

Registered number: 3998372

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2011

WEDNESDAY



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STORM TECHNOLOGIES LIMITED

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STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The company's principal activity continues to be the supply of computer hardware and application software.

BUSINESS REVIEW

The information technology market remains highly competitive and, against this background, the directors are delighted to report a substantial increase in sales revenue whilst more than doubling of profits for the year. The sales team have continued to widen the customer base and investment in further technical and product specialist has helped underpin the growth, enabling the company to grow substantially during 2011. This strategy of investment and innovation has provided a very solid foundation for continued success in 2012 and we anticipate another excellent year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,713,643 (2010 - £793,355).

An interim dividend of £1,500,037 (2010 £1,000,000) was paid during the year and the directors do not recommend a final dividend.

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT for the year ended 31 December 2011

DIRECTORS

The directors who served during the year were

J R Brooker
S L Dearn
G Ware (appointed 1 January 2011)
C Elston (appointed 1 January 2011)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations totaling £1,680 (2010 £1,100)

FUTURE DEVELOPMENTS

Since the year end the company has achieved increased sales targets and is looking forward to a successful 2012

FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash and a debt factoring facility. The main risks arising from these financial instruments are interest rate risk and liquidity risk. The policies for managing these risks are regularly reviewed and agreed by the board. It is and has been throughout the period under review the company's policy that no trading in financial instruments shall be undertaken.

The company's debt factoring facility carries interest at a pre-set margin over bank base rate. Funds available are based on an agreed percentage of trade debtors, subject to an overall maximum facility. This method of funding provides liquidity based on the company's activity and growth which is, in the opinion of the directors, the most appropriate method of funding a rapidly growing business. This facility is regularly monitored by the board with regard to both liquidity and interest rate.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company provides a guarantee for the bank facilities of Storm Procurement Limited, a company in which Mr J Brooker, Mr S Dearn and Mr G Ware, directors of Storm Technologies Limited, have an interest.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT
for the year ended 31 December 2011

AUDITORS

The auditors, Wise & Co Accountants, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 16 March 2012 and signed on its behalf



J R Brooker
Secretary



STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STORM TECHNOLOGIES LIMITED

We have audited the financial statements of Storm Technologies Limited for the year ended 31 December 2011, set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STORM TECHNOLOGIES LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

CJ Wise (Senior statutory auditor)

for and on behalf of
Wise & Co Accountants

Chartered Accountants
Registered Auditors

The Old Star
Church Street
Princes Risborough
Bucks

16 March 2012

STORM TECHNOLOGIES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2011

	Note	2011 £	2010 £
TURNOVER	1,2	56,649,376	37,514,881
Cost of sales		<u>(47,841,651)</u>	<u>(31,053,003)</u>
GROSS PROFIT		8,807,725	6,461,878
Administrative expenses		<u>(6,434,842)</u>	<u>(5,313,228)</u>
OPERATING PROFIT	3	2,372,883	1,148,650
Interest payable and similar charges	6	<u>(14,316)</u>	<u>(11,111)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,358,567	1,137,539
Tax on profit on ordinary activities	7	<u>(644,924)</u>	<u>(344,184)</u>
PROFIT FOR THE FINANCIAL YEAR	15	£ 1,713,643	£ 793,355

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 9 to 19 form part of these financial statements

STORM TECHNOLOGIES LIMITED
Registered number: 3998372

BALANCE SHEET
as at 31 December 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		1,253,638		1,218,191
CURRENT ASSETS					
Stocks	9	709,795		815,961	
Debtors	10	9,935,622		7,658,056	
Cash at bank and in hand		131,629		376	
			<u>10,777,046</u>	<u>8,474,393</u>	
CREDITORS: amounts falling due within one year	11	<u>10,275,627)</u>		<u>(8,188,461)</u>	
NET CURRENT ASSETS			<u>501,419</u>		<u>285,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,755,057</u>		<u>1,504,123</u>
CREDITORS: amounts falling due after more than one year	12		(57,039)		(61,960)
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(82,452)		(40,203)
NET ASSETS			<u>£ 1,615,566</u>		<u>£ 1,401,960</u>
CAPITAL AND RESERVES					
Called up share capital	14		77		77
Profit and loss account	15		<u>1,615,489</u>		<u>1,401,883</u>
SHAREHOLDERS' FUNDS	16		<u>£ 1,615,566</u>		<u>£ 1,401,960</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 March 2012


J R Brooker
Director


S L Dearn
Director

The notes on pages 9 to 19 form part of these financial statements

STORM TECHNOLOGIES LIMITED

CASH FLOW STATEMENT
for the year ended 31 December 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	18	2,473,546	1,375,748
Returns on investments and servicing of finance	19	(14,316)	(11,111)
Taxation	19	(339,509)	(333,999)
Capital expenditure and financial investment	19	(192,584)	(1,103,025)
Equity dividends paid/Share capital redeemed		(1,500,037)	(1,000,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		427,100	(1,072,387)
Financing	19	26,891	38,852
INCREASE/(DECREASE) IN CASH IN THE YEAR		£ 453,991	£ (1,033,535)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
for the year ended 31 December 2011

	2011 £	2010 £
Increase/(Decrease) in cash in the year	453,991	(1,033,535)
Cash inflow from increase in debt and lease financing	(26,891)	(38,852)
MOVEMENT IN NET DEBT IN THE YEAR	427,100	(1,072,387)
Net debt at 1 January 2011	(3,196,396)	(2,124,009)
NET DEBT AT 31 DECEMBER 2011	£ (2,769,296)	£ (3,196,396)

The notes on pages 9 to 19 form part of these financial statements

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

S/Term Leasehold Property	-	6.7% straight line
Plant & machinery	-	25% reducing balance and straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance and straight line
Office equipment	-	25-50% reducing balance and straight line

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

2. TURNOVER

The whole of the turnover is attributable to the sale of Information Technology equipment and associated technical services

A geographical analysis of turnover is as follows

	2011 £	2010 £
United Kingdom	56,572,709	37,386,435
Rest of European Union	19,976	44,605
Rest of world	56,691	83,841
	<u>£ 56,649,376</u>	<u>£ 37,514,881</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	54,800	63,273
- held under finance leases	36,173	27,754
Auditors' remuneration	20,000	15,000
Operating lease rentals		
- other operating leases	357,850	44,369
Difference on foreign exchange	(6,883)	3,221
	<u></u>	<u></u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	4,524,268	3,662,743
Social security costs	558,689	461,950
Other pension costs	14,817	14,632
	<u>£ 5,097,774</u>	<u>£ 4,139,325</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No.
Directors	4	2
Sales, technical & administration	71	63
	<u>75</u>	<u>65</u>

5. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments including benefits in kind	<u>£ 390,089</u>	<u>£ 477,919</u>
Company pension contributions to defined contribution pension schemes	<u>£ 14,817</u>	<u>£ 14,632</u>

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £245,093 (2010 - £287,894)

6. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	942	1,259
On finance leases and hire purchase contracts	13,374	9,852
	<u>£ 14,316</u>	<u>£ 11,111</u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

7. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	602,675	275,835
Deferred tax (see note 13)		
Origination and reversal of timing differences	42,249	68,349
Tax on profit on ordinary activities	£ 644,924	£ 344,184

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	£ 2,358,567	£ 1,137,539
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	613,227	318,511
Effects of:		
Non-tax deductible amortisation and entertaining	58,518	55,042
Depreciation for the year (lower than)/in excess of capital allowances	(69,070)	(97,718)
Current tax charge for the year (see note above)	£ 602,675	£ 275,835

Factors that may affect future tax charges

There were no factors that may affect future tax charges

8. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £
Cost				
At 1 January 2011	985,324	3,311	190,502	201,367
Additions	20,018	1,300	30,088	3,575
At 31 December 2011	1,005,342	4,611	220,590	204,942
Depreciation				
At 1 January 2011	16,422	1,163	93,502	130,115
Charge for the year	66,162	704	28,011	17,991

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

8. TANGIBLE FIXED ASSETS (continued)

At 31 December 2011	<u>82,584</u>	<u>1,867</u>	<u>121,513</u>	<u>148,106</u>
Net book value				
At 31 December 2011	<u>£ 922,758</u>	<u>£ 2,744</u>	<u>£ 99,077</u>	<u>£ 56,836</u>
At 31 December 2010	<u>£ 968,902</u>	<u>£ 2,148</u>	<u>£ 97,000</u>	<u>£ 71,252</u>
			Office equipment	Total
			£	£
Cost				
At 1 January 2011			147,732	1,528,236
Additions			137,603	192,584
At 31 December 2011			<u>285,335</u>	<u>1,720,820</u>
Depreciation				
At 1 January 2011			68,843	310,045
Charge for the year			44,269	157,137
At 31 December 2011			<u>113,112</u>	<u>467,182</u>
Net book value				
At 31 December 2011			<u>£ 172,223</u>	<u>£ 1,253,638</u>
At 31 December 2010			<u>£ 78,889</u>	<u>£ 1,218,191</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011	2010
	£	£
Motor vehicles	68,393	28,750
Furniture, fittings and equipment	73,735	97,000
	<u>£ 142,128</u>	<u>£ 125,750</u>

9. STOCKS

	2011	2010
	£	£
Finished goods and goods for resale	<u>£ 709,795</u>	<u>£ 815,961</u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

10. DEBTORS

	2011 £	2010 £
Trade debtors	7,778,487	5,662,216
Other debtors	1,962,130	1,958,575
Prepayments and accrued income	195,005	37,265
	<u>£ 9,935,622</u>	<u>£ 7,658,056</u>

11. CREDITORS:
Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	-	8,919
Advance sales accrual	673,122	-
Net obligations under finance leases and hire purchase contracts	82,487	50,675
Trade creditors	4,013,889	3,750,212
Corporation tax	539,001	275,835
Social security and other taxes	957,537	469,936
Proceeds of factored debts	2,761,399	3,075,218
Other creditors	369,985	146,596
Accruals and deferred income	878,207	411,070
	<u>£ 10,275,627</u>	<u>£ 8,188,461</u>

Of the creditors falling due within and after more than one year, the proceeds of factored debt £2,761,399 (2010 £3,075,218) and net obligations under finance leases and hire purchase contracts totaling £139,526 (2010 £112,635) are secured. Factored debt is secured on underlying debtors and hire purchase liabilities on the assets financed.

12. CREDITORS:
Amounts falling due after more than one year

	2011 £	2010 £
Net obligations under finance leases and hire purchase contracts	<u>£ 57,039</u>	<u>£ 61,960</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2011 £	2010 £
Between one and five years	<u>£ 57,039</u>	<u>£ 61,960</u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

13. DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	40,203	(28,146)
Charge for year	42,249	68,349
	<u>£ 82,452</u>	<u>£ 40,203</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated/(decelerated) capital allowances	<u>£ 82,452</u>	<u>£ 40,203</u>

14 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid 77 Ordinary shares of £1 each	<u>£ 77</u>	<u>£ 77</u>

15. RESERVES

	Profit and loss account £
At 1 January 2011	1,401,883
Profit for the year	1,713,643
Dividends Equity capital	(1,500,037)
At 31 December 2011	<u>£ 1,615,489</u>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	1,401,960	1,608,605
Profit for the year	1,713,643	793,355
Dividends (Note 17)	(1,500,037)	(1,000,000)
Closing shareholders' funds	<u>£ 1,615,566</u>	<u>£ 1,401,960</u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

17. DIVIDENDS AND REDEMPTION OF SHARES

	2011 £	2010 £
Dividends paid on equity capital	£ 1,500,037	£ 1,000,000

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	2,372,883	1,148,650
Amortisation of short leasehold	66,162	16,422
Depreciation of tangible fixed assets	90,973	74,605
Loss on disposal of tangible fixed assets	-	33,998
Decrease/(increase) in stocks	106,165	(276,093)
Increase in debtors	(2,277,565)	(1,351,951)
Increase in creditors	2,114,928	1,730,117
Net cash inflow from operating activities	£ 2,473,546	£ 1,375,748

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest paid	(942)	(1,259)
Hire purchase interest	(13,374)	(9,852)
Net cash outflow from returns on investments and servicing of finance	£ (14,316)	£ (11,111)

	2011 £	2010 £
Taxation		
Corporation tax	£ (339,509)	£ (333,999)

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(192,584)	(1,125,210)
Sale of tangible fixed assets	-	22,185
Net cash outflow from capital expenditure	£ (192,584)	£ (1,103,025)

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2011 £	2010 £
Financing		
New finance leases	£ 26,891	£ 38,852

20. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand	376	131,253	-	131,629
Bank overdraft	(8,919)	8,919	-	-
Proceeds of factored debts	(3,075,218)	313,819	-	(2,761,399)
	<u>(3,083,761)</u>	<u>453,991</u>	<u>-</u>	<u>(2,629,770)</u>
Debt.				
Debts due within one year	(50,675)	(26,891)	(4,921)	(82,487)
Debts falling due after more than one year	(61,960)	-	4,921	(57,039)
Net debt	<u>£ (3,196,396)</u>	<u>£ 427,100</u>	<u>£ -</u>	<u>£ (2,769,296)</u>

21. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,817 (2010 £14,632). Contributions totalling £nil (2010 £nil) were payable to the fund at the balance sheet date and are included in creditors.

22. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Short leasehold land and buildings 2011 £	2010 £
Expiry date:		
After more than 5 years	<u>357,850</u>	<u>357,850</u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

23. RELATED PARTY TRANSACTIONS

The company guarantees the overdraft facility of Storm Procurement Limited, to which it also made working capital loans during the year. The maximum amount outstanding during the year was £1,080,160 and at the balance sheet date was £755,832 (2010 £677,115). During the financial year, the company sold computers and equipment to Storm Procurement Limited on normal commercial terms. The total value of sales was £1,120,210 (2010 £1,797,061). The company also made working capital loans to Capital Continuity Limited. The maximum amount outstanding during the year was £862,834 (2010 £862,834), and the balance due at the year end was £644,816. The company also sold computers and equipment to Capital Continuity Limited on normal commercial terms. The total value of sales was £2,846,668 (2010 £341,870). Mr J Brooker and Mr S Dearn are directors and shareholders of both companies. The company occupies premises owned by Mr J Brooker and his family and Mr S Dearn. The company entered into a 15 year lease on the 4th May 2010. During the year the company paid rent of £262,500 (2010 £80,000) and there was no balance owing at the year end. Mr J Brooker and Mrs S Brooker are directors and shareholders of Storm Music Management Limited and the company made working capital advances during the year to this business. The maximum outstanding and year end balance was £657,338 (2010 £179,541).