

Company Registration No 04354732 (England and Wales)

SWC COMPOSITE PRODUCTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

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SWC COMPOSITE PRODUCTS LIMITED

DIRECTOR AND ADVISERS

Director	P Richings
Secretary	Ms S Richings
Company number	04354732
Registered office	Unit 1 The Gateway Dunslow Road Eastfield Scarborough YO11 3UT
Registered auditors	Townsend Harrison Limited 13 Yorkersgate Malton North Yorkshire YO17 7AA
Business address	Unit 1 The Gateway Dunslow Road Eastfield Scarborough YO11 3UT
Bankers	Barclays Bank St Nicholas Street Scarborough YO11 2HS

SWC COMPOSITE PRODUCTS LIMITED

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SWC COMPOSITE PRODUCTS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The director presents his report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

The principal activity of the parent company continued to be that of a holding company. The principal activity of the subsidiary undertaking continued to be that of manufacturing PVCu products.

The results for the year and the financial position at the year end were considered satisfactory by the director.

The director informally assesses the risks faced by the group on a regular basis and adopts appropriate strategies to manage and reduce risk. The risks arising from the group's financial instruments are liquidity, credit and interest rate risk. The director reviews and agrees informal policies for managing these risks.

The group has a loss on ordinary activities after tax for the year of £153,016 (2009 - £207,128 loss) and shareholders funds of £2,896,242 (2009 - £3,080,758) which are to be retained for future working capital.

The group's gross profit percentage increased in the year to 26.8% (2009 - 25.2%) partly as a result of an improved buying policy as the subsidiary undertaking continued to source its materials at the most competitive rates achievable without compromising on the quality products it produces.

Results and dividends

The consolidated profit and loss account for the year is set out on

An interim dividend was paid during the year of £31,500. The director does not recommend payment of a final dividend.

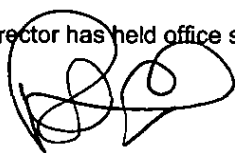
Future developments

The group's business objectives for the next twelve months are that its subsidiary undertaking maintains and develops its market share for manufacturing PVCu.

Director

The following director has held office since 1 January 2010

P Richings



Auditors

The auditors, Townsend Hamson Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

SWC COMPOSITE PRODUCTS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to

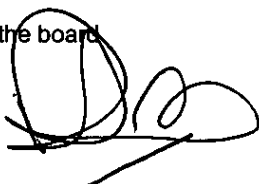
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



P Richings
Director

13 September 2011

SWC COMPOSITE PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SWC COMPOSITE PRODUCTS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of SWC Composite Products Limited for the year ended 31 December 2010 set out on pages 5 to 21. 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is 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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual 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 group's and parent company's affairs as at 31 December 2010 and of the group's loss 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SWC COMPOSITE PRODUCTS LIMITED

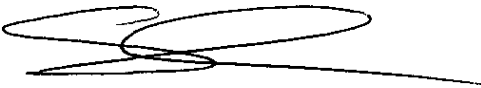
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SWC COMPOSITE PRODUCTS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Simon Harrison FCA (Senior Statutory Auditor)
for and on behalf of Townsend Harrison Limited

14 September 2011

Chartered Accountants
Statutory Auditor

13 Yorkersgate
Malton
North Yorkshire
YO17 7AA

SWC COMPOSITE PRODUCTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	8,136,686	7,153,519
Cost of sales		(5,951,420)	(5,349,111)
Gross profit		2,185,266	1,804,408
Distribution costs		(63,730)	(56,414)
Administrative expenses		(2,298,168)	(1,989,427)
Other operating income		53,621	43,410
Operating loss	3	(123,011)	(198,023)
Other interest receivable and similar income		1,197	-
Interest payable and similar charges	4	(2,757)	(1,493)
Loss on ordinary activities before taxation	3	(124,571)	(199,516)
Tax on loss on ordinary activities	5	(28,444)	(7,612)
Loss on ordinary activities after taxation		<u>(153,015)</u>	<u>(207,128)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

SWC COMPOSITE PRODUCTS LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Intangible assets	8	2,591,862	2,807,850	-	-
Tangible assets	9	431,812	189,578	-	-
Investments	10	-	-	5,241,343	5,241,343
		<u>3,023,674</u>	<u>2,997,428</u>	<u>5,241,343</u>	<u>5,241,343</u>
Current assets					
Stocks	11	239,475	275,197	-	-
Debtors	12	1,140,300	949,663	12,000	-
Cash at bank and in hand		259,289	104,163	2,404	1,475
		<u>1,639,064</u>	<u>1,329,023</u>	<u>14,404</u>	<u>1,475</u>
Creditors amounts falling due within one year	13	<u>(1,752,732)</u>	<u>(1,245,693)</u>	<u>(1,276,960)</u>	<u>(1,237,883)</u>
Net current (liabilities)/assets		<u>(113,668)</u>	<u>83,330</u>	<u>(1,262,556)</u>	<u>(1,236,408)</u>
Total assets less current liabilities		2,910,006	3,080,758	3,978,787	4,004,935
Provisions for liabilities	14	<u>(13,763)</u>	-	-	-
		<u>2,896,243</u>	<u>3,080,758</u>	<u>3,978,787</u>	<u>4,004,935</u>
Capital and reserves					
Called up share capital	16	253,101	253,101	253,101	253,101
Share premium account	17	2,277,900	2,277,900	2,277,900	2,277,900
Profit and loss account	17	365,242	549,757	1,447,786	1,473,934
Shareholders' funds	18	<u>2,896,243</u>	<u>3,080,758</u>	<u>3,978,787</u>	<u>4,004,935</u>

Approved by the Board and authorised for issue on 13 September 2011

P Richings
Director



Company Registration No 04354732

SWC COMPOSITE PRODUCTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		297,848		357,384
Returns on investments and servicing of finance				
Interest received	1,197		-	
Interest paid	(2,757)		(1,493)	
Net cash outflow for returns on investments and servicing of finance		(1,560)		(1,493)
Taxation		(20,640)		(17,556)
Capital expenditure				
Payments to acquire tangible assets	(397,571)		(8,931)	
Receipts from sales of tangible assets	-		4,050	
Net cash outflow for capital expenditure		(397,571)		(4,881)
Equity dividends paid		(31,500)		-
Net cash (outflow)/inflow before management of liquid resources and financing		(153,423)		333,454
Financing				
Capital element of hire purchase contracts	(28,867)		(49,509)	
Net cash outflow from financing		(28,867)		(49,509)
(Decrease)/increase in cash in the year		(182,290)		283,945

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

1	Reconciliation of operating loss to net cash inflow from operating activities	2010	2009
		£	£
	Operating loss	(123,011)	(198,023)
	Depreciation of tangible assets	155,337	123,843
	Amortisation of intangible assets	215,988	215,988
	Loss on disposal of tangible assets	-	2,282
	Decrease/(increase) in stocks	35,722	(63,658)
	Increase in debtors	(190,637)	(57,100)
	Increase in creditors within one year	204,449	334,052
	Net cash inflow from operating activities	297,848	357,384

2	Analysis of net debt	1 January 2010	Cash flow	Other non-cash changes	31 December 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	104,163	155,126	-	259,289
	Bank overdrafts	(315,141)	(337,416)	-	(652,557)
		(210,978)	(182,290)	-	(393,268)
	Finance leases	(28,867)	28,867	-	-
	Net debt	(239,845)	(153,423)	-	(393,268)

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	(Decrease)/increase in cash in the year	(182,290)	283,945
	Cash outflow from decrease in debt	28,867	49,509
	Movement in net debt in the year	(153,423)	333,454
	Opening net debt	(239,845)	(573,299)
	Closing net debt	(393,268)	(239,845)

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 31 December 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable from ordinary activities for goods and services net of VAT and trade discounts.

1.5 Goodwill

Goodwill on consolidation is written off in equal annual instalments over 20 years which the director considers to be its estimated useful economic life.

1.6 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 less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	straight line over 7 or 10 years
Plant and machinery	straight line over 3, 4 or 5 years
Motor vehicles	25% straight line

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. The value of work in progress is based upon the production stage the job is at and as a percentage of the final sales price.

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

(continued)

1.10 Revenue recognition

Revenue comprises the fair value for the sale of goods to outside customers, excluding VAT, and is recognised when the significant risks and rewards of ownership have been transferred to a third party

1.11 Pensions

The subsidiary undertaking operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.13 Employee Retention Trust

During the year ended 31 December 2008 the Company established an employee retention trust for the benefit of the dependants of its past, present and future employees, The SWC Trade Frames Limited Employee Retention Trust ("the Trust").

In accordance with UITF 32 "Employee Benefit Trusts and other intermediate payment arrangements" the Company does not include the assets and liabilities of the Trust on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Trust and will not have control of the rights or other access to those future economic benefits.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2010	2009
	£	£
Operating loss is stated after charging		
Amortisation of intangible assets	215,988	215,988
Depreciation of tangible assets	155,337	123,843
Loss on disposal of tangible assets	-	2,282
Operating lease rentals		
- Plant and machinery	64,378	57,062
- Other assets	288,150	163,965
Fees payable to the group's auditor for the audit of the group's annual accounts (company £5,200, 2009 £2,570)	11,120	9,570
Remuneration paid to the auditor for other services	1,125	5,005
Employee Retention Trust contribution	-	900,000
HR and Employee Incentive Consultancy	900,000	-

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

4	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	1,985	26
	Hire purchase interest	772	1,467
		<u>2,757</u>	<u>1,493</u>
5	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U K corporation tax	14,681	20,640
	Total current tax	<u>14,681</u>	<u>20,640</u>
	Deferred tax		
	Deferred tax charge credit current year	13,763	(13,028)
		<u>28,444</u>	<u>7,612</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(124,571)	(199,516)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 21.00%)	<u>(26,160)</u>	<u>(41,898)</u>
	Effects of		
	Non deductible expenses	874	596
	Depreciation add back	(5,391)	16,585
	Adjustment for goodwill on consolidation written off	45,358	45,357
		<u>40,841</u>	<u>62,538</u>
	Current tax charge for the year	<u>14,681</u>	<u>20,640</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2010 £	2009 £
Holding company's profit for the financial year	5,352	302
Share of net (loss)/profit retained by associated undertakings	(164,512)	8,558

7 Dividends

	2010 £	2009 £
Ordinary interim paid	31,500	-

8 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 January 2010 & at 31 December 2010	4,319,768
Amortisation	
At 1 January 2010	1,511,918
Charge for the year	215,988
At 31 December 2010	1,727,906
Net book value	
At 31 December 2010	2,591,862
At 31 December 2009	2,807,850

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

9 Tangible fixed assets

Group

	Short leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2010	131,271	1,062,596	11,500	1,205,367
Additions	154,246	243,325	-	397,571
Disposals	(131,271)	-	-	(131,271)
At 31 December 2010	154,246	1,305,921	11,500	1,471,667
Depreciation				
At 1 January 2010	81,188	928,851	5,750	1,015,789
On disposals	(131,271)	-	-	(131,271)
Charge for the year	50,083	102,379	2,875	155,337
At 31 December 2010	-	1,031,230	8,625	1,039,855
Net book value				
At 31 December 2010	154,246	274,691	2,875	431,812
At 31 December 2009	50,083	133,745	5,750	189,578

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 December 2010	-	-	-
At 31 December 2009	27,027	-	27,027
Depreciation charge for the year			
31 December 2010	-	-	-
31 December 2009	27,027	-	27,027

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2010 & at 31 December 2010	5,241,343
Net book value	
At 31 December 2010	5,241,343
At 31 December 2009	5,241,343

In the opinion of the director, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
SWC Trade Frames Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
SWC Trade Frames Limited	manufacturing PVCu products

11 Stocks and work in progress

	Group 2010 £	2009 £	Company 2010 £	2009 £
Raw materials and consumables	196,839	215,054	-	-
Work in progress	2,050	13,455	-	-
Finished goods and goods for resale	40,586	46,688	-	-
	<u>239,475</u>	<u>275,197</u>	<u>-</u>	<u>-</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

12 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	983,114	886,430	-	-
Other debtors	33,819	2,000	12,000	-
Prepayments and accrued income	123,367	61,233	-	-
	<u>1,140,300</u>	<u>949,663</u>	<u>12,000</u>	<u>-</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

13 Creditors : amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans and overdrafts	652,557	315,141	-	-
Net obligations under finance lease and hire purchase contracts	-	28,867	-	-
Trade creditors	446,752	354,954	-	-
Amounts owed to group undertakings	-	-	1,274,037	1,236,053
Corporation tax	14,681	20,640	1,423	80
Taxes and social security costs	123,929	148,970	-	-
Directors current accounts	83,897	292,421	-	-
Other creditors	129,097	34,600	-	-
Accruals and deferred income	301,819	50,100	1,500	1,750
	<u>1,752,732</u>	<u>1,245,693</u>	<u>1,276,960</u>	<u>1,237,883</u>

Included in bank loans and overdrafts is £652,558 (2009 - £315,141) owed to Barclays Bank for invoice discounting. This amount is secured via a fixed and floating charge dated 20 February 2010.

Net obligations under hire purchase contracts are secured on the assets they are financing.

The secured liabilities all relate to SWC Trade Frames Limited.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	-	29,580	-	-
Finance charges and interest allocated to future accounting periods	-	(713)	-	-
	<u>-</u>	<u>28,867</u>	<u>-</u>	<u>-</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

14 Provisions for liabilities Group

	Deferred taxation £
Profit and loss account	13,763
Balance at 31 December 2010	<u>13,763</u>

The deferred tax liability is made up as follows:

	Group 2010 £	2009 £	Company 2010 £	2009 £
Accelerated capital allowances	<u>13,763</u>	<u>-</u>	<u>-</u>	<u>-</u>

15 Pension and other post-retirement benefit commitments

Defined contribution

The subsidiary undertaking operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the subsidiary undertaking in an independently administered fund. The pension cost charge represents contributions payable by the subsidiary undertaking to the fund. At 31 December 2010 a provision was made for arrears of contributions of £873 (2009 - £1,026).

	2010 £	2009 £
Contributions payable by the group for the year	<u>6,682</u>	<u>6,983</u>

16 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
253,101 Ordinary shares of £1 each	<u>253,101</u>	<u>253,101</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

17 Statement of movements on reserves

Group

	Share premium account £	Profit and loss account £
Balance at 1 January 2010	2,277,900	549,757
Loss for the year	-	(153,015)
Dividends paid	-	(31,500)
Balance at 31 December 2010	<u>2,277,900</u>	<u>365,242</u>

Company

	Share premium account £	Profit and loss account £
Balance at 1 January 2010	2,277,900	1,473,934
Profit for the year	-	5,352
Dividends paid	-	(31,500)
Balance at 31 December 2010	<u>2,277,900</u>	<u>1,447,786</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

18 Reconciliation of movements in shareholders' funds	2010	2009
Group	£	£
Loss for the financial year	(153,015)	(207,128)
Dividends	(31,500)	-
Net depletion in shareholders' funds	(184,515)	(207,128)
Opening shareholders' funds	3,080,758	3,287,886
Closing shareholders' funds	<u>2,896,243</u>	<u>3,080,758</u>
	2010	2009
Company	£	£
Profit for the financial year	5,352	302
Dividends	(31,500)	-
Net (depletion in)/addition to shareholders' funds	(26,148)	302
Opening shareholders' funds	4,004,935	4,004,633
Closing shareholders' funds	<u>3,978,787</u>	<u>4,004,935</u>

19 Financial commitments

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date				
Between two and five years	-	161,522	-	648
In over five years	175,000	-	-	-
	<u>175,000</u>	<u>161,522</u>	<u>-</u>	<u>648</u>

20 Director's remuneration	2010	2009
	£	£
Remuneration for qualifying services	<u>5,668</u>	<u>7,972</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

2010 Number	2009 Number
85	78

Employment costs

	2010 £	2009 £
Wages and salaries	1,371,366	1,290,398
Social security costs	141,506	107,190
Other pension costs	6,682	6,983
Employee Retention Trust contribution	900,000	900,000
	<u>2,419,554</u>	<u>2,304,571</u>

22 Control

P Richings, the sole shareholder and director of the company, is the ultimate controlling party

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

23 Related party relationships and transactions

Loans to directors

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
P Richings -	-	(246,421)	194,024	-	(31,500)	(83,897)
		<u>(246,421)</u>	<u>194,024</u>	<u>-</u>	<u>(31,500)</u>	<u>(83,897)</u>

The above loans are unsecured, interest free and repayable on demand. The balance outstanding is included in creditors due within one year.

Group

The sister of the director, Ms Richings, is a director of the subsidiary undertaking, SWC Trade Frames Limited. During the year she was paid remuneration of £5,668 (2009 - £16,323). As at 31 December 2009, other creditors in SWC Trade Frames Limited included a directors loan account balance of £46,000 which was fully repaid this year with no interest.

Company

SWC Trade Frames Limited, a wholly owned subsidiary undertaking, bought services from the company amounting to £12,000 (2009 £3,000) during the year. SWC Trade Frames Limited paid for services on the company's behalf of £6,404 (2009 £3,243) and also settled the company's corporation tax liability of £80 (2009 £7,649). At 31 December 2010 the company owed SWC Trade Frames Limited £1,274,037 (2009 £1,236,053).