

**Bryncir Products Limited**

Report and Financial Statements

Year Ended

31 December 2006

WEDNESDAY



\*A9XU7U9K\*

A48

31/10/2007

535

COMPANIES HOUSE

**BDO**

BDO Stoy Hayward  
Chartered Accountants

# **Bryncir Products Limited**

## **Annual report and financial statements for the year ended 31 December 2006**

---

### **Contents**

#### **Page:**

1	Report of the directors
3	Independent auditor's report
5	Consolidated profit and loss account
6	Consolidated statement of total recognised gains and losses
7	Consolidated balance sheet
8	Company balance sheet
9	Consolidated cash flow statement
10	Notes forming part of the financial statements

---

### **Directors**

A J Langdon  
M Welden

### **Secretary and registered office**

M Welden, Gelert House, Penamser Road, Porthmadog, Gwynedd, LL49 9NX

### **Company number**

3582903

### **Auditors**

BDO Stoy Hayward LLP, Commercial Buildings, 11-15 Cross Street, Manchester, M2 1WE

## **Bryncir Products Limited**

### **Report of the directors for the year ended 31 December 2006**

---

The directors present their report together with the audited financial statements for the year ended 31 December 2006.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the loss for the year.

A total dividend of £15 per share was paid during the year in relation to the year ended 31 December 2005. The dividend proposed in relation to the year ended 31 December 2004 of £25 per share was declared and paid during 2005.

#### **Principal activities, review of business and future developments**

The company's principal activity is that of a holding company to a group of companies distributing retailer and outdoor leisure products.

Turnover has decreased from 2005, as the retail climate has been generally difficult. However, the rate of decrease in gross profit of 7% was lower than that for turnover due to better sourcing arrangements with suppliers.

The Board expects that these levels of turnover and profitability will increase in 2007.

During the year the group made significant investment in information technology.

There have been no events since the balance sheet date which materially affect the position of the company.

#### **Principal risks and uncertainties**

The group seeks to protect and increase turnover and profitability by delivering a high level of customer service, investing heavily in product development, and maintaining a strong focus on costs and overheads.

Most goods for re-sale are purchased in United States Dollars. The group also sells good within Europe in Euros. There is therefore an exposure to movements in Sterling to US Dollar and Sterling to Euro exchange rates. The Finance Director monitors this exposure and takes out forward exchange contracts to fix the exchange rate as appropriate.

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements. The group also takes out insurance to cover a portion of the credit risk.

The group monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections and ensures that appropriate facilities are available to be drawn on as necessary.

#### **Directors**

The directors of the company during the year were:

A J Langdon  
M Welden

## **Bryncir Products Limited**

### **Report of the directors for the year ended 31 December 2006 (*Continued*)**

---

#### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

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

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

#### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. *The directors are not aware of any relevant audit information of which the auditors are unaware.*

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### **By order of the board**

M Welden



Secretary

Date: 5 October 2007

## **Bryncir Products Limited**

### **Independent auditor's report**

---

#### **To the shareholders of Bryncir Products Limited**

We have audited the group and parent company financial statements (the "financial statements") of Bryncir Products Limited for the year ended 31 December 2006 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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 judgements 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.

**Bryncir Products Limited**

**Independent auditor's report (*Continued*)**

---

*Opinion*

In our opinion:

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 December 2006 and of its loss for the year then ended;
- 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 31 December 2006;
- the 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.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors  
Manchester*

Date: *9 October 2007*

**Bryncir Products Limited****Consolidated profit and loss account for the year ended 31 December 2006**

	Note	2006 £	2005 £
Turnover	2	16,956,431	18,709,112
Cost of sales		9,906,050	11,147,610
<b>Gross profit</b>		<b>7,050,381</b>	<b>7,561,502</b>
Distribution costs		3,300,156	3,246,517
Administrative expenses		3,448,159	3,438,167
<b>Group operating profit</b>	3	<b>302,066</b>	<b>876,818</b>
Profit on disposal of fixed assets		-	301
<b>Profit on ordinary activities before interest and other income</b>		<b>302,066</b>	<b>877,119</b>
Other interest receivable and similar income		-	100
Interest payable and similar charges	6	(315,421)	(329,399)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(13,355)</b>	<b>547,820</b>
Taxation on (loss)/profit on ordinary activities	7	(38,972)	(219,478)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(52,327)</b>	<b>328,342</b>

All amounts relate to continuing activities.

The notes on pages 10 to 26 form part of these financial statements.

**Bryncir Products Limited****Consolidated statement of total recognised gains and losses for the year ended 31 December 2006**

	2006 £	2005 £
(Loss)/profit for the financial year	(52,327)	328,342
Total gains and losses for the year before currency adjustments	(52,327)	328,342
Exchange translation differences on consolidation	8,085	7,760
<b>Total recognised gains and losses for the financial year</b>	<b>(44,242)</b>	<b>336,102</b>

The notes on pages 10 to 26 form part of these financial statements.



**Bryncir Products Limited**

**Consolidated balance sheet at 31 December 2006**

	Note	2006 £	2006 £	2005 £	2005 £
<b>Fixed assets</b>					
Intangible assets	10		624,298		687,213
Tangible assets	11		2,263,212		2,541,391
			<u>2,887,510</u>		<u>3,228,604</u>
<b>Current assets</b>					
Stocks	13	4,510,676		3,646,275	
Debtors	14	4,234,065		2,869,850	
Cash at bank and in hand		207,416		168,437	
			<u>8,952,157</u>		<u>6,684,562</u>
<b>Creditors: amounts falling due within one year</b>	15	7,232,226		4,846,327	
			<u>1,719,931</u>		<u>1,838,235</u>
<b>Net current assets</b>					
			<u>4,607,441</u>		<u>5,066,839</u>
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	16	990,586		1,274,729	
<b>Provisions for liabilities and charges</b>	17	151,218		171,591	
			<u>1,141,804</u>		<u>1,446,320</u>
			<u>3,465,637</u>		<u>3,620,519</u>
<b>Capital and reserves</b>					
Called up share capital	18		7,376		7,376
Profit and loss account	19		3,458,261		3,613,143
			<u>3,465,637</u>		<u>3,620,519</u>
<b>Shareholders' funds</b>	20		<u>3,465,637</u>		<u>3,620,519</u>

The financial statements were approved by the board of directors and authorised for issue on 5 October 2007

A J Langdon  
Director

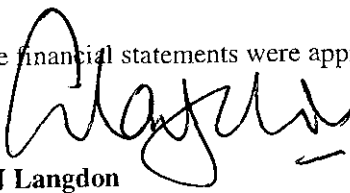
The notes on pages 10 to 26 form part of these financial statements.

**Bryncir Products Limited**

**Company balance sheet at 31 December 2006**

	Note	2006 £	2005 £
<b>Fixed assets</b>			
Fixed asset investments	12	1,383,041	1,383,041
 <b>Creditors: amounts falling due within one year</b>	15	1,375,665	1,375,665
 <b>Total assets less current liabilities</b>		<u>7,376</u>	<u>7,376</u>
 <b>Capital and reserves</b>			
Called up share capital	18	7,376	7,376
 <b>Shareholders' funds</b>	20	<u>7,376</u>	<u>7,376</u>

The financial statements were approved by the board of directors and authorised for issue on 5 October 2007

  
A J Langdon  
Director

The notes on pages 10 to 26 form part of these financial statements.

**Bryncir Products Limited****Consolidated cash flow statement for the year ended 31 December 2006**

	Note	2006 £	2005 £
Net cash (outflow)/inflow from operating activities	25	(75,826)	659,840
Returns on investments and servicing of finance	26	(315,421)	(329,299)
Taxation	26	(48,894)	(436,206)
Capital expenditure and financial investment	26	(128,024)	(933,556)
Equity dividends paid		(110,640)	(184,400)
Cash outflow before financing		(678,805)	(1,223,621)
Financing	26	(226,082)	87,995
Decrease in cash	27	(904,887)	(1,135,626)

The notes on pages 10 to 26 form part of these financial statements.

## **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

### *Basis of consolidation*

The consolidated financial statements incorporate the results of Bryncir Products Limited and all of its subsidiary undertakings as at 31 December 2006 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

### *Goodwill*

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

### *Trademarks*

Trademarks are capitalised at cost and amortised over 5 years.

### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- Over 50 years
Leasehold property	- Over the life of the lease
Fixtures, fittings and equipment	- 10 to 17%
Software and computers	- 17 to 33%
Motor vehicles	- 20 to 50%

No depreciation is provided on freehold land.

### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

**1 Accounting policies (continued)**

*Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

*Foreign currency*

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets translated into sterling at the rates of exchange ruling on the balance sheet dates. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

*Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except for the recognition of deferred tax assets is limited to the extent that the company/group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

*Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

# Bryncir Products Limited

## Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

### 1 Accounting policies (continued)

#### *Pension costs*

The group operates a number of defined contribution pension schemes, for the benefit of directors and other employees. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions to these schemes are charged to the profit and loss account in the year in which they become payable.

#### *Government Grants*

Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates.

### 2 Turnover

	2006 £	2005 £
Analysis by geographical market:		
United Kingdom	14,825,723	16,314,777
Europe	1,996,726	2,283,486
Rest of the world	133,982	110,849
	<hr/>	<hr/>
	16,956,431	18,709,112
	<hr/>	<hr/>

Turnover is wholly attributable to the principal activity of the group.

### 3 Operating profit

	2006 £	2005 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	397,485	373,724
Amortisation of positive goodwill	62,726	62,726
Amortisation of other intangible fixed assets	7,295	3,641
Profit on disposal of tangible fixed assets	-	(301)
Hire of plant and machinery - operating leases	183,310	164,172
Hire of other assets - operating leases	437,819	441,079
Auditors' remuneration:		
Group - audit services	22,500	21,865
Group - non-audit services	3,250	3,135
Government grants released	(22,308)	(22,308)
	<hr/>	<hr/>

Included in the group audit fee is an amount of £4,250 (2005 - £4,125) in respect of the company.

# Bryncir Products Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

## 4 Employees

Staff costs (including directors) consist of:

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Wages and salaries	2,798,326	2,801,305	-	-
Social security costs	297,327	305,337	-	-
Other pension costs	115,996	104,748	-	-
	<u>3,211,649</u>	<u>3,211,390</u>	<u>-</u>	<u>-</u>

The average number of employees (including directors) during the year was 136 (2005 - 139).

## 5 Directors' remuneration

	2006 £	2005 £
Directors' emoluments	300,121	334,722
Company contributions to money purchase pension schemes	<u>9,880</u>	<u>9,371</u>

There were 2 directors in defined contribution pension schemes during the year (2005 - 2).

The total amount payable to the highest paid director in respect of emoluments was £194,810 (2005 - £213,229).

## 6 Interest payable and similar charges

	2006 £	2005 £
Bank loans and overdrafts	258,944	253,876
Finance leases and hire purchase contracts	<u>56,477</u>	<u>75,523</u>
	<u>315,421</u>	<u>329,399</u>

# Bryncir Products Limited

## Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

### 7 Taxation on (loss)/profit on ordinary activities

	2006 £	2005 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	60,942	210,665
Adjustment in respect of previous periods	(1,597)	(42,176)
	<hr/>	<hr/>
Total current tax	59,345	168,489
<i>Deferred tax</i>		
Origination and reversal of timing differences	(20,373)	50,989
	<hr/>	<hr/>
Taxation on (loss)/profit on ordinary activities	38,972	219,478
	<hr/>	<hr/>

The tax assessed for the period varies from the standard rate of corporation tax in the UK. The differences are explained below:

	2006 £	2005 £
(Loss)/profit on ordinary activities before tax	(13,355)	547,820
	<hr/>	<hr/>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2005 - 30%)	(4,007)	164,346
Effect of:		
Expenses not deductible for tax purposes	15,325	16,883
Capital allowances for period in excess of depreciation	18,103	(34,361)
Other timing differences	3,681	787
Adjustment to tax charge in respect of previous periods	(1,597)	(42,176)
Marginal relief	(13,982)	(1,204)
Consolidation adjustments not deductible for tax	18,817	18,817
Overseas losses	23,005	45,397
	<hr/>	<hr/>
Current tax charge for period	59,345	168,489
	<hr/>	<hr/>

### 8 Dividends

	2006 £	2005 £
Ordinary shares		
Dividends paid £15 (2005 - £25) per share	110,640	184,400
	<hr/>	<hr/>



**Bryncir Products Limited****Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)****9 Profit for the financial year**

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a result after tax of £NIL (2005 - £NIL) which is dealt with in the financial statements of the parent company.

**10 Intangible assets**

<b>Group</b>	<b>Goodwill on consolidation £</b>	<b>Trademarks £</b>	<b>Total £</b>
<i>Cost</i>			
At 1 January 2006	1,254,524	42,897	1,297,421
Additions	-	7,106	7,106
	<hr/>	<hr/>	<hr/>
At 31 December 2006	<b>1,254,524</b>	<b>50,003</b>	<b>1,304,527</b>
	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>			
At 1 January 2006	585,863	24,345	610,208
Provided for the year	62,726	7,295	70,021
	<hr/>	<hr/>	<hr/>
At 31 December 2006	<b>648,589</b>	<b>31,640</b>	<b>680,229</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2006	<b>605,935</b>	<b>18,363</b>	<b>624,298</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2005	668,661	18,552	687,213
	<hr/>	<hr/>	<hr/>

**Bryncir Products Limited**

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

**11 Tangible fixed assets**

Group	Freehold land and buildings £	Leasehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>					
At 1 January 2006	1,131,644	233,871	51,393	2,967,176	4,384,084
Additions	7,426	-	12,912	100,580	120,918
Disposals	-	-	-	(1,430)	(1,430)
Exchange adjustments	-	-	-	(3,386)	(3,386)
At 31 December 2006	<b>1,139,070</b>	<b>233,871</b>	<b>64,305</b>	<b>3,062,940</b>	<b>4,500,186</b>
<i>Depreciation</i>					
At 1 January 2006	132,918	55,934	8,626	1,645,215	1,842,693
Provided for the year	31,419	16,212	10,044	339,810	397,485
Disposals	-	-	-	(1,430)	(1,430)
Exchange adjustments	-	-	-	(1,774)	(1,774)
At 31 December 2006	<b>164,337</b>	<b>72,146</b>	<b>18,670</b>	<b>1,981,821</b>	<b>2,236,974</b>
<i>Net book value</i>					
At 31 December 2006	<b>974,733</b>	<b>161,725</b>	<b>45,635</b>	<b>1,081,119</b>	<b>2,263,212</b>
At 31 December 2005	998,726	177,937	42,767	1,321,961	2,541,391

The net book value of tangible fixed assets includes an amount of £512,682 (2005 - £687,481) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £174,799 (2005 - £145,436).

# Bryncir Products Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

## 12 Fixed asset investments

Company	Group undertakings £
<i>Cost</i>	
At 1 January 2006 and 31 December 2006	1,385,041
<i>Provisions</i>	
At 1 January 2006 and 31 December 2006	2,000
<i>Net book value</i>	
At 31 December 2005 and 31 December 2006	1,383,041

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Nature of business
<i>Wholly owned subsidiary undertakings</i>		
Gelert Limited	England	Distributors of outdoor leisure products
Gelert Europe B.V.	Netherlands	Distributors of outdoor leisure products
Fairway Supplies Limited	England	Dormant
Salewa (UK) Limited	England	Dormant
Gelert Far East Limited	Hong Kong	Non-trading

## 13 Stocks

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Finished goods and goods for resale	4,510,676	3,646,275	-	-

There is no material difference between the replacement cost of stocks and the amounts stated above.

**Bryncir Products Limited**

**Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)**

**14 Debtors**

	<b>Group 2006 £</b>	<b>Group 2005 £</b>	<b>Company 2006 £</b>	<b>Company 2005 £</b>
Trade debtors	2,363,244	1,763,303	-	-
Other debtors	107,829	99,447	-	-
Prepayments and accrued income	1,762,992	1,007,100	-	-
	<u>4,234,065</u>	<u>2,869,850</u>	<u>-</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year.

**15 Creditors: amounts falling due within one year**

	<b>Group 2006 £</b>	<b>Group 2005 £</b>	<b>Company 2006 £</b>	<b>Company 2005 £</b>
Bank loans and overdrafts (secured)	4,605,436	3,580,914	-	-
Trade creditors	387,411	87,963	-	-
Amounts owed to group undertakings	-	-	1,375,665	1,375,665
Corporation tax	47,765	37,315	-	-
Other taxation and social security	218,340	292,479	-	-
Obligations under finance lease and hire purchase contracts	138,781	228,276	-	-
Other creditors	-	43,575	-	-
Accruals and deferred income	1,812,193	553,505	-	-
Grants	22,300	22,300	-	-
	<u>7,232,226</u>	<u>4,846,327</u>	<u>1,375,665</u>	<u>1,375,665</u>

# Bryncir Products Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

## 16 Creditors: amounts falling due after more than one year

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Bank loans (secured)	726,697	831,100	-	-
Obligations under finance lease and hire purchase contracts	127,134	285,679	-	-
Grants	136,755	157,950	-	-
	<u>990,586</u>	<u>1,274,729</u>	<u>-</u>	<u>-</u>

Maturity of debt:

Group	Loans and overdrafts 2006 £	Loans and overdrafts 2005 £	Finance leases 2006 £	Finance leases 2005 £
In one year or less, or on demand	<u>4,605,436</u>	<u>3,580,914</u>	<u>138,781</u>	<u>228,276</u>
In more than one year but not more than two years	200,204	234,301	65,471	158,545
In more than two years but not more than five years	180,533	220,818	61,663	127,134
In more than five years	<u>345,960</u>	<u>375,981</u>	<u>-</u>	<u>-</u>
	<u>726,697</u>	<u>831,100</u>	<u>127,134</u>	<u>285,679</u>

Loans due after more than one year include an amount of £345,960 (2005 - £375,981) due after more than five years. This loan is payable within 13 years at an initial monthly repayment of £4,310. The loan attracts an interest rate of 6%.

The bank loans and overdrafts are secured upon the assets of the Group.

**Bryncir Products Limited**

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

**17 Provisions for liabilities and charges**

<b>Group</b>					<b>Deferred taxation £</b>
At 1 January 2006					171,591
Credited to profit and loss account					(20,373)
					<hr/>
At 31 December 2006					<b>151,218</b>
					<hr/>
<i>Deferred taxation</i>	<b>Group 2006 £</b>	<b>Group 2005 £</b>	<b>Company 2006 £</b>	<b>Company 2005 £</b>	
Accelerated capital allowances	157,098	171,591	-	-	
Sundry timing differences	(5,880)	-	-	-	
	<hr/>	<hr/>	<hr/>	<hr/>	
	<b>151,218</b>	<b>171,591</b>	<b>-</b>	<b>-</b>	
	<hr/>	<hr/>	<hr/>	<hr/>	

There is no provided or unprovided deferred tax on the company.

**18 Share capital**

	<b>2006 £</b>	<b>2005 £</b>
<i>Authorised</i>		
50,000 Ordinary shares of £1 each	<b>50,000</b>	<b>50,000</b>
	<hr/>	<hr/>
	<b>2006 £</b>	<b>2005 £</b>
<i>Allotted, called up and fully paid</i>		
7,376 Ordinary shares of £1 each	<b>7,376</b>	<b>7,376</b>
	<hr/>	<hr/>

**Bryncir Products Limited****Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)****19 Reserves****Group**

	<b>Profit and loss account £</b>
At 1 January 2006	3,613,143
Translation differences on foreign currency net investments in subsidiary undertakings	8,085
Loss for the year	(52,327)
Dividends	(110,640)
	<hr/>
At 31 December 2006	<b>3,458,261</b>
	<hr/>

**Company**

	<b>Profit and loss account £</b>
At 1 January 2006 and at 31 December 2006	-
Profit for the year	110,640
Dividends	(110,640)
	<hr/>
	<hr/>

## Bryncir Products Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

### 20 Reconciliation of movements in shareholders' funds

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
(Loss)/profit for the year	(52,327)	328,342	110,640	184,400
Dividends	(110,640)	(184,400)	(110,640)	(184,400)
	<u>(162,967)</u>	<u>143,942</u>	<u>-</u>	<u>-</u>
Other net recognised gains and losses relating to the year	8,085	7,760	-	-
	<u>(154,882)</u>	<u>151,702</u>	<u>-</u>	<u>-</u>
Net (deductions from)/additions to shareholders' funds	(154,882)	151,702	-	-
Opening shareholders' funds	3,620,519	3,468,817	7,376	7,376
	<u>3,620,519</u>	<u>3,468,817</u>	<u>7,376</u>	<u>7,376</u>
Closing shareholders' funds	3,465,637	3,620,519	7,376	7,376
	<u>3,465,637</u>	<u>3,620,519</u>	<u>7,376</u>	<u>7,376</u>

### 21 Contingent liabilities

A Deferred Duty Guarantee of £150,000 (2005 : £150,000) in favour of HM Customs and Excise is held by HSBC Bank plc.

### 22 Pensions

The group contributes to a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the group in an independently administered fund. The pension charge amounted to £105,635 (2005 - £94,665). Contributions amounting to £11,482 (2005 - £12,033) were payable to the funds and are included in creditors.



# Bryncir Products Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

## 23 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	2006 Land and buildings £	2006 Other £	2005 Land and buildings £	2005 Other £
Operating leases which expire:				
Within one year	-	18,567	-	33,278
In two to five years	-	151,275	-	110,216
After five years	432,770	-	374,456	-
	<u>432,770</u>	<u>169,842</u>	<u>374,456</u>	<u>143,494</u>

## 24 Related party disclosures

### *Related party transactions and balances*

During the year, Gelert Limited paid rent on premises of £48,000 (2005 - £48,000) to a group pension scheme of which Mr A J Langdon, a director and shareholder of the company, and Mrs J Langdon, a shareholder of the company, are both beneficiaries.

Included within other debtors is £65,395 (2005 - £45,319) relating to an amount due from Mr A J Langdon.

Included within other debtors is £40,112 (2005 - £25,723) relating to an amount due from Mr M Welden, a director.

## 25 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2006 £	2005 £
Operating profit	302,066	877,119
Amortisation of intangible fixed assets	70,021	66,367
Depreciation of tangible fixed assets	397,485	373,724
Profit on sale of tangible fixed assets	-	(301)
Government grants released	(22,308)	(22,308)
Increase in stocks	(864,401)	(399,441)
(Increase)/decrease in debtors	(1,364,214)	239,775
Increase/(decrease) in creditors	1,405,525	(475,095)
	<u>(75,826)</u>	<u>659,840</u>
Net cash (outflow)/inflow from operating activities		

**Bryncir Products Limited**Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)**26 Analysis of cash flows for headings netted in the cash flow statement**

	2006 £	2005 £
<b>Returns on investment and servicing of finance</b>		
Interest received	-	100
Interest paid: bank loans and overdrafts	(258,944)	(253,876)
Interest paid: hire purchase	(56,477)	(75,523)
	<u>(315,421)</u>	<u>(329,299)</u>
<b>Taxation</b>		
Corporation tax paid	(48,894)	(436,206)
	<u>(48,894)</u>	<u>(436,206)</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire intangible fixed assets	(7,106)	(11,776)
Payments to acquire tangible fixed assets	(120,918)	(933,788)
Receipts from sale of tangible fixed assets	-	12,008
	<u>(128,024)</u>	<u>(933,556)</u>
<b>Financing</b>		
New loans	200,000	510,000
Loans repaid	(178,042)	(193,394)
Capital element of finance leases repaid	(248,040)	(228,611)
	<u>(226,082)</u>	<u>87,995</u>

**Bryncir Products Limited**

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

**27 Reconciliation of net cash flow to movement in net debt**

	2006 £	2005 £
Decrease in cash	(904,887)	(1,135,626)
Cash outflow/(inflow) from changes in debt	271,787	(87,995)
	<hr/>	<hr/>
Movement in net debt resulting from cash flows	(633,100)	(1,223,621)
Inception of finance leases	-	(207,000)
Exchange translation	-	5,721
	<hr/>	<hr/>
Movement in net debt	(633,100)	(1,424,900)
Opening net debt	(4,757,532)	(3,332,632)
	<hr/>	<hr/>
Closing net debt	(5,390,632)	(4,757,532)
	<hr/>	<hr/>

**28 Analysis of net debt**

	At 1 January 2006 £	Cash flow £	Other non- cash items £	At 31 December 2006 £
Cash at bank and in hand	168,437	38,979	-	207,416
Bank overdrafts	(3,364,665)	(943,866)	-	(4,308,531)
		<hr/>		
		(904,887)		
Debt due within one year	(216,249)	(21,958)	(58,698)	(296,905)
Debt due after one year	(831,100)	45,705	58,698	(726,697)
Finance leases	(513,955)	248,040	-	(265,915)
		<hr/>		
		271,787		
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(4,757,532)	(633,100)	-	(5,390,632)
	<hr/>	<hr/>	<hr/>	<hr/>

## **Bryncir Products Limited**

### **Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)**

---

#### **29 Financial commitments**

The Group has entered into forward contracts to buy foreign currency. Dependant upon US dollar exchange rates ruling at various transaction dates, Gelert Limited is committed to purchase up to a maximum of £9,336,052 (2005 - £7,228,977).

The Group has letters of credit outstanding to the value of £812,795 (2005 - £503,814) in relation to future purchases of goods for resale.

#### **30 Ultimate controlling party**

The ultimate controlling party is Mr A J Langdon.