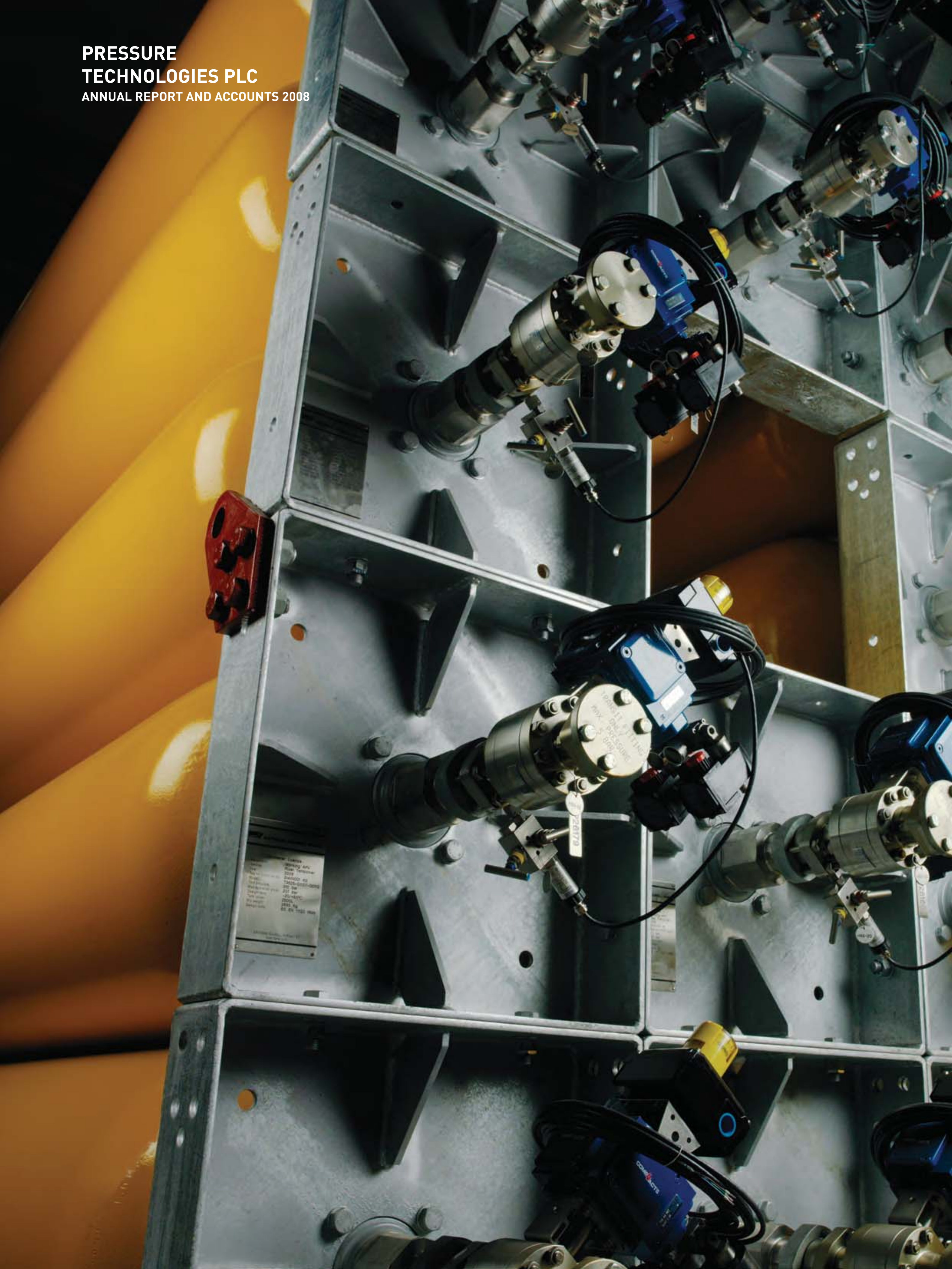
PRESSURE TECHNOLOGIES PLC
ANNUAL REPORT AND ACCOUNTS 2008



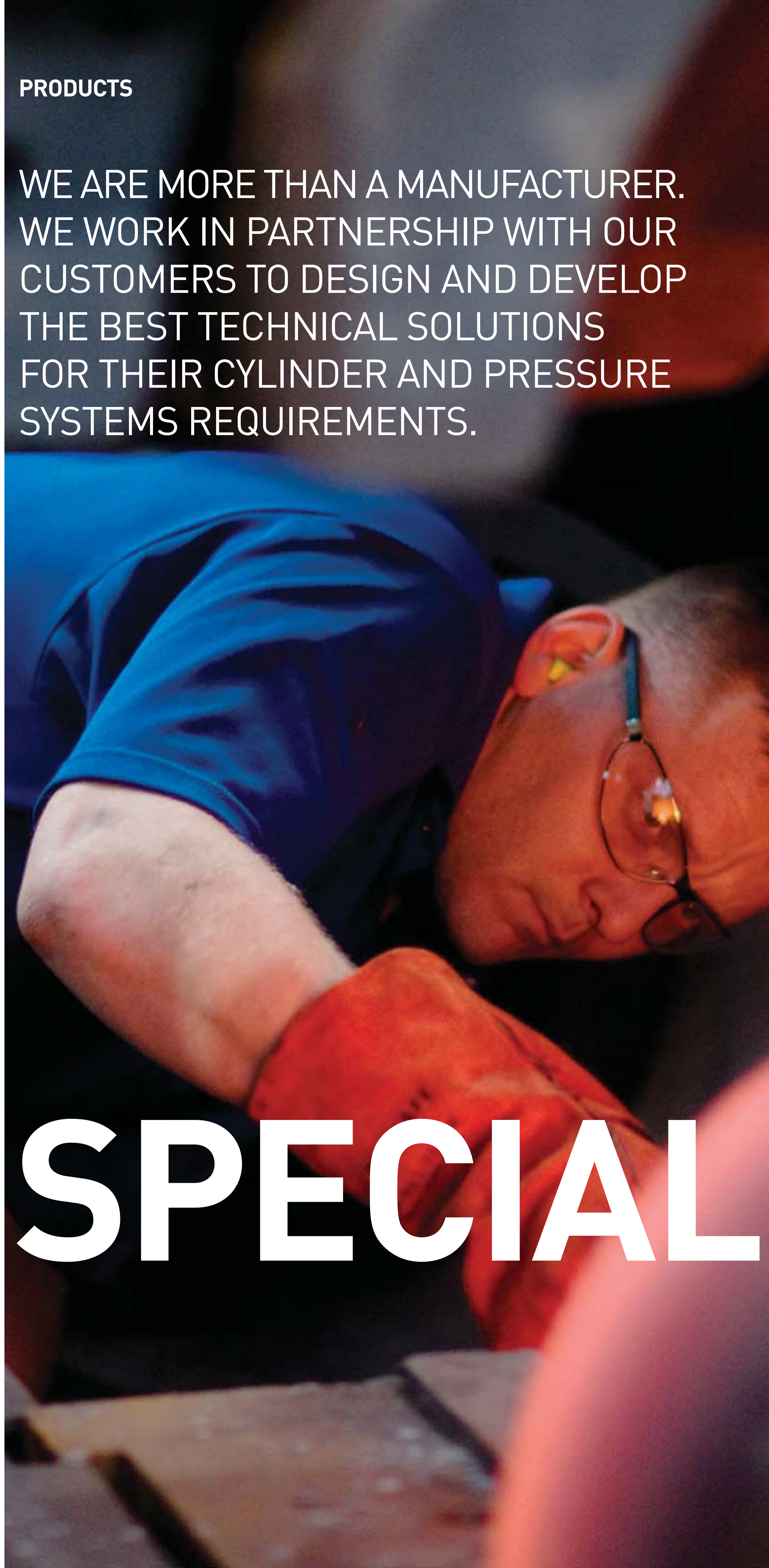
PRESSURE TECHNOLOGIES PLC

A LEADING DESIGNER AND MANUFACTURER OF ENGINEERING SOLUTIONS FOR HIGH PRESSURE MARKETS.

CONTENTS

PRODUCTS

WE ARE MORE THAN A MANUFACTURER. WE WORK IN PARTNERSHIP WITH OUR CUSTOMERS TO DESIGN AND DEVELOP THE BEST TECHNICAL SOLUTIONS FOR THEIR CYLINDER AND PRESSURE SYSTEMS REQUIREMENTS.



PT= SPECIAL


IST

PEOPLE

WE HAVE A HIGHLY EXPERIENCED AND SKILLED TEAM. WE DRAW UPON THESE SKILLS FROM DESIGN AND MANUFACTURING TO PROJECT AND SUPPLY CHAIN MANAGEMENT WITH ONE COMMON PURPOSE:

TO MAKE OUR CUSTOMERS' LIVES EASIER.

EXPERTS







MARKETS

WE LOOK FORWARD TO THE FUTURE WITH CONFIDENCE, UNDERPINNED BY A RECORD ORDER BOOK IN GROWING NICHE MARKETS IN THE GLOBAL ENERGY AND DEFENCE SECTORS.

OPPORTU

NITIES

BIOGAS

WE ARE BUILDING UPON A PROVEN TRACK RECORD IN THE RENEWABLE ENERGY MARKET WITH OUR PARTNERS GREENLANE® BIOGAS IN SCANDINAVIA BRINGING THE TECHNOLOGY TO CONVERT RAW BIOGAS TO FUEL GRADE BIOMETHANE INTO THE UK MARKET.

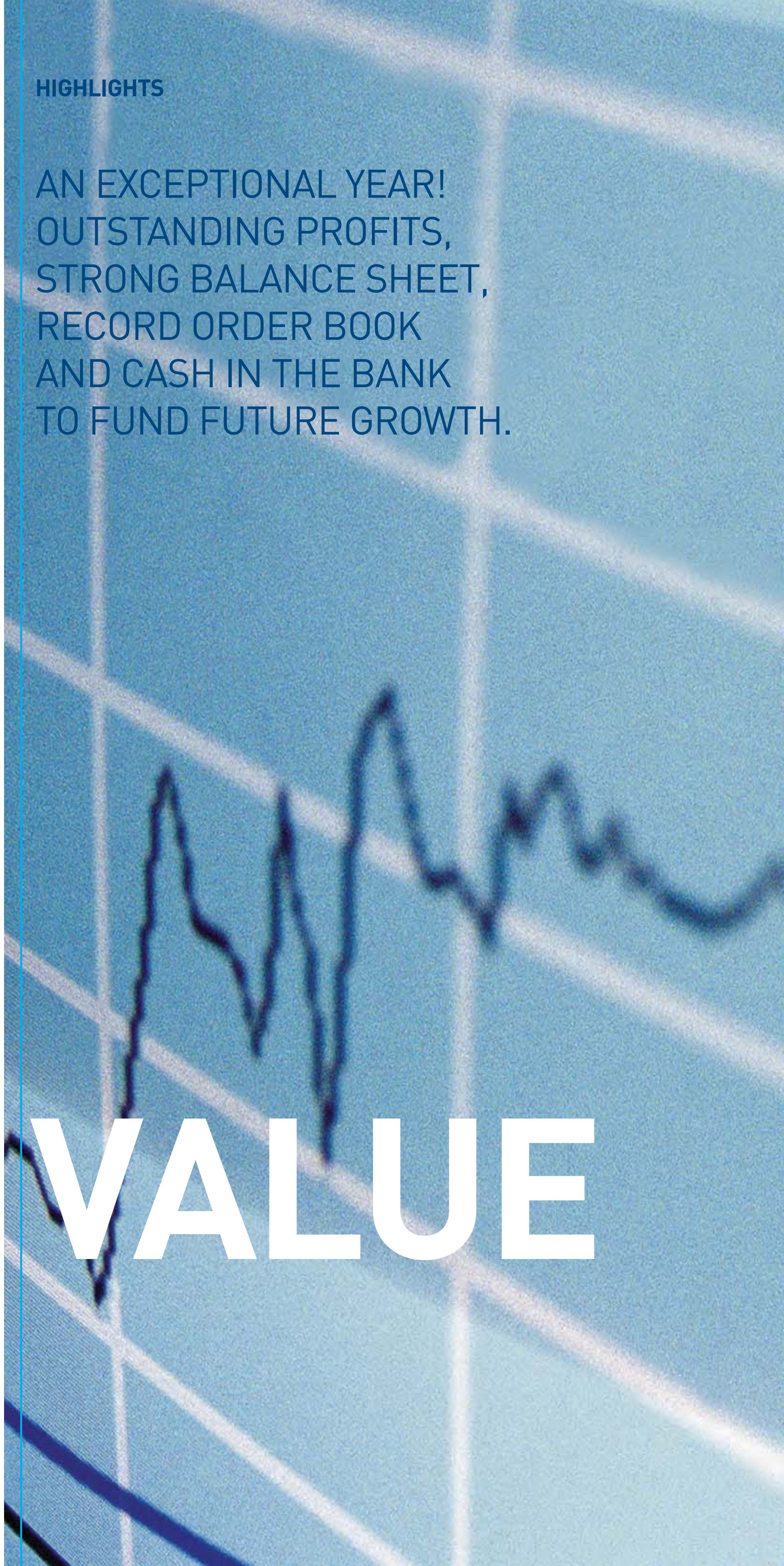
SUSTAIN


ABLE

← bleed

HIGHLIGHTS

AN EXCEPTIONAL YEAR!
OUTSTANDING PROFITS,
STRONG BALANCE SHEET,
RECORD ORDER BOOK
AND CASH IN THE BANK
TO FUND FUTURE GROWTH.



VALUE

DELIVERING SUCCESS

SALES GROWTH
WE HAVE SEEN SIGNIFICANT GROWTH ACROSS ALL MARKET SECTORS WHICH CONTINUES TO BE UNDERPINNED BY A SOLID FORWARD ORDER LOAD.

56% ↑

REVENUE 2008: £23.7M

PROFIT GROWTH
PROFITABILITY HAS GROWN THROUGH THE CONTRIBUTION OF INCREASED VOLUMES, PRODUCTION EFFICIENCIES, BETTER OPERATIONAL GEARING AND THE WEAKENING OF STERLING.

91% ↑

GROSS PROFIT 2008: £7.5M

FINANCIAL STABILITY
STRONG BALANCE SHEET WITH NET FUNDS OF £5.9 MILLION.

162% ↑

OPERATING PROFIT 2008: £4.9M

SHAREHOLDER VALUE
EARNINGS PER SHARE ALMOST TRIPLED REFLECTING THE INCREASED LEVEL OF PROFITABILITY IN THE BUSINESS. MAIDEN DIVIDEND OF 6P PER SHARE PAID AND PROPOSED.

190% ↑

EPS-BASIC 2008: £31.6P

A GREAT HERITAGE
100 YEARS OF EXPERIENCE IN THE DESIGN, MANUFACTURE AND MAINTENANCE OF PRESSURE PRODUCTS.

MEETING CUSTOMERS NEEDS
AN UNRIVALLED REPUTATION FOR PRODUCT EXCELLENCE AND CUSTOMER SERVICE.

INNOVATION
CONTINUING RESEARCH AND DEVELOPMENT IN CYLINDER AND SYSTEM APPLICATIONS.

DESIGN AND TECHNICAL EXPERIENCE
CONTINUING TO STRETCH THE ENVELOPE OF CYLINDER AND SYSTEM DESIGNS AND INFLUENCING INTERNATIONAL STANDARDS THROUGH ACTIVE COLLABORATION ON ISO WORKING GROUPS.

ENGINEERING SALES
THE SALES TEAM ARE FIRST AND FOREMOST ENGINEERS, LOOKING FOR THE OPTIMUM SOLUTION TO OUR CUSTOMERS' REQUIREMENTS.

BUILDING FOR THE FUTURE
RECRUITING, TRAINING AND DEVELOPING THE BEST DESIGNERS, TECHNICIANS, ENGINEERS AND APPRENTICES.

ADDING VALUE
A DEEP UNDERSTANDING OF CORE MARKETS ENABLING THE DELIVERY OF BESPOKE ENGINEERING SOLUTIONS.

BROADENING THE BASE
CONTINUING TO DEVELOP NEW MARKETS FOR OUR PRODUCTS AROUND THE WORLD WITH EXPANSION IN AUSTRALASIA AND THE PACIFIC RIM.

PUSHING THE BOUNDARIES
IDENTIFYING NEW PRODUCTS AND CROSS SELLING OPPORTUNITIES INCLUDING THE INTRODUCTION OF BIOGAS INTO THE UK AND GAS TRAILER REFURBISHMENT.

GREEN ENERGY
SUPPLYING THE TECHNOLOGY TO TURN RAW BIOGAS INTO HIGH QUALITY BIOMETHANE, A GREEN, ENERGY EFFICIENT FUEL.

TECHNOLOGY AVAILABLE TODAY
BRINGING TO THE UK A PROVEN TECHNOLOGY WITH A DECADE LONG TRACK RECORD AROUND THE WORLD.

UNTAPPED MARKET
A SIGNIFICANT PIPELINE OF PROJECT OPPORTUNITIES ALREADY IDENTIFIED.

CHAIRMAN'S STATEMENT

WE HAVE ENTERED THE NEW FINANCIAL YEAR WITH **A RECORD ORDER BOOK** OF £23 MILLION GIVING CLEAR VISIBILITY THROUGHOUT 2009 AND INTO 2010.

2008
A GREAT YEAR

OCTOBER 2007
FOR THE FIRST TIME IN 14 YEARS, AN AVRO VULCAN, SYMBOL OF BRITAIN'S COLD WAR HISTORY, HAS TAKEN TO THE SKIES, WITH A LITTLE HELP FROM CHESTERFIELD SPECIAL CYLINDERS. CHESTERFIELD SUPPLIED AROUND 20 HP AIRCRAFT CYLINDERS OF BETWEEN 0.44 AND 10 LITRES CAPACITY.

It gives me pleasure to announce an outstanding set of results for the Group, which surpassed all original expectations for the year.

We are also on course to exceed one of the major aims in our flotation strategy "to be a £40 million turnover business within five years", as the Group achieved record exports to its Oil and Gas exploration and production customers, as well as winning selected overseas defence contracts.

RESULTS

Turnover increased to £23.7 million, compared with £15.1 million in 2007 - a creditable rise of over 50%. This increase in sales, combined with ongoing operating efficiency gains, served to more than double operating profits to £4.9 million before exceptional items (2007: £1.9 million). Profit before taxation was £5.0 million (2007: £1.4 million) and earnings per share rose to 31.6p (2007: 10.9p).

Despite long lead times from major suppliers, I am pleased to confirm that our actions to control working capital resulted in year end net funds of £5.9 million (2007: £4.6 million).

The Board has agreed a progressive dividend policy and is recommending a maiden final dividend of 4.0 pence per share, giving a total dividend for the year of 6.0 pence. If approved at the Annual General Meeting, this dividend will be paid on 12 March 2009 to shareholders on the share register at the close of business on 13 February 2009. The ex-dividend date will be 11 February 2009.

STRATEGY

Our Business Growth Strategy, to penetrate key growth sectors, notably global energy and high pressure gases markets, establishing a presence in new niche markets and acquire businesses which offer synergistic benefits in related niche sectors, is progressing:

Long term export contracts and orders have been secured from overseas defence and aerospace programmes in Europe and Asia.

As well as supplying assemblies to drilling rig constructors, we are also continuing to win orders for offshore diving support vessels.

In the industrial gas trailer refurbishment sector, contracts have been secured stretching into 2009 from a major industrial gas supplier.

In the Compressed Natural Gas ("CNG") and Biogas sectors, we have signed an Agreement with Greenlane® Biogas Limited, a New Zealand based company with a market leading position on Biogas upgrading technology. The UK lags behind the rest of northern Europe in exploiting an energy source that is growing at over 25% per annum in those countries. Recent changes in UK legislation will facilitate the growth of this energy source in the UK gas market.

We continue to invest in R&D programmes, including composite material cylinders and internal selected surface coatings, which are attracting interest from both industrial and defence customers. Initial prototype products are being manufactured and evaluated for potential applications.

Key equipment has been procured and skilled staff recruited that will enable us to target the in-service field testing of ultra-large cylinders. This sector is expected to develop as cylinders in service start to require re-certification.

PEOPLE

We welcomed Philip Cammerman to the Board as a Non-executive Director in April 2008 and also James Lister, who was appointed Group Finance Director on 1 June 2008. The Group is already benefiting from their combined expertise.

I am particularly pleased to report that the achievements of our Chief Executive, John Hayward, were recognised nationally when he scooped the Ernst & Young Business Products Entrepreneur of the Year Award 2008.

We strengthened our second tier management and professional staff during the year under review. Recognising that there is a skills shortage in the UK, we have ramped up our engineering training and apprentice programmes. The Group is also well positioned geographically to benefit from local universities and Research Institutes which have maintained sound technical faculties - including Sheffield University, Hallam University and NAMTEC. Our future as a value-driven engineered products business depends on our investment in engineering and metallurgical skills and resources.

It is appropriate to acknowledge the skill, hard work and support of our Operational Directors and all our employees in contributing to another successful year for our business.

Finally, I would like to thank our shareholders for their support of the Company throughout the year.

PROSPECTS

Pressure Technologies has entered the new financial year with a record order book of £23 million (2007: £18.0 million) giving clear visibility throughout 2009 and into 2010. There remains a shortage of semi submersible and deepwater drilling rigs to support the world's demand for hydrocarbons and we are enthused by the medium term prospects of the CNG and Biogas sector, in which Chesterfield BioGas is already developing a significant tender pipeline.

The Company continues to evaluate synergisitic acquisitions, particularly in the light of our cash resources and the opportunities now being presented in the market.

The Board is confident that Pressure Technologies will deliver further growth in the short term and, as we roll out our diversification strategy on a controlled and profit driven basis, the medium to long term future of the Group remains strong.

RICHARD SHACKLADY
Chairman
8 December 2008

NOVEMBER 2007
PRESSURE TECHNOLOGIES PLC WON THE YORKSHIRE POST EXCELLENCE IN BUSINESS AWARD FOR 2007. THE AWARD FOR BUSINESS ACHIEVEMENT WAS SPONSORED BY PRICEWATERHOUSECOOPERS AND PRESENTED BY THE RIGHT HON. WILLIAM HAGUE MP.

DECEMBER 2007
NEW FURNACES INSTALLED AT THE ULTRA-LARGE FORGE, REDUCING GAS USAGE BY 50% AND IMPROVING BOTH PRODUCT QUALITY AND THROUGHPUT.

CHIEF EXECUTIVE'S STATEMENT

2008
A GREAT YEAR

JANUARY 2008
IT WAS VERY PLEASING TO SEE CSC GAIN ACCREDITATION TO ISO14001:2004 IN JANUARY 2008. OUR PRODUCT IS VIRTUALLY 100% RECYCLABLE, BUT IT IS ALSO GOOD TO KNOW THAT WE ALSO HAVE A ROBUST ENVIRONMENTAL MANAGEMENT SYSTEM IN OUR MANUFACTURING FACILITY.

It was a year of exceptional organic growth, which was recognised in our share price performance relative to the AIM market. We exited the year with a record order book and a strong pipeline of quoted projects in all markets. This seems somewhat at odds with the world financial climate but may be explained, in part, by the markets in which we operate.

In our main market, the Oil and Gas sector, there remains a shortage of semi-submersible drilling rigs and drill ships to develop deep water hydrocarbon reserves. This has created strong demand for our products which started in 2005 when oil prices were averaging around $50 per barrel. If oil price is a driver of investment, then we do not yet appear to be outside the price range for investment to be profitable. Nor has there been a reduction in the number of projects for support services projects. A further indicator of the sector's strength is the availability of materials, in particular, seamless pipe, which is used for drill pipe as well as cylinders. This is still rationed and a number of steel mills have no available capacity in 2009.

There was an increase in activity in the export defence market. We won naval build orders in two new geographical areas, France and Canada. The UK defence market remains subdued, however we continued to supply significant quantities of cylinders into military aircraft programmes and are bidding for further contracts on aircraft carriers and the Astute submarine programme. Sales to the naval market will be significantly higher in 2009 than at any time since 2002.

All our other markets, in terms of orders and levels of quotations, remain at or above historical levels. I was particularly pleased with the growth achieved in our trailer refurbishment business, which should continue into 2009. We have our largest forward order load for new trailers since the management buyout in 2004.

Threats from market downturn do not appear significant in the short term and I concur with our Chairman on the medium and long term prospects for the Group.

Looking at 2008, we had a terrific year with a significant number of "highs" and a few missed opportunities. The key points being:

WHAT WE DID WELL

Winning orders, growing sales and ending the year with a record £23 million order book. Sales at our operating company, Chesterfield Special Cylinders, increased by 56% to £23.7 million (2007: £15.1 million) with growth being achieved in all our major markets.

The increase in sales was predominantly in ultra-large cylinders and operations management was highly effective, improving line efficiency. As a consequence, gross profit increased by 91% after allowing for year on year net exchange gains of £0.5 million.

Manufacturing support was improved through the addition of a production planner and implementation of finite capacity scheduling software.

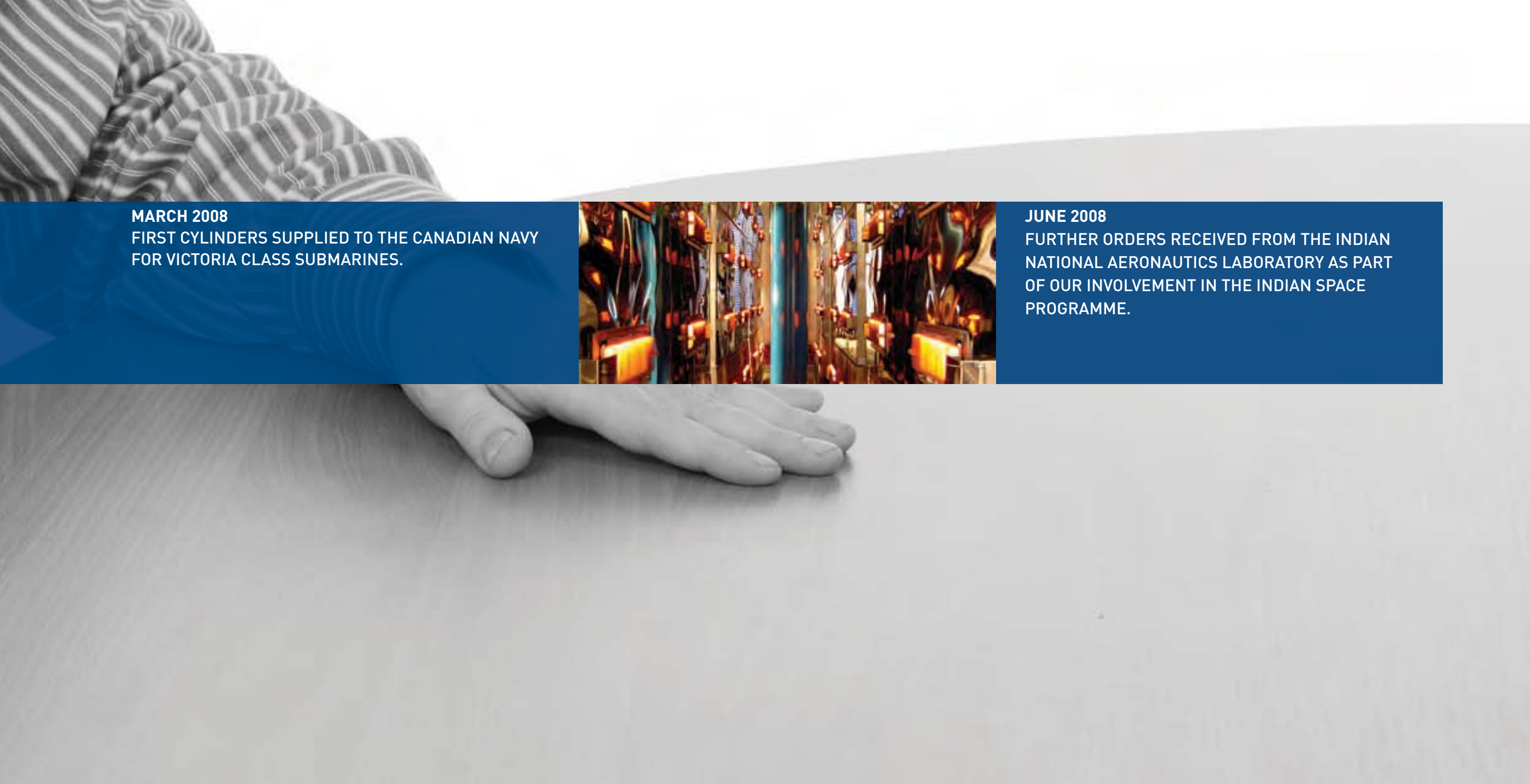
Building relationships with a range of business partners and organisations, which will benefit the growth of the business in the future.

Getting to a position where we could launch Chesterfield BioGas (see below).

WHERE WE COULD HAVE DONE BETTER

We did not have sufficient resources to grow the small cylinder business, due to the focus on improving throughput on the ultra-large production line and sales resources were diverted onto the Biogas project (see below). This will be addressed in 2009 by the introduction of a separately managed business unit for small cylinders, which will have its own dedicated operations management and sales staff.

OUR STRONG ORDER BOOK AND PIPELINE OF PROSPECTS SHOULD ENSURE THAT WE DELIVER ANOTHER GOOD RESULT IN 2009.



MARCH 2008
FIRST CYLINDERS SUPPLIED TO THE CANADIAN NAVY FOR VICTORIA CLASS SUBMARINES.

JUNE 2008
FURTHER ORDERS RECEIVED FROM THE INDIAN NATIONAL AERONAUTICS LABORATORY AS PART OF OUR INVOLVEMENT IN THE INDIAN SPACE PROGRAMME.

Stock levels were too high, as a result of holding stock to cover poor delivery by suppliers and the insistence, by some customers, that we source certain fittings from their nominated suppliers. We are working very closely with suppliers to improve the reliability of deliveries and our customers have now given us permission to resource fittings from cost effective UK based suppliers.

OPERATIONAL REVIEW

Sales and marketing

This was a very busy year for Philip Redfern and his team at CSC. The plan to pursue growth in the UK aggressively with the appointment of an additional salesman focused solely on this market was put on hold, as the new salesman was moved to our new Biogas project. Significant opportunities to grow the customer base in our home market across the full range of commercial products and services remain and a modified version of this plan, incorporating the new business unit structure, will be relaunched as soon as we have recruited another salesman.

Our International Sales Development Manager was very active in India, the Far East and China during the year and we are actively quoting for projects in niche sectors, where higher pressures, product integrity and design capability are essential.

As reported above, the export defence market was very rewarding. It was particularly satisfying to win the contract for high pressure cylinders on the Barracuda submarine, after thirty years endeavouring to gain entry to the French defence sector. We will continue to target all naval build programmes worldwide, as our design and development capability in this sector is unrivalled. Medium term prospects for the UK look promising and we intend to lodge innovative bids that highlight our supply chain expertise.

Operations

The challenges of the £8.6 million increase in revenues should not be underestimated. Operations management at CSC, led by John Brown and Philip Catton, met the challenges very successfully. Manufacturing employees increased from 33 at the beginning of the year to 52 by year end. Training was not neglected and we successfully ran induction courses and an NVQ level 2 course. Given the success of our apprenticeship scheme, we decided to employ three new apprentices in September 2008.

An experienced production planner was employed and investment in finite capacity scheduling software was made to ensure on-time delivery and manage production flow more effectively. By the year end, overdue orders were reduced to very low levels.

Capital investment was once again focused on improving manufacturing efficiency and increasing output. This included changing the layout of a number of areas within ultra-large manufacturing to improve product flow and the installation of new end-heating furnaces for the ultra-large forge, which halved gas usage and improved product quality. Capital investment in 2009 will again be in excess of twice the depreciation level.

Business units will be introduced in 2009 to deliver improvements in both the ultra-large and the small cylinder areas. In ultra-large, there will be a concerted effort to eliminate waste and further improve process flow and we are currently working with the Manufacturing Advisory Service on a project to achieve this. In small cylinders, the focus will be on growing the business.

Technical and development

Maintaining our technical and design capability continued to pay dividends, as many of our customers no longer have high pressure cylinder design expertise in their organisations. The additional designer we employed gives us greater scope for both product and tooling development. We are now in the process of recruiting a graduate trainee into the design function.

The CSC Technical Director, Alan Harding, is actively engaged in the development of new ISO standards for ultra-large seamless steel cylinders and ultra-large composite cylinders. To assist with this and other areas of development, we have engaged Dr Rohitan (Roy) Irani, former Global Technical Authority, Cylinders, for The BOC Group, as a consultant. Roy has a lifetime's experience in the design and applications of both high and low pressure cylinders, including cryogenic applications.

Research and development continued on a range of products and services and we now have closer links with the Sheffield Advanced Manufacturing Research Centre and the two Sheffield universities. CSC is also involved in the Special Metals Forum's nuclear supply chain initiative. The key areas for development in 2008 are:

The development of in-service field testing of cylinders where we have recently procured key equipment and recruited staff with the relevant non-destructive testing expertise.

The development of ultra-large composite cylinders.

The development of materials and coatings for naval applications.

2008
A GREAT YEAR

JULY 2008
CHESTERFIELD BIOGAS FORMED IN PREPARATION FOR THE LAUNCH OF THE NEW DIVISION IN NOVEMBER 2008.

Corporate Social Responsibility
The management of health and safety issues remains a management priority across the business. Health and safety is an agenda item at both the Pressure Technologies and CSC Boards. It was disappointing to see reportable accidents increase to three this year (2007: 2, target: 0); none of these injuries were life-threatening. Additional capital expenditure to improve materials handling is planned for 2009 - the major project will improve loading and unloading of the ultra-large forge.

It was very pleasing to see CSC gain accreditation to ISO14001:2004 in January 2008. Our product is virtually 100% recyclable, but it is also good to know that we also have a robust environmental management system in our manufacturing facility. Once again, we had no environmental incidents in the year.

CSC gives donations of £250 per month to charity. These donations are administered by an employee committee. The aim of these donations is two-fold; to help small, mainly local charities and to raise employee awareness of, and participation in, charitable giving.

Chesterfield BioGas
During the year, we were actively engaged in preparing the Group's entry to a new market. On 10 November 2008, we announced the establishment of a new operating division, Chesterfield BioGas, following the signing of a co-operation agreement with Greenlane® Biogas Limited, the world leader in biogas upgrading from raw biogas to vehicle quality fuel.

Under the agreement, which gives Pressure Technologies exclusive rights to market Greenlane® equipment in the UK and Eire, Chesterfield BioGas will provide turnkey solutions for the cleaning, storage and dispensing of biomethane, produced from waste water treatment and anaerobic digestion of organic waste. We have a long relationship with Flotech, the owners of Greenlane® Biogas, as we have worked together on a number of biogas projects in Sweden over the last decade. This is a low-risk, tried and tested biomethane fuel solution for the UK market. Our joint skills and experience in this field mean that we are able to deliver an effective and successful system, when others can only offer prototypes.

The UK market for biomethane has, to date, remained untapped, largely due to a limited availability of methane-fuelled vehicles and subsidies for combined heat and power plants, which have made the injection of methane into the gas grid uneconomic. These two factors are now being addressed. Mercedes and Volkswagen are now producing right-hand drive methane fuelled vehicles for the UK market and the Energy Bill has been changed to pave the way for financial incentives, designed to encourage direct injection of biomethane into the gas grid.

Chesterfield BioGas will develop the UK market for biogas cleaning equipment, which provides clean biomethane suitable for use as an alternative vehicle fuel or for direct injection into the natural gas grid, across a wide range of commercial sectors. These will include waste management and water treatment companies, as well as large commercial farmers and waste food processors. A strong pipeline of projects is developing but, due to the complexity of UK planning law and lead times on equipment, it is anticipated that orders secured by Chesterfield BioGas in 2009 will not contribute to Group revenues until the year ending 30 September 2010.

Acquisitions
We have a target list of companies that match our criteria of niche, high added value companies in pressure containment and control markets and we are actively in discussions with a number of companies. We now have more time to spend working on delivering acquisitions and intend to employ additional resources to assist with this process. Buying private companies is time consuming and about relationships. Time spent getting this right is essential to the success of the programme and we will not buy in haste.

In summary, 2008 was another successful year for the Group, delivering solid growth and shareholder value. Our strong order book and pipeline of prospects should ensure that we deliver another good result in 2009.

JOHN HAYWARD
Chief Executive
8 December 2008

AUGUST 2008
RECORD ORDER INTAKE OF OVER £6 MILLION IN ONE MONTH.

SEPTEMBER 2008
ORDER PLACED BY DCN FOR THE SUPPLY OF CYLINDERS FOR THE FRENCH NAVY'S BARRACUDA CLASS SUBMARINES.

DIRECTORS AND ADVISORS

Pressure Technologies plc
Board of Directors
(Left to Right)
Nigel Luckett, Richard Shacklady,
Philip Cammerman,
John Hayward, James Lister






Chesterfield Special Cylinders Ltd
Operational Board Directors
(Left to Right)
John Hayward (Managing Director), James Lister,
John Brown, Alan Harding, Philip Catton,
Philip Redfern.

R L Shacklady
Non-executive Chairman (60)
Richard is a partner with RLS Associates where he works as a management consultant. He joined the Pressure Technologies business at the time of the MBO in 2004. He has extensive experience of working in several roles in the engineering sector, latterly as Managing Director of Doncasters UK Holdings plc. Richard is also the Non-executive Chairman of Langley Alloys Limited.

J T S Hayward
Chief Executive (47)
John has worked for the Company for 11 years, initially as Finance Director of Chesterfield Cylinders Limited before assuming additional directorial responsibility for the then Special Products division in 2000. He led the MBO in 2004 and then assumed the role of Chief Executive. John is a qualified accountant and has previously worked for Boots, Courtaulds, United Engineering Steels and T&N. Latterly at T&N, he worked as an internal consultant and was brought to Chesterfield Cylinders as a result of his experience of automotive sector management techniques. He holds a degree in Physics from Oxford University.

T J Lister
Finance Director (53)
James joined the Company in 2008. His previous engineering industry experience includes seven years with The 600 Group Plc in roles both as Group Financial Controller and as Finance Director of 600 Lathes. Prior experience included 15 years with Bridon in a variety of roles including Group Development Manager where he acted as the in house mergers and acquisitions manager. James is a qualified chartered accountant.

P S Cammerman
Non-executive Director (66)
Philip has over 20 years industrial experience in engineering and hi-tech industries and has worked in both the UK and USA. He has spent the last 23 years in the venture capital industry, playing a major part in the development of the YFM Group into the most active investor in UK SME's. He retired from all YFM Group businesses in April 2008 following their disposal to GLE Capital. Philip is Chairman of the remuneration committee.

N F Luckett
Non-executive Director (66)
A qualified chartered accountant, Nigel is a former partner of Thomson McLintock & Co and latterly KPMG and has over 40 years of extensive corporate finance, insolvency and auditing experience. Since his retirement from KPMG in 1995 he has had a number of Non-executive Director and Chairman positions in the broad engineering sector. Nigel is Chairman of the audit committee.

OUR MANAGEMENT TEAM
A WIDE RANGE OF TALENTS AND EXPERIENCE FOCUSED ON DELIVERING SHAREHOLDER VALUE.

COMPANY INFORMATION

DIRECTORS
R.L.Shacklady – Non-executive Chairman
J.T.S.Hayward – Chief Executive
P.S.Cammerman - Non-executive Director (appointed on 14/04/08)
T.J.Lister - Finance Director (appointed on 01/06/08)
N.F.Luckett – Non-executive Director

SECRETARY
T.J.Lister

REGISTERED OFFICE
Meadowhall Road
Sheffield
S9 1BT

REGISTERED NUMBER
06135104

WEBSITE
www.pressuretechnologies.com

NOMINATED ADVISOR
Brewin Dolphin Limited
34 Lisbon Street
Leeds, LS1 4LX

AUDITORS
Grant Thornton UK LLP
Enterprise House
115 Edmund Street
Birmingham
West Midlands, B3 2HJ

SOLICITORS
hlw Commercial Lawyers LLP
Commercial House
Commercial Street
Sheffield, S1 2AT

BANKERS
Bank of Scotland
7 Leopold Street
Sheffield, S1 2FF

REGISTRARS
Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield, HD8 0LA

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the period from 1 October 2007 to 27 September 2008.

PRINCIPAL ACTIVITIES

Pressure Technologies plc ("PT") is the holding Company for Chesterfield Special Cylinders Limited ("CSC") whose principal activities are the design, manufacture and reconditioning of seamless steel high pressure gas cylinders.

RESULTS AND DIVIDENDS

The Consolidated Income Statement is set out on page 23. The profit on ordinary activities before taxation of the Group for the period ended 27 September 2008 amounted to £5.046 million (2007: £1.384 million).

An interim dividend of 2.0p per share was paid during the period (2007: £nil). The Directors recommend a final dividend of 4p per share (2007: £nil).

BUSINESS REVIEW

Financial overview

Revenues increased to £23.660 million (2007: £15.124 million) principally as a result of demand from the Oil and Gas sector, an increase of 56%.

Gross profit increased by 91% to £7.510 million (2007: £3.935 million) giving a gross margin of 32% (2007: 26%). The increase in gross margin was due to improved operating efficiencies, increased activity levels through the factory and favourable exchange rate movements.

Administration expenses, excluding exceptional costs, increased by 26% to £2.578 million to support business growth.

Profit before tax increased by 265% to £5.046 million (2007: £1.384 million). Basic earnings per share were up 187% at 31.6p (2007: 10.9p).

The cash inflow from operations was £2.881 million (2007: outflow £0.609 million) reflecting the significant increase in operating profits which were converted to cash, less the extra inventory requirements of the business.

The nature of the capital expenditure projects undertaken during the year are described in the Chief Executive's statement.

Operational overview

The operational overview is contained in the Chief Executive's statement on pages 12 to 15.

ENVIRONMENT

Pressure Technologies recognises that its activities have an impact on the environment. Managing this impact is an integral part of responsible corporate governance and good management practice. The Group has developed environmental policies and the main points are listed below:

- Overall responsibility for the implementation of these policies is the responsibility of the main Board and the senior management at each Group Company.
- The Group will comply with both the letter and the spirit of relevant environmental regulations. Additionally the Group will actively participate in industry and governmental environmental consultative processes.
- Chesterfield Special Cylinders gained ISO14001:2004 approval in January 2008.
- The Group is committed to the continuous improvement of its environmental management system. Specifically the Group seeks to reduce waste and energy use and prevent pollution.
- As part of continuous improvement, it is the policy of the Group to establish measurable environmental objectives and communicate these to all employees. These documented objectives will be periodically reviewed as part of the management review process. The necessary personnel and financial resources will be provided to meet these objectives.
- Employees are given such information, training and equipment as is necessary to enable them to undertake their work with the minimum impact on the environment.

The Group had no notifiable environmental incidents in 2008.

PRINCIPAL RISKS AND UNCERTAINTIES

Specific principal risks identified by management are described below together with management actions to minimise these risks:

Risk	Management action
The Group derives over 75% of its sales from two key customers in one market sector.	Significant management resource is allocated to service the requirements of these customers. Ongoing development of new products, customers and markets.
The Group derives a high proportion of its raw material from a small number of key suppliers, some of whom are competitors.	To reduce the inherent risk of supply from competitors, requirements are split across the available supplier base.
The Group operates from a single manufacturing site. In the event of a prolonged interruption to operations at this site, the Group may not have the ability to transfer its manufacturing activities to other facilities.	Health, safety and environmental risks which could result in site closure are managed on a day to day basis by a specialist manager reporting directly to the CSC Operations Director.
The Group is small and relies on a small number of key Directors and senior managers.	As the business grows increases in staff numbers make succession planning easier and recruitment is already carried out to ensure that skills and expertise can be duplicated. Key man insurance is in place for the PT Chief Executive, the CSC Operations Director and the CSC Sales and Marketing Director. The Board regularly reviews the adequacy of the policies currently in place.
The Group purchases some of its raw materials in both US Dollars and Euros and receives payment for some of its products in Euros.	The net exposure is reduced by the use of forward exchange contracts subject to limits in the Group's banking facility.

Other risks may also adversely affect the Group and actual results may differ materially from anticipated results because of a variety of risk factors, including but not limited to: changes in interest and exchange rates; changes in global, political, economic, business, competitive and market forces; changes to legislation and tax rates; future business acquisitions or disposals; relations with customers and customer credit risk; relations with suppliers and supplier credit risks; events affecting international security, including global health issues and terrorism, and changes in legislation.

SUMMARY AND CALCULATION OF KEY PERFORMANCE INDICATORS

Shareholders

KPI – Earnings per share	
2008	31.6p
2007	10.9p

The improvement in earnings per share is a result of growth in the business and continued drive to improve efficiency and elimination of waste.

Earnings per share is calculated as profit for the period divided by the weighted average number of shares in issue.

Financial performance

KPI – Revenue	KPI – Return on revenue
2008 £23.7 million	2008 20.8%
2007 £15.1 million	2007 12.4%
Target £40 million by 2011	Target 20.0%

Revenue growth was predominantly in the offshore Oil and Gas sector which accounted for 85% of sales in 2008 (86% in 2007).

The return on revenue benefited from improved operational gearing through the factory and the weakening of Sterling against the Euro.

Return on revenue is calculated as operating profit before exceptional operating costs divided by revenue, expressed as a percentage.

Health & safety / Environment

KPI – Reportable Accidents		KPI – Reportable Incidents
2008	3	2008 Zero
2007	2	2007 Zero
Target	Zero	Target Zero

DIRECTORS' REPORT CONTINUED

SUBSTANTIAL SHAREHOLDINGS

As at 1 December 2008, the following held or were beneficially interested in 3% or more of the Company's issued ordinary share capital:

	Number of shares	Percentage of issued share capital owned
Funds Managed by Octopus Investments Limited	1,039,933	9.2%
J.T.S. Hayward	1,000,040	8.8%
Goldman Sachs International	899,910	7.9%
P.L. Redfern	745,000	6.6%
J.W. Brown	700,000	6.2%
P.D. Catton	673,333	5.9%
A. Harding	673,333	5.9%
Funds Managed by AXA Framlington	597,284	5.0%
Unicorn AIM VCT2	366,767	3.2%
South Yorkshire Investment Capital Fund LP	342,224	3.0%
The Liontrust Intellectual Capital Trust	341,553	3.0%

DIRECTORS AND THEIR INTERESTS

The present Directors of the Company are set out on page 16 and 17.

J.D. Clark resigned on 31 December 2007. P.S. Cammerman was appointed as a Non-executive Director on 14 April 2008. T.J. Lister was appointed as a Director on 1 June 2008. The interests of the Directors in the share capital of the Company are set out below.

Ordinary shares	**27 September 2008 No.**	30 September 2007 No.
R.L. Shacklady (including 22,500 shares held by his wife)	**57,500**	43,333
J.T.S. Hayward	**1,000,040**	1,100,040
N.F. Luckett	**50,000**	33,333
T.J. Lister	**3,750**	—
P.S. Cammerman	**2,000**	—

Share options

On 2 November 2007 approval was received from HM Revenue and Customs for the Pressure Technologies SAYE Sharesave Scheme. On 30 November 2007 the Directors granted options on 59,197 ordinary shares in accordance with the Rules of the scheme to 27 of the Group's 46 employees who were eligible to apply for option shares under the scheme. The Directors' interests in share options granted on 30 November 2007 are as follows:

	Options on Ordinary shares of 5p No. 2008
J.T.S.Hayward	**2,181**

On 20 August 2008, following a review of best practice in corporate governance, R.L. Shacklady and N.F. Luckett cancelled their SAYE Sharesave Scheme membership. There were no other changes in the number of options in issue during the year or since the year end.

FINANCIAL INSTRUMENTS

The Group's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk.

The Group's principal financial instruments comprise cash and bank deposits, bank loans and overdrafts together with trade debtors and trade creditors that arise directly from its operations. The Group has entered into derivative transactions, being foreign exchange contracts and sale and purchase contracts denominated in a foreign currency, in the normal course of trade. It does not trade in financial instruments as a matter of policy.

Information about the use of the financial instruments by the Company and its subsidiaries is given in note 19 to the financial statements.

DONATIONS

Donations made by the Group during the period for charitable purposes in the United Kingdom amounted to £3,275 (2007: £3,495).

SUPPLIER PAYMENT POLICY

The Group's policy is to comply wherever practical with the terms of payment agreed with its suppliers. The average creditor days were 40 (2007: 43) for the Group.

DIRECTORS' INDEMNITIES

The Company maintains director and officer insurance cover for the benefit of its Directors which remained in force at the date of this report.

EMPLOYEE INVOLVEMENT

It is the policy of the Group to communicate with employees by employee representation on works and staff committees and by regular briefing meetings conducted by senior management. Career development is encouraged through suitable training and annual appraisals. The Group takes the approach of maximising performance through the heightening of awareness of corporate objectives and policies.

DISABLED PERSONS

The Group gives full and fair consideration to applications for employment from disabled persons, where they have the necessary abilities and skills for that position, and wherever possible will retrain employees who become disabled, so that they can continue their employment in another position. The Group engage, promote, and train staff on the basis of their capabilities, qualifications and experience, without discrimination, giving all employees an equal opportunity to progress.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible 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 which give a true and fair view of the state of affairs of the parent Company and the Group as at the end of the financial year and of the profit or loss of the Group for the financial year. The AIM Rules for Companies require that the Directors prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). The Directors have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- for the Group financial statements, state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as each of the Directors is aware:

- There is no relevant audit information of which the Company's Auditors are unaware, and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

AUDITORS

Grant Thornton UK LLP are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS AND RELATED INFORMATION

This document contains a number of forward-looking statements relating to the Group. The Group considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document.

By order of the Board
T.J. Lister
Secretary
8 December 2008

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF PRESSURE TECHNOLOGIES PLC

We have audited the Group and parent Company financial statements (the ''financial statements'') of Pressure Technologies plc for the period ended 27 September 2008 which comprise the consolidated income statement, the consolidated and parent Company balance sheets, the consolidated cash flow statement, the consolidated statement of recognised income and expense and notes 1 to 26 to the Group consolidated financial statements and notes 1 to 9 to the parent Company financial statements. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for preparing the parent Company financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's and Chief Executive's statements that are cross referred from the Principal Activities and Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Chairman's statement and the Chief Executive's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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 judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and 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

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 27 September 2008 and of its profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985;
- the parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent Company's affairs as at 27 September 2008;
- the parent Company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Birmingham
8 December 2008

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD ENDED 27 SEPTEMBER 2008

	Notes	2008 £'000	2007 £'000
Revenue	3	**23,660**	15,124
Cost of sales		**(16,150)**	(11,189)
Gross profit		**7,510**	3,935
Administration expenses		**(2,578)**	(2,053)
Exceptional administration costs		**—**	(530)
Total administration expenses		**(2,578)**	(2,583)
Operating profit before exceptional costs		**4,932**	1,882
Exceptional administration costs	6	**—**	(530)
Operating profit		**4,932**	1,352
Finance income	4	**155**	116
Finance costs	5	**(41)**	(84)
Profit before taxation	6	**5,046**	1,384
Taxation	10	**(1,465)**	(446)
Profit for the financial period	23	**3,581**	938
Earnings per share – basic	11	**31.6p**	10.9p
– diluted	11	**31.5p**	10.9p

All the above results are from continuing operations.

The notes on pages 26 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED INCOME AND EXPENSE

FOR THE PERIOD ENDED 27 SEPTEMBER 2008

	Note	2008 £'000	2007 £'000
Profit for the financial period		**3,581**	938
Tax taken directly to equity	23	**1**	—
Total recognised gains and losses relating to the period		**3,582**	938

CONSOLIDATED BALANCE SHEET

AS AT 27 SEPTEMBER 2008

	Notes	2008 £'000	2007 £'000
Non-current assets			
Property, plant and equipment	12	**2,043**	1,774
Deferred tax asset	20	**76**	49
		2,119	1,823
Current assets			
Inventories	14	**6,527**	4,550
Trade and other receivables	15	**3,125**	3,155
Derivative financial instruments	16	**110**	78
Cash and cash equivalents		**6,091**	4,930
		15,853	12,713
Total assets		**17,972**	14,536
Current liabilities			
Trade and other payables	17	**(4,731)**	(5,348)
Borrowings	18	**(80)**	(80)
Current tax liabilities		**(846)**	(362)
		(5,657)	(5,790)
Non-current liabilities			
Other payables	17	**(695)**	(448)
Borrowings	18	**(160)**	(240)
Deferred tax liabilities	20	**(293)**	(263)
		(1,148)	(951)
Total liabilities		**(6,805)**	(6,741)
Net assets		**11,167**	7,795
Equity			
Share capital	21	**567**	567
Share premium account	23	**5,341**	5,341
Retained earnings	23	**5,259**	1,887
Total equity	23	**11,167**	7,795

The notes and accounting policies on pages 26 to 46 form part of these financial statements.

The financial statements were approved by the Board on 8 December 2008 and signed on its behalf by:

J.T.S. Hayward
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 27 SEPTEMBER 2008

	Note	2008 £'000	2007 £'000
Operating activities			
Cash flows from operating activities	24	**2,881**	(609)
Finance costs paid		**(41)**	(84)
Income tax paid		**(977)**	(176)
Net cash inflow/(outflow) from operating activities		**1,863**	(869)
Investing activities			
Interest received		**155**	116
Purchase of property, plant and equipment		**(551)**	(428)
Proceeds from sale of property, plant and equipment		**101**	9
Net cash used in investing activities		**(295)**	(303)
Financing activities			
Proceeds from issue of ordinary shares		**—**	5,541
Repayment of borrowings		**(80)**	(437)
Dividends paid		**(227)**	—
Payment of deferred consideration		**(100)**	—
Net cash (outflow)/inflow from financing activities		**(407)**	5,104
Net increase in cash and cash equivalents		**1,161**	3,932
Cash and cash equivalents at beginning of period		**4,930**	998
Cash and cash equivalents at end of period		**6,091**	4,930

The notes on pages 26 to 46 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and IFRIC interpretations issued by the International Accounting Standards Board, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS for the first time. The Company has elected to prepare its parent Company financial statements in accordance with UK Generally Accepted Accounting Principles (UK GAAP). These are presented on pages 47 to 49.

The policies have changed from the previous year when the financial statements were prepared under applicable United Kingdom Generally Accepted Accounting Principles (UK GAAP). The comparative data for the year to 30 September 2007 has been restated and reconciliations are included in note 26 to explain the changes.

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments carried at fair value.

The following Standards and Interpretations, which have not been applied during the period but are likely to impact on the financial statements of the Group, were in issue but not yet effective:

IAS 1 Presentation of Financial Statements (revised 2007) (effective 1 January 2009)
IAS 23 Borrowing Costs (revised 2007) (effective 1 January 2009)
IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009)
Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective 1 January 2009)
IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009)
IFRS 8 Operating Segments (effective 1 January 2009)
Improvements to IFRSs (effective 1 January 2009 other than certain elements effective 1 July 2009)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group except for IAS 1 (revised), IFRS 3 (revised) and IFRS 8. The amendment to IAS 1 affects the presentation of owner changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of this amendment on the Group's financial statements.

IFRS 3 Business Combinations (Revised 2008) will apply to any future business combinations that the Group may undertake once it is in force. The Group has no plans to adopt the revised standard in advance of its mandatory implementation date and it is not possible to quantify the effect of the standard on future business combinations until those combinations take place.

IFRS 8 introduces new rules on the disclosure of operating results by business segment. The new standard requires a management approach, under which segment information is presented on the same basis as that used for internal reporting procedures. The Group will apply IFRS 8 from 1 October 2009. The impact of the standard is not expected to be significant as the Group only has one segment that currently contributes more then ten percent of total revenue, profit or loss, or assets.

First time adoption of IFRS

Application of IFRS 1

The consolidated financial statements for the period ended 27 September 2008 are the first annual financial statements that comply fully with IFRS 1 and all other applicable International Financial Reporting Standards. These financial statements have been prepared as described above.

The Group's transition date is 1 October 2006 and the Group prepared its opening IFRS balance sheet at that date. In preparing these consolidated financial statements in accordance with IFRS 1, the Group has applied the mandatory exemptions and certain of the optional exemptions from full retrospective application of IFRS. The Group did not take advantage of any optional exemptions available.

1. ACCOUNTING POLICIES CONTINUED

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 27 September 2008. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

All intra-group transactions have been eliminated on consolidation. Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and rewards that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those operating in other economic environments.

Based on risks and returns, the Directors consider that the primary reporting format is by business segment. The secondary reporting format is by geographical analysis, by origin and destination.

Revenue

Revenue is measured by reference to the fair value of consideration received or receivable and arises from the sales of goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes. Revenue from the sale of goods is recognised when the significant risks and benefits of ownership have been transferred to the buyer, which may be on despatch, completion of the product or the product being ready for delivery, based on specific contract terms; when the amount of revenue can be measured reliably; and when it is probable that the economic benefits associated with the transaction will flow to the Group.

Revenue from services provided by the Group, which does not represent a significant portion of the total revenue, is recognised when the outcome of the transaction can be estimated reliably and the Group has performed its obligations and, in exchange, obtained the right to consideration.

Exceptional administration costs

Exceptional administration costs are material items which individually or, if a similar type, in aggregate, need to be disclosed by virtue of their size or incidence because of their relevance to understanding the entity's financial performance.

Costs of this nature were incurred in the prior period and are detailed in note 6 to the consolidated financial statements.

Research and development

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred.

Pressure Technologies plc has not incurred any costs in the year that have met the above criteria for development costs, with all relevant costs being expensed as research costs as they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. ACCOUNTING POLICIES CONTINUED

Share-based employee remuneration

All share-based payment arrangements granted after 7 November 2002, which had not vested by the date of transition to IFRS, are recognised in the consolidated financial statements. The Group operates equity-settled share-based remuneration plans for remuneration of its employees. The Group's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to the profit and loss reserve.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as additional paid-in capital.

The cancellation of equity-settled share based payments is accounted for as an acceleration of vesting.

Dividends

Dividends are recognised when the shareholders right to receive payment is established.

Property, plant and equipment

Plant and equipment is stated at cost, net of depreciation and any provision for impairment. No depreciation is charged whilst assets are still in the course of construction. Depreciation is applied on a straight-line basis so as to reduce the assets to their residual values over their estimated useful lives. Residual values are reviewed annually. The rates of depreciation used are:

Plant and machinery	4 – 15 years

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

The Group operates from a single manufacturing site in Sheffield under a 15 year lease expiring in June 2020. The Directors consider that the remaining life of the building to be considerably longer than the remaining life of the lease and consequently the lease has been treated as an operating lease.

Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Payments under operating leases are charged to the income statement on a straight-line basis over the term of the lease. Lease incentives are spread over the term of the lease.

Inventories

Inventories are stated at the lower of cost and net realisable value, on a first in first out basis. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

1. ACCOUNTING POLICIES CONTINUED

Income taxes

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective periods of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets and liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Accounting for financial assets

The Group has financial assets in the following categories:

- loans and receivables
- financial assets at fair value through profit or loss

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expenses are recognised in profit or loss or directly in equity.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets other than those categorised as at fair value through profit or loss are recognised at fair value plus transaction costs. Financial assets categorised as at fair value through profit or loss are recognised initially at fair value with transaction costs expensed through the income statement.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Pressure Technologies plc's trade and most other receivables fall into this category of financial instrument. Discounting, however, is omitted where the effect of discounting is immaterial.

Significant receivables are considered for impairment on a case-by-case basis when they are past due at the balance sheet date or when objective evidence is received that a specific counterparty will default. All other receivables are reviewed for impairment in Groups, which are determined by reference to the industry and region of a counterparty and other available features of shared credit risk characteristics, if any. The percentage of the write down is then based on recent historical counterparty default rates for each identified Group.

Accounting for financial liabilities

Financial liabilities represent a contractual obligation for the Group to deliver cash or other financial assets. Financial liabilities are initially recognised at fair value, net of issue costs, when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. ACCOUNTING POLICIES CONTINUED

Derivative financial instruments

The Group has derivative financial instruments and embedded derivative financial instruments that are carried at fair value through profit or loss. The Group does not hedge account for these items.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists. The Group has foreign currency forward contracts that fall into this category.

Derivatives embedded within contracts for the sale or purchase of a non-financial item that are denominated in a foreign currency are separated when their economic characteristics and risks are not closely related to those of the host contract. Embedded derivatives are valued at their fair value with changes in fair value being recognised in the income statement.

The Group have sales and purchase orders that contain embedded derivatives.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts, where they form an integral part of the Group's cash management.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. The only equity instrument applicable to the Group is its issued share capital.

Compound instruments

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the component instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured.

The Group previously had preferential ordinary shares in issue which fell into this category. These shares were converted to ordinary shares during the previous financial year.

Interest

Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Foreign currency translation

Foreign currency transactions are translated into the functional currency (being the currency of the primary economic environment in which the Group operates) of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary balance sheet items at year-end exchange rates are recognised in the income statement. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in Pounds Sterling, which is the functional currency of the Company, and the presentation currency of the consolidated financial statements.

Grants

Grants relating to property, plant and equipment are treated as deferred income and released to the income statement over the expected useful lives of the assets concerned. Other grants are credited to the income statement in the same period as the related expenditure is incurred.

Pensions

The Group operates a defined contribution scheme with costs being charged to the income statement in the period to which they relate.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions that have a material risk to the carrying value of assets and liabilities within the next financial year are discussed below:

Fair value of derivatives and other financial instruments

As described in note 19, the Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative and embedded derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Details of the assumptions used and the results of sensitivity analyses regarding these assumptions are provided in note 19.

Revenue recognition

The Group recognises revenue when the goods in question have finished production and passed any applicable factory and customer acceptance tests. Where goods remain on the Group's premises at the year end at the request of the customer, management consider the detailed criteria for the recognition of revenue from the sale of goods as set out in IAS 18. In particular, consideration is given as to whether the significant risks and rewards of ownership are considered to have transferred to the buyer.

Capitalisation of research and development

Where the conditions of IAS 38 (Intangible Assets) are met, the Group capitalises the relevant development expenditure as an asset. In order to capitalise research and development expenditure, the Group must create an asset that is expected to generate future economic benefits in which the revenue can be reliably measured. The Group incurred research and development expenditure during the year which the Director's do not consider to have met this criteria and consequently the expenditure has been expensed during the period.

Inventory provisions

The Directors have reviewed the level of specific and general provisions carried against inventory in the light of outstanding current and anticipated customer orders. Where no customer orders are received against finished goods, full provision is made.

3. SEGMENTAL ANALYSIS

Based on risks and returns, the Directors consider that the primary reporting format is by business segment. The Directors consider that only one business segment exists, being the Group's supply of high-pressure gas cylinders into the energy market. No other segment represents more than 10% of revenue. Consequently, separate disclosure of each business segment is not required as disclosures for the primary segment are already given in the financial statements.

Geographical segment

The following table provides an analysis of the Group's revenue by geographical market. The carrying amount of segment assets and additions to property, plant and equipment and intangible assets have not been analysed separately by location, as they are all located in the United Kingdom.

Revenue	**2008 £'000**	2007 £'000
United Kingdom	**2,770**	1,794
Europe	**2,134**	350
Rest of the World	**18,756**	12,980
	23,660	15,124

4. FINANCE INCOME

	2008 £'000	2007 £'000
Interest receivable on bank deposits	**155**	116

5. FINANCE COSTS

	2008 £'000	2007 £'000
Interest payable on bank loans and overdrafts	**(41)**	(84)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. PROFIT BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2008 £'000	2007 £'000
Depreciation of property, plant and equipment	**200**	203
Profit on disposal of property, plant and equipment	**(19)**	(1)
Amortisation of grant receivable	**(27)**	(12)
Staff costs (see note 9)	**2,589**	1,670
Cost of inventories recognised as an expense	**14,053**	9,737
Operating lease rentals:		
Land and buildings	**434**	417
Machinery and equipment	**17**	8
Exceptional operating items	**—**	530

The charge for exceptional operating items in the prior period comprised costs relating to the Group's flotation on AIM of £125,000 and costs relating to a prospective overseas acquisition of £405,000. There were no such costs incurred in the current period.

7. AUDITORS' REMUNERATION

	2008 £'000	2007 £'000
Fees payable to the Company's Auditor for the audit of the financial statements	**10**	5
Fees payable to the Company's Auditor and its associates for other services:		
– Audit of the Company's subsidiaries pursuant to legislation	**15**	12
Fees payable to the Group's Auditors for non-audit services:		
– Tax services	**17**	25
– Services as Reporting Accountants in relation to flotation	**—**	75
– Review of Interim Financial Statements	**8**	—
– Other services	**8**	—

8. DIRECTORS' EMOLUMENTS

Particulars of Directors' emoluments are as follows:

	Salary and fees £'000	**Benefits £'000**	**Bonus £'000**	**Total 2008 £'000**	Total 2007 £'000	**Pension Total 2008 £'000**	Pension Total 2007 £'000
Non-Executive:							
R.L. Shacklady	**24**	**—**	**—**	**24**	55	**—**	—
N.F. Luckett	**15**	**—**	**—**	**15**	7	**—**	—
P.S. Cammerman	**8**	**—**	**—**	**8**	—	**—**	—
Executive:							
J.T.S. Hayward	**92**	**1**	**50**	**143**	106	**8**	5
J.D. Clark	**17**	**1**	**—**	**18**	65	**1**	3
T.J. Lister	**26**	**—**	**13**	**39**	—	**2**	—
Total emoluments	**182**	**2**	**63**	**247**	233	**11**	8

All the payments shown for R.L. Shacklady were paid to RLS Associates, a partnership which he controls, on his behalf.

T.J.Lister joined the Company in January 2008 as Finance Director designate, being appointed a Director on 1 June 2008. The emoluments included above cover the period from his appointment as a Director to the 27 September 2008.

In addition to the amounts shown above, J.D. Clark received a payment as compensation for loss of office of £50,000.

The number of Directors who are accruing benefits under money purchase schemes is 2 (2007: 2).

The Group believes that the Directors of Pressure Technologies plc are the only key management personnel under the definition of IAS 24 "Related party disclosures".

9. EMPLOYEE COSTS

Particulars of employees, including Executive Directors:

	2008 £'000	2007 £'000
Wages and salaries	**2,281**	1,471
Social security costs	**228**	156
Other pension costs	**80**	43
	2,589	1,670

The average monthly number of employees (including Executive Directors) during the period was as follows:

	2008 No.	2007 No.
Production	**58**	39
Selling and distribution	**4**	4
Administration	**5**	4
	67	47

10. TAXATION

	2008 £'000	2007 £'000
Current tax		
Current tax expense	**1,461**	445
Relating to prior periods	**—**	(18)
	1,461	427
Deferred tax		
Origination and reversal of temporary differences	**(4)**	19
Adjustment in respect of prior years	**8**	—
Total taxation charge	**1,465**	446

Corporation tax is calculated at 28% (2007: 30%) of the estimated assessable profit for the period.

The charge for the period can be reconciled to the profit per the income statement as follows:

	2008 £'000	2007 £'000
Profit before taxation	**5,046**	1,384
Theoretical tax at UK corporation tax rate 28% (2007: 30%)	**1,413**	415
Effects of:		
– non-deductible expenses	**4**	72
– adjustments in respect of prior years – current tax	**—**	(18)
– adjustments in respect of prior years – deferred tax	**8**	—
– effect of rate change – see below	**50**	(17)
– small companies and marginal relief	**(10)**	(6)
Total taxation charge	**1,465**	446

The corporation tax rate has fallen as a result of the reduction in the UK corporation tax rate from 30% to 28% from 6 April 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

11. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per share have been calculated in accordance with IAS 33, which requires that earnings should be based on the net profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period.

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed conversion of all dilutive options.

	2008 £'000	2007 £'000
Profit after tax	**3,581**	938

	No.	No.
Weighted average number of shares – basic	**11,333,620**	8,615,812
Dilutive effect of options issued 30 November 2007	**47,958**	—
Weighted average number of shares – diluted	**11,381,578**	8,615,812
Basic earnings per share	**31.6p**	10.9p
Diluted earnings per share	**31.5p**	10.9p

12. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £'000
Cost	
At 1 October 2006	3,390
Additions	428
Disposals	(12)
At 30 September 2007	3,806
Additions	551
Disposals	(388)
At 27 September 2008	**3,969**
Depreciation	
At 1 October 2006	1,833
Charge for the year	203
Disposals	(4)
At 30 September 2007	2,032
Charge for the period	200
Disposals	(306)
At 27 September 2008	**1,926**
Net book value	
At 27 September 2008	**2,043**
At 30 September 2007	1,774

13. SUBSIDIARIES

A list of the significant investments in subsidiaries, including the name, country of incorporation and proportion of ownership interest is given in note 4 to the Company's separate financial statements.

14. INVENTORIES

	2008 £'000	2007 £'000
Raw materials and consumables	**3,749**	2,599
Work in progress	**2,778**	1,951
	6,527	4,550

The replacement cost of stock is not materially different from the book value.

15. TRADE AND OTHER RECEIVABLES

	2008 £'000	2007 £'000
Amounts: falling due within one year		
Trade receivables	**1,830**	2,023
Other debtors	**245**	113
Prepayments and accrued income	**1,050**	1,019
	3,125	3,155

The average credit period taken on the sale of goods and services was 70 days (2007: 56 days) in respect of the Group. The Group has two major customers, the largest of which represent 43% (2007: 35%) and the other 24% (2007: 32%) of trade receivables at the year end. Apart from these balances the Group has no other significant concentration of receivables.

Ageing of past due but not impaired receivables:

	2008 £'000	2007 £'000
Days past due:		
0 – 30 days	**19**	143
31 – 60 days	**23**	14
61 – 90 days	**28**	8
91-120 days	**39**	—
121 + days	**84**	2
Total	**193**	167

Of the above overdue debts, £161,000 has since been received. The Group has reviewed the need for provisions against bad and doubtful debts and concluded that no provision is required. No impairment losses were recognised during the year in respect of trade receivables.

16. DERIVATIVE FINANCIAL INSTRUMENTS

	2008 £'000	2007 £'000
Derivatives carried at fair value not recognised for hedge accounting		
– Forward foreign currency contracts	**21**	—
– Contracts for sales and purchases of non-financial items denominated in foreign currencies	**89**	78
	110	78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

17. TRADE AND OTHER PAYABLES

	2008 £'000	2007 £'000
Amounts due within 12 months		
Trade payables	**1,354**	1,339
Other tax and social security	**58**	45
Accruals and deferred income	**3,269**	3,839
	4,681	5,223
Deferred consideration	**50**	125
Total due within 12 months	**4,731**	5,348
Amounts due after 12 months		
Other payables	**247**	175
Deferred income	**348**	148
	595	323
Deferred consideration	**100**	125
Total due after 12 months	**695**	448

The payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

Deferred consideration relating to a prior acquisition is payable over ten years ending in June 2014. The amount payable is not contingent.

18. BORROWINGS

	2008 £'000	2007 £'000
Secured borrowings		
Bank loans	**240**	320
Total borrowings	**240**	320
Amounts due for settlement within 12 months	**80**	80
Amounts due for settlement after 12 months	**160**	240

The maturity profile of long-term loans is as follows:

	2008 £'000	2007 £'000
Due within one year	**80**	80
Due within one to two years	**80**	80
Due within two to five years	**80**	160
	240	320

Security is provided on the bank loan by a charge over the Group's assets.

19. FINANCIAL INSTRUMENTS

Capital risk management

Pressure Technologies plc's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The Group manages its capital through the optimisation of the debt and equity balance and by pricing products and services commensurately with the level of risk. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 23.

	2008 £'000	2007 £'000
Debt	**(240)**	(320)
Cash and cash equivalents	**6,091**	4,930
Net debt	**5,851**	4,610
Equity	**11,167**	7,795

Debt is defined as long and short-term borrowings, as detailed in note 18. Equity includes all capital and reserves of the Group attributable to equity holders of the parent.

The Group is not subject to externally imposed capital requirements, other than the minimum capital requirements and duties regarding a serious reduction of capital, as imposed by the Companies Act 1985 on all public limited companies.

The Group held the following categories of financial instruments:

	2008 £'000	2007 £'000
Financial assets		
Fair value through profit and loss (FVTPL)		
– Derivative instrument – forward currency contract not recognised for hedge accounting	**21**	—
– Embedded derivative instrument – contracts for sales and purchase of non-financial items denominated in foreign currencies	**89**	78
Loans and receivables:		
– Trade receivables	**1,830**	2,023
– Cash and cash equivalents	**6,091**	4,930
	8,031	7,031
Financial liabilities		
Trade and other payables – held at amortised cost		
– Trade payables	**1,354**	1,339
– Accruals and deferred income	**3,269**	3,839
Borrowings – at amortised cost	**240**	320
Deferred consideration – held at amortised cost	**150**	250
	5,013	5,748

The fair value of the financial instruments set out above is not materially different from their book value.

Financial risk management objectives

Management monitor and manage the financial risks relating to the operations of the Group through regular reports to the Board. These risks include currency risk, interest rate risk, credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to reduce these risk exposures. The use of financial derivatives is governed by the Group's policies on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Whilst the Group enters into forward currency contracts during the year to mitigate foreign currency risk, it does not apply hedge accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19. FINANCIAL INSTRUMENTS CONTINUED

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, particularly in US Dollars and Euros, and interest rates. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk including the use of fixed interest rates on its long term borrowings. The level of long term borrowings in place at the year end is not significant to the Group.

Foreign currency risk management

The Group purchases its principal raw materials in both US Dollars and Euros and receives payment for some of its products in Euros as well as in Pounds Sterling. After netting off foreign currency receipts and payments there is a net exposure to the risk of currency movements both in US Dollars and Euros. Where necessary the net exposure is hedged using forward contracts subject to limits in the Group's banking facility.

The carrying amounts of the Group's foreign currency denominated monetary financial assets and monetary financial liabilities at the reporting date are as follows:

	Financial liabilities 2008 £'000	Financial assets 2007 £'000	**Financial liabilities 2008 £'000**	Financial liabilities 2007 £'000
Euro	**1,706**	2,356	**1,574**	825
Norwegian Krone	**—**	42	**—**	—
US Dollar	**331**	339	**—**	—
	2,037	2,737	**1,574**	825

Foreign currency sensitivity analysis

The Group is mainly exposed to the US Dollar and Euro currency movements.

The following table details the Group's sensitivity to a 10% increase and decrease in Pound Sterling against the relevant foreign currencies:

	Euro currency impact 2008 £'000	Euro currency impact 2007 £'000	**Norwegian Krone currency impact 2008 £'000**	Norwegian Krone currency impact 2007 £'000	**US Dollar currency impact 2008 £'000**	US Dollar currency impact 2007 £'000
Profit or loss	**26**	143	**—**	7	**28**	31

The use of a 10% movement in exchange rates is considered appropriate given recent movements in exchange rates.

The above analysis represents the Group's exposure to foreign currency risk based financial assets and liabilities outstanding at the year end. A substantial amount of the Group's sales and purchases are made in foreign currencies. The exposure to foreign exchange rates varies throughout the year depending on the volume and timing of transactions in foreign currencies.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also periodically enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to between 6-12 months. The Group does not hedge account for the forward currency exchange contracts.

As of 27 September 2008 the aggregate amount of profit/loss under forward foreign exchange contracts was £21,000.

At 27 September 2008 the Group had an outstanding forward exchange contract to purchase $560,000 which substantially covered the outstanding value of US Dollar denominated purchase orders.

Interest rate risk management

The Group finances its operations where necessary through bank loans and overdrafts. Surplus cash is placed on short-term deposit at fixed rates of interest.

If interest rates had been 0.5% higher/lower and all other variables were held constant, the impact on the results in the Income Statement and equity would be an increase/decrease of £17,000.

The Group had un-drawn borrowing facilities available at 27 September 2008 of £1,500,000 (2007: £1,250,000).

Price risk management

Where possible the Group enters into contracts incorporating price escalation clauses to mitigate any significant exposure to materials and utilities price risk.

19. FINANCIAL INSTRUMENTS CONTINUED

Credit risk management

The Group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer. The Group's management estimate the level of allowances required for doubtful debts based on prior experience and their assessment of the current economic environment. The credit risk on liquid funds is minimized by using counterparty banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

At 27 September 2008, the Group's liabilities have contractual maturities summarised below:

2008	**Current Within 6 months £'000**	**Current 6-12 months £'000**	**Non current 1 to 5 years £'000**	**Less future interest £'000**	**Total net payable £'000**
Bank overdraft and loans	**48**	**47**	**173**	**(28)**	**240**
Trade and other payables	**4,094**	**529**	**—**	**—**	**4,623**
Gross settled derivatives	**283**	**—**	**—**	**—**	**283**
	4,425	**576**	**173**	**(28)**	**5,146**

2007	Current Within 6 months £'000	Current 6-12 months £'000	Non current 1 to 5 years £,000	Less future interest £'000	Total net payable £'000
Bank overdraft and loans	53	51	268	(52)	320
Trade and other payables	4,801	342	35	—	5,178
	4,854	393	303	(52)	5,498

The interest rate on the bank loans of £240,000 (2007: £320,000) is set at 2.75% above Bank of Scotland base rate. The loan is repayable at the rate of £20,000 per quarter.

Included in cash and cash equivalents is a Sterling balance of £2,000,000 (2007: £3,500,000) which represents a single fixed term deposit for one month ending on 24 October 2008 at a rate of interest of 5.24% (2007: 6.45%).

The Group maintains foreign currency denominated bank accounts that earn interest based on the Bank of Scotland base rate applicable to that currency.

At 27 September 2008 there was an outstanding foreign exchange liability of £283,000 which expires within 6 months of the year end (2007: £nil).

The following amounts have been recognised in the income statement in respect of derivative financial instruments:

	2008 £'000	2007 £'000
Fair value through profit and loss (FVTPL)		
– Derivative instrument – forward currency contract not recognised for hedge accounting	**21**	—
– Embedded derivative instrument – contracts for sales and purchase of non-financial items denominated in foreign currencies	**11**	48
Amounts credited to cost of sales within the income statement	**32**	48

Fair values

The fair values of financial assets and liabilities are determined as follows:

- Outstanding foreign currency exchange contracts are measured using quoted forward exchange rates at the balance sheet date. The Group does not hedge account.
- The value of outstanding sales and purchase orders denominated in foreign currencies are revalued at the balance sheet date using exchange rates then applicable to the expected settlement of the outstanding orders.

The carrying value and fair value of the financial assets and financial liabilities are considered to be the same.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

20. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation £'000	Revaluation of financial instruments £'000	Short term timing differences £'000	Share option costs £'000	Operating lease incentives £'000	Total £'000
At 1 October 2006	(216)	(12)	—	—	33	(195)
(Credit)/charge to income	(25)	(10)	—	—	16	(19)
At 30 September 2007	(241)	(22)	—	—	49	(214)
(Credit)/charge to income	(21)	(9)	3	3	20	(4)
Taken directly to equity	—	—	—	1	—	1
At 27 September 2008	**(262)**	**(31)**	**3**	**4**	**69**	**(217)**

The net deferred tax balance has been analysed as follows in the consolidated balance sheet:

	2008 £'000	2007 £'000
Non current asset		
Deferred tax asset	**76**	49
Non current liabilities		
Deferred tax liabilities	**(293)**	(263)
	(217)	(214)

At the balance sheet date, the Group has unused tax losses as disclosed below:

	Unprovided 2008 £'000	Unprovided 2007 £'000
Trading losses	**43**	43

21. CALLED UP SHARE CAPITAL

	2008 No.	2007 No.	**2008 £'000**	2007 £'000
Authorised				
Authorised ordinary shares of 5p each	**15,000,000**	15,000,000	**750**	750
Allotted, issued and fully paid				
Ordinary shares of 5p each	**11,333,620**	11,333,620	**567**	567

22. SHARE BASED PAYMENTS

Pressure Technologies plc introduced a share option scheme for all employees of the Group during the period. No options were in issue in the prior year. Options are exercisable at 176p. The vesting period is 3 years. If the options remain unexercised after a period of 3 years and 6 months from the date of the grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of the share options outstanding during the period are as follows:

	Options No.
Granted during the period	59,197
Cancelled during the period	(10,908)
Outstanding and Exercisable at the end of the period	48,289

The options outstanding at 27 September 2008 had a weighted average exercise price of 176p and a weighted average remaining contractual life of 2.2 years. The terms of these options are as follows:

Date of grant	Options outstanding at 27 September 2008	Vesting period	Market value at date of grant (p)	Exercise price (p)	Exercise period
30/11/07	48,289	3 years	220	176	6 months

There are no performance conditions that apply to the options, other than continued employment.

On 30 November 2007, the Company's Non-executive Chairman, R.L. Shacklady, and its Non-executive Director, N.F. Luckett, were each granted options over 5,454 Ordinary Shares under the Scheme. These options comprised the Directors entire holdings of share options. These options were cancelled on 20 August 2008 following a review of best practice in corporate governance in which the Directors concluded that it would be inappropriate for the Non-executive Directors to participate in the Scheme.

The options granted have been valued using the Black-Scholes model. The inputs into the Black-Scholes model are as follows:

Scheme: date of grant	30/11/07
Weighted average share price	220p
Weighted average exercise price	176p
Expected volatility	37.6%
Expected life	3 years
Risk free rate	5.2%
Expected dividend yield	0%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the period since the Group was admitted to AIM. The expected option value used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected dividend yield was based on the Group's dividend payout pattern at the date of issue of the options.

The total charge to the income statement in the period in respect of share-based payments was £18,000.

A deferred tax charge of £3,000 was recognised in the income statement during the period in respect of share based payments. A further £1,000 was taken directly to reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. STATEMENT OF CHANGES IN EQUITY

	Share capital account £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 October 2006	220	—	(54)	680	846
Profit for the year	—	—	—	938	938
Release of financial liability	—	—	54	269	323
New share issue	347	5,341	—	—	5,688
At 30 September 2007	567	5,341	—	1,887	7,795
Profit for the period	—	—	—	3,581	3,581
Dividends paid	—	—	—	(227)	(227)
Share based payments	—	—	—	17	17
Tax taken directly to equity	—	—	—	1	1
At 27 September 2008	**567**	**5,341**	**—**	**5,259**	**11,167**

The Share premium account represents the excess of proceeds from the share issue over the nominal value of the shares, net of issue costs. The Other reserve represents the excess of the fair value of the financial liability over its transaction value and was released to the profit and loss account upon settlement of the financial liability.

24. CASH FLOWS FROM OPERATING ACTIVITIES

	2008 £'000	2007 £'000
Continuing operations		
Profit after tax	**3,581**	938
Adjustments for:		
Finance income – net	**(114)**	(32)
Depreciation of property, plant and equipment	**200**	203
Profit on sale of property, plant and equipment	**(19)**	(1)
Share option costs	**17**	—
Income tax expense	**1,465**	446
Gain on derivative financial instruments	**(32)**	(48)
Changes in working capital:		
Increase in inventories	**(1,977)**	(3,269)
Decrease in trade and other receivables	**30**	211
(Decrease)/increase in trade and other payables	**(270)**	943
Cash flows from operating activities	**2,881**	(609)

25. FINANCIAL COMMITMENTS

(a) Capital commitments

Commitments for capital expenditure entered into were as follows:

	2008 £'000	2007 £'000
Contracted for, but not provided in the accounts	**64**	66

(b) Operating lease commitments

The Group has entered into commercial leases on certain properties, motor vehicles and items of plant and equipment. At the balance sheet date, the Group had outstanding commitments for minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2008 £'000	2007 £'000
Land and buildings, leases expiring:		
Within one year	**403**	403
In the second to fifth years inclusive	**1,751**	1,708
After more than five years	**3,246**	3,692
	5,400	5,803
Other assets, leases expiring:		
Within one year	**7**	8
In the second to fifth years inclusive	**7**	—
	14	8

The operating lease commitment on land and buildings represents the lease on the Group's factory and offices at Meadowhall, Sheffield. The Group entered into a lease for a period of 15 years commencing on 1 July 2005. The current rent payable under the lease is £370,975 per annum. The lease includes rent reviews in every fifth year of the term. In respect of years 6-10 inclusive, the rent increases to £409,586 and then £452,216 in the following review period.

There is an additional lease entered into on the same date for the same period for an end bay at the premises. The rent for the first five years of the lease will be £32,000 per annum rising to £36,206 following the first review and £40,964 following the final review.

(c) Other financial commitments

At 27 September 2008, the Group had entered into a binding commitment with its primary supplier to make advance payments after the period end against outstanding purchase orders totalling £nil (2007: £483,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

26. RECONCILIATION OF EQUITY AND PROFIT UNDER UK GAAP TO IFRS

Pressure Technologies plc reported under UK GAAP in its previously published financial statements for the year ended 30 September 2007. The analysis below shows a reconciliation of equity and profit as reported under UK GAAP as at 30 September 2007 to the revised equity and profit under IFRS as reported in these financial statements. In addition, there is a reconciliation of equity under UK GAAP to IFRS at the transition date for the Group, being 1 October 2006.

Reconciliation of consolidated equity at 1 October 2006 (date of transition to IFRS)

	UK GAAP £'000	IAS 17 £'000	IAS 39 £'000	IAS 12 £'000	IFRS £'000
Property, plant and equipment	1,557	—	—	—	1,557
Deferred tax asset	—	—	—	33	33
Non-current assets	1,557	—	—	33	1,590
Inventories	1,281	—	—	—	1,281
Trade and other receivables	3,366	—	—	—	3,366
Derivative asset	—	—	30		30
Cash and cash equivalents	998	—	—	—	998
Current assets	5,645	—	30	—	5,675
Total assets	7,202	—	30	33	7,265
Trade and other payables	(4,571)	—	—	—	(4,571)
Current portion of long-term borrowings	(216)	—	—	—	(216)
Current tax payable	(111)	—	—	—	(111)
Current liabilities	(4,898)	—	—	—	(4,898)
Other payables	(180)	(102)	—	—	(282)
Long-term borrowings	(1,011)	—	—	—	(1,011)
Deferred tax liabilities	(216)	—	—	(12)	(228)
Non-current liabilities	(1,407)	(102)	—	(12)	(1,521)
Total liabilities	(6,305)	(102)	—	(12)	(6,419)
Net assets	897	(102)	30	21	846
Share capital	220	—	—	—	220
Other reserve	(54)	—	—	—	(54)
Profit and loss account	731	(102)	30	21	680
Total equity	897	(102)	30	21	846

26. RECONCILIATION OF EQUITY AND PROFIT UNDER UK GAAP TO IFRS CONTINUED

Reconciliation of equity at 30 September 2007

	UK GAAP £'000	IAS 17 £'000	IAS 39 £'000	IAS 12 £'000	IFRS £'000
Property, plant and equipment	1,774	—	—	—	1,774
Deferred tax asset	—	—	—	49	49
Non-current assets	1,774	—	—	49	1,823
Inventories	4,550	—	—	—	4,550
Trade and other receivables	3,155	—	—	—	3,155
Derivative asset	—	—	78	—	78
Cash and cash equivalents	4,930	—	—	—	4,930
Current assets	12,635	—	78	—	12,713
Total assets	14,409	—	78	49	14,536
Trade and other payables	(5,348)	—	—	—	(5,348)
Current portion of long-term borrowings	(80)	—	—	—	(80)
Current tax payable	(362)	—	—	—	(362)
Current liabilities	(5,790)	—	—	—	(5,790)
Other payables	(273)	(175)	—	—	(448)
Long-term borrowings	(240)	—	—	—	(240)
Deferred tax liabilities	(241)	—	—	(22)	(263)
Non-current liabilities	(754)	(175)	—	(22)	(951)
Total liabilities	(6,544)	(175)	—	(22)	(6,741)
Net assets	7,865	(175)	78	27	7,795
Share capital	567	—	—	—	567
Share premium account	5,341	—	—	—	5,341
Profit and loss account	1,957	(175)	78	27	1,887
Total equity	7,865	(175)	78	27	7,795

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

26. RECONCILIATION OF EQUITY AND PROFIT UNDER UK GAAP TO IFRS CONTINUED

Reconciliation of profit for the year ended 30 September 2007

	UK GAAP £'000	IAS 17 £'000	IAS 39 £'000	IAS 12 £'000	IFRS £'000
Revenue	15,124	—	—	—	15,124
Cost of sales	(11,237)	—	48	—	(11,189)
Gross profit	3,887	—	48	—	3,935
Selling and administration expenses	(1,980)	(73)	—	—	(2,053)
Exceptional administration costs	(530)	—	—	—	(530)
Operating profit	1,377	(73)	48	—	1,352
Finance income	116	—	—	—	116
Finance cost	(84)	—	—	—	(84)
Profit before taxation	1,409	(73)	48	—	1,384
Taxation	(452)	—	—	6	(446)
Profit for the period	957	(73)	48	6	938

Explanation of transition to IFRS

An explanation of how the transition from UK GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out below:

IAS 17 – Accounting for operating leases

The Group benefited from an operating lease incentive at the outset of its 15 year lease on the Meadowhall factory in 2005.

Under UK GAAP, the benefit of the operating lease incentive is spread to the date that the rent is first revised to market rent.

Under IAS 17 "Leases", payments made under operating leases should be recognised as an expense on a straight line basis over the lease term, even if lease payments are not made on such a basis. As a result, the total amount payable under the operating lease has been spread over the entire lease term on a straight line basis, with the difference between the amount recognised in the income statement and the amount paid being included within other payables on the balance sheet.

IAS 39 – Contracts in foreign currencies

IAS 39 "Financial Instruments: recognition and measurement", requires that embedded derivatives are separated from the host contract and accounted for as a derivative when they are not closely related to the economic characteristics of the host contract. A value is placed on all sales and purchase orders at the time of order placement based on the forward rate applicable for the expected date of delivery. Where orders remain outstanding at subsequent reporting dates, the difference between that rate and the forward rate for the expected delivery date calculated at the reporting date is accounted for separately as a derivative asset or liability.

Movements in the carrying value of the derivative asset or liability are recognised through the income statement.

IAS 39 also requires forward foreign exchange contracts to be recognised on the balance sheet at their fair value with movements in the fair value being recognised through the income statement.

IAS 12 – Income taxes

IAS 12 "Income taxes", requires that deferred tax is calculated based on the difference between the carrying amounts of assets and liabilities and their tax bases. As a result, deferred tax has been calculated on each of the adjustments explained above. Deferred tax assets and liabilities are recognised separately.

COMPANY BALANCE SHEET

AS AT 27 SEPTEMBER 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Investments	4	**1,010**	1,001
Current assets			
Debtors	5	**1,918**	1,804
Cash at bank and in hand		**5,042**	3,931
		6,960	5,735
Creditors: amounts falling due within one year	6	**(661)**	(330)
Net current assets		**6,299**	5,405
Net assets		**7,309**	6,406
Capital and reserves			
Called up share capital	7	**567**	567
Share premium account	8	**5,341**	5,341
Equity – non distributable	8	**9**	—
Profit and loss account	8	**1,392**	498
Equity shareholders' funds	9	**7,309**	6,406

The notes on pages 48 to 49 form part of these financial statements.

Approved by the Board on 8 December 2008 and signed on its behalf by:

J.T.S. Hayward
Director

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 1985. Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account. The profit for the financial year dealt within the financial statements of the holding Company was £1,113,000 (2007: £498,000).

Investments

Investments in subsidiary undertakings are stated at cost subject to provision for impairment where the underlying business does not support the carrying value of the investment. Where the ownership of investments have been transferred between Group undertakings, this has been accounted for at nominal value under the provisions of merger relief.

Pensions

The Company makes contributions to a defined contribution scheme with costs being charged to the profit and loss account in the period to which they relate.

Share based payments

The share option programme allows Pressure Technologies plc to grant options to Group employees to acquire shares in Pressure Technologies plc. The fair value is measured at the date of granting the options and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as fair value is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting. Deferred taxation is recognised over the vesting period.

Where the individuals are employed by the parent Company, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. Where the individuals are employed by a subsidiary undertaking, the fair value of options to purchase shares in the Company that have been issued to employees of subsidiary companies is recognised as an additional cost of investment by the parent Company. An equal amount is credited to other equity reserves. This treatment is in accordance with UITF 44 and FRS 20: Share based payments.

2. EMPLOYEE COSTS

The only employee costs of the Company are those of the Directors, these are detailed in note 9 to the Consolidated Financial Statements.

3. OPERATING PROFIT

The Auditors' remuneration for the audit and other services is disclosed in note 7 to the Consolidated Financial Statements.

4. INVESTMENTS

	Investment in subsidiary companies £'000
Cost	
At 1 October 2007	1,001
Share options granted to subsidiary employees	9
At 27 September 2008	**1,010**

The principal subsidiaries which are both 100% owned, are:

Name	Country of incorporation	Principal activity
Chesterfield Pressure Systems Group Limited ("CPSG")	England	Management company
Chesterfield Special Cylinders Limited ("CSC")	England	Manufacturing

5. DEBTORS

	2008 £'000	2007 £'000
Amounts: falling due within one year		
Other debtors	**6**	26
Prepayments and accrued income	**24**	31
Amounts owed by Group undertakings	**1,888**	1,747
	1,918	1,804

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Trade creditors	15	20
Other tax and social security	8	7
Other creditors	2	—
Accruals and deferred income	162	303
Corporation tax	39	—
Amounts owed by Group undertakings	435	—
	661	330

7. SHARE CAPITAL

Details of the Company's authorised and issued share capital and of movements in the year are given in note 21 to the consolidated financial statements.

8. RESERVES

	Equity – non distributable 2008 £'000	Share premium account 2008 £'000	Profit and loss account 2008 £'000	Share premium account 2007 £'000	Profit and loss account 2007 £'000
At beginning of period	—	5,341	498	—	—
Profit for the financial period	—	—	1,113	—	498
Arising on share issue	—	—	—	5,800	—
Share option costs	—	—	8	—	—
Share options granted to subsidiary employees	9	—	—	—	—
Costs relating to share issue	—	—	—	(459)	—
Dividends	—	—	(227)	—	—
At end of period	9	5,341	1,392	5,341	498

9. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2008 £'000	2007 £'000
Equity shareholders' funds at beginning of period	6,406	—
Profit for the financial period	1,113	498
Shares issued in share-for-share exchange	—	367
Dividends paid	(227)	—
Share option costs	8	—
Proceeds of share issue (net of costs)	—	5,541
Share options granted to subsidiary employees	9	—
Equity shareholders' funds at end of period	7,309	6,406

ckd

DESIGN & PRODUCTION
www.ckdcorp.co.uk

TEL: 020 7566 0190

PHOTOGRAPHY
Charlie Fawell

Mixed Sources
Product group from well-managed forests, controlled sources and recycled wood or fiber
FSC www.fsc.org Cert no. SGS-COC-003349
© 1996 Forest Stewardship Council

PRINT
www.spinoffset.co.uk

Printed on revive 50:50.this paper comes from sustainable forests and is fully recyclable and biodegradeable.
Made from 50% recovered waste and 50% virgin fibre.
The manufacturers of the paper and the printer are accredited with iso 14001 environmental management system.

Pressure Technologies

PRESSURE TECHNOLOGIES PLC
MEADOWHALL ROAD
SHEFFIELD
S9 1BT
UK

TELEPHONE +44 (0) 114 242 7500
FAX +44 (0) 114 242 7501
www.pressuretechnologies.com