

Company Registration No 04354732 (England and Wales)

**SWC COMPOSITE PRODUCTS LIMITED**  
**ANNUAL REPORT**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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# SWC COMPOSITE PRODUCTS LIMITED

## DIRECTOR AND ADVISERS

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

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# **SWC COMPOSITE PRODUCTS LIMITED**

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# **SWC COMPOSITE PRODUCTS LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE PERIOD ENDED 31 MARCH 2012**

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The director presents his report and financial statements for the period ended 31 March 2012

#### **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 period and the financial position at the period 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 period of £158,286 (2010 - £153,015 loss) and at the period end the shareholders funds was £2,679,497 (2010 - £2,896,243).

The group's gross profit percentage reduced in the period to 24.2% (2010 - 26.8%) as a result of raw material inflation, even though the group turnover increased in the period.

#### **Results and dividends**

The consolidated profit and loss account for the period is set out on page 5.

An interim dividend was paid during the period of £58,460 (2010 £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 2011:

P Richings

#### **Auditors**

The auditors, Townsend Harrison 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 PERIOD ENDED 31 MARCH 2012**

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### 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

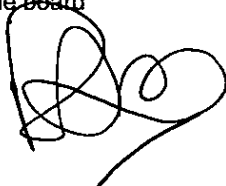
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 December 2012

# **SWC COMPOSITE PRODUCTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SWC COMPOSITE PRODUCTS LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of SWC Composite Products Limited for the period ended 31 March 2012 set out on pages 5 to 20. 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 March 2012 and of the group's loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

# **SWC COMPOSITE PRODUCTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

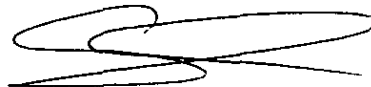
### **TO THE MEMBERS OF SWC COMPOSITE PRODUCTS LIMITED**

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#### **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**

20 December 2012

**Chartered Accountants**  
**Statutory Auditor**

13 Yorkersgate  
Malton  
North Yorkshire  
YO17 7AA

# SWC COMPOSITE PRODUCTS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2012

		Period ended 31 March 2012 £	Year ended 31 December 2010 £
	Notes		
Turnover	2	9,510,366	8,136,686
Cost of sales		(7,208,192)	(5,951,420)
<b>Gross profit</b>		2,302,174	2,185,266
Distribution costs		(87,321)	(63,730)
Administrative expenses		(2,395,297)	(2,298,168)
Other operating income		60,467	54,818
<b>Operating loss</b>	3	(119,977)	(121,814)
Investment income	4	1,500	-
Interest payable and similar charges	5	(7,856)	(2,757)
<b>Loss on ordinary activities before taxation</b>	3	(126,333)	(124,571)
Tax on loss on ordinary activities	6	(31,953)	(28,444)
<b>Loss on ordinary activities after taxation</b>		<u>(158,286)</u>	<u>(153,015)</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 MARCH 2012

	Notes	Group 2012 £	2010 £	Company 2012 £	2010 £
<b>Fixed assets</b>					
Intangible assets	9	2,321,876	2,591,862	-	-
Tangible assets	10	543,791	431,812	-	-
Investments	11	10	-	5,241,343	5,241,343
		<u>2,865,677</u>	<u>3,023,674</u>	<u>5,241,343</u>	<u>5,241,343</u>
<b>Current assets</b>					
Stocks	12	423,466	239,475	-	-
Debtors	13	983,652	1,140,300	7,000	12,000
Cash at bank and in hand		136,711	259,289	2,379	2,404
		<u>1,543,829</u>	<u>1,639,064</u>	<u>9,379</u>	<u>14,404</u>
<b>Creditors amounts falling due within one year</b>	14	<u>(1,700,189)</u>	<u>(1,752,732)</u>	<u>(1,320,946)</u>	<u>(1,276,960)</u>
<b>Net current liabilities</b>		<u>(156,360)</u>	<u>(113,668)</u>	<u>(1,311,567)</u>	<u>(1,262,556)</u>
<b>Total assets less current liabilities</b>		2,709,317	2,910,006	3,929,776	3,978,787
<b>Provisions for liabilities</b>	15	<u>(29,820)</u>	<u>(13,763)</u>	-	-
		<u>2,679,497</u>	<u>2,896,243</u>	<u>3,929,776</u>	<u>3,978,787</u>
<b>Capital and reserves</b>					
Called up share capital	17	253,101	253,101	253,101	253,101
Share premium account	18	2,277,900	2,277,900	2,277,900	2,277,900
Profit and loss account	18	148,496	365,242	1,398,775	1,447,786
<b>Shareholders' funds</b>	19	<u>2,679,497</u>	<u>2,896,243</u>	<u>3,929,776</u>	<u>3,978,787</u>

Approved by the Board and authorised for issue on 13 December 2012

P Richings  
Director



Company Registration No. 04354732

# SWC COMPOSITE PRODUCTS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2012

	Period ended 31 March 2012 £	Year ended 31 December 2010 £
<b>Net cash inflow from operating activities</b>	754,854	299,045
<b>Returns on investments and servicing of finance</b>		
Interest paid	(7,856)	(2,757)
Dividends received	1,500	-
<b>Net cash outflow for returns on investments and servicing of finance</b>	(6,356)	(2,757)
<b>Taxation</b>	(14,681)	(20,640)
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	(259,165)	(397,571)
Payments to acquire investments	(10)	-
<b>Net cash outflow for capital expenditure</b>	(259,175)	(397,571)
<b>Equity dividends paid</b>	(58,460)	(31,500)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>	416,182	(153,423)
<b>Financing</b>		
Capital element of hire purchase contracts	-	(28,867)
<b>Net cash outflow from financing</b>	-	(28,867)
<b>Increase/(decrease) in cash in the period</b>	416,182	(182,290)

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2012

1	Reconciliation of operating loss to net cash inflow from operating activities	2012	2010
		£	£
	Operating loss	(119,977)	(121,814)
	Depreciation of tangible assets	147,186	155,337
	Amortisation of intangible assets	269,986	215,988
	(Increase)/decrease in stocks	(183,991)	35,722
	Decrease/(increase) in debtors	156,648	(190,637)
	Increase in creditors within one year	485,002	204,449
	<b>Net cash inflow from operating activities</b>	<b>754,854</b>	<b>299,045</b>

2	Analysis of net funds/(debt)	1 January 2011	Cash flow	Other non- cash changes	31 March 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	259,289	(122,578)	-	136,711
	Bank overdrafts	(652,557)	538,760	-	(113,797)
		(393,268)	416,182	-	22,914
	<b>Net (debt)/funds</b>	<b>(393,268)</b>	<b>416,182</b>	<b>-</b>	<b>22,914</b>

3	Reconciliation of net cash flow to movement in net funds/(debt)	2012	2010
		£	£
	Increase/(decrease) in cash in the period	416,182	(182,290)
	Cash (inflow)/outflow from (increase)/decrease in debt	-	28,867
	<b>Movement in net funds/(debt) in the period</b>	<b>416,182</b>	<b>(153,423)</b>
	Opening net debt	(393,268)	(239,845)
	<b>Closing net funds/(debt)</b>	<b>22,914</b>	<b>(393,268)</b>

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 MARCH 2012**

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### **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 March 2012. 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 the period of the lease
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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

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### 1 Accounting policies

(continued)

#### 1.10 Revenue recognition

Revenue comprises the fair value for the sale of goods and services 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 period 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's subsidiary 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.

#### 1.14 Employer Financed Retirement Benefit Scheme (EFRBS)

During the period the Company's subsidiary established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, The SWC Trade Frames Limited 2012 EFRBS ("the Scheme").

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

#### 1.15 Invoice discounting

The company uses invoice discounting for some of its trade debt. Invoice discounting costs are recognised as they accrue and are included in the profit and loss account with other bank charges. The full amount due from debtors is shown in current assets and the liability to the invoice discounting company is shown in current liabilities.

### 2 Turnover

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

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

<b>3</b>	<b>Operating loss</b>	<b>2012</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging		
	Amortisation of intangible assets	269,986	215,988
	Depreciation of tangible assets	147,186	155,337
	Operating lease rentals		
	- Plant and machinery	88,131	64,378
	- Other assets	190,380	288,150
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £3,135, 2010 £5,200)	16,615	11,120
	Remuneration paid to the auditor for other services	6,990	1,125
	HR and Employee Incentive Consultancy	-	900,000
	Employer Financed Retirement Benefit Scheme	850,200	-
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2012</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	1,500	-
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2012</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	7,856	1,985
	Hire purchase interest	-	772
		<u>          </u>	<u>          </u>
		<u>7,856</u>	<u>2,757</u>

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

6	Taxation	2012 £	2010 £
	<b>Domestic current year tax</b>		
	U K corporation tax	15,896	14,681
	<b>Total current tax</b>	15,896	14,681
	<b>Deferred tax</b>		
	Deferred tax charge current year	16,057	13,763
		<u>31,953</u>	<u>28,444</u>
	<b>Factors affecting the tax charge for the period</b>		
	Loss on ordinary activities before taxation	(126,333)	(124,571)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2010 - 21.00%)	<u>(25,267)</u>	<u>(26,160)</u>
	Effects of		
	Non deductible expenses	1,096	874
	Capital allowances in excess of depreciation	(13,780)	(5,391)
	Adjustment for goodwill on consolidation written off	53,997	45,358
	Dividends and distributions received	(300)	-
	Other tax adjustments	150	-
		<u>41,163</u>	<u>40,841</u>
	<b>Current tax charge for the period</b>	<u>15,896</u>	<u>14,681</u>

## 7 Profit for the financial period

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 period is made up as follows:

	2012 £	2010 £
Holding company's profit for the financial period	<u>9,449</u>	<u>5,352</u>

8	Dividends	2012 £	2010 £
	Ordinary interim paid	<u>58,460</u>	<u>31,500</u>

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 MARCH 2012

#### 9 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 January 2011 & at 31 March 2012	4,319,768
<b>Amortisation</b>	
At 1 January 2011	1,727,906
Charge for the period	269,986
At 31 March 2012	1,997,892
<b>Net book value</b>	
At 31 March 2012	2,321,876
At 31 December 2010	2,591,862

#### 10 Tangible fixed assets Group

	Short leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2011	154,246	1,305,921	11,500	1,471,667
Additions	19,397	169,193	70,575	259,165
At 31 March 2012	173,643	1,475,114	82,075	1,730,832
<b>Depreciation</b>				
At 1 January 2011	-	1,031,230	8,625	1,039,855
Charge for the period	21,705	122,606	2,875	147,186
At 31 March 2012	21,705	1,153,836	11,500	1,187,041
<b>Net book value</b>				
At 31 March 2012	151,938	321,278	70,575	543,791
At 31 December 2010	154,246	274,691	2,875	431,812



# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

### 11 Fixed asset investments Group

	Unlisted investments £	Total £
<b>Cost</b>		
At 1 January 2011	-	-
Additions	10	10
At 31 March 2012	10	10
<b>Net book value</b>		
At 31 March 2012	10	10

### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2011 & at 31 March 2012	5,241,343
<b>Net book value</b>	
At 31 March 2012	5,241,343
At 31 December 2010	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	%
<b>Subsidiary undertakings</b>			
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

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

### 12 Stocks and work in progress

	Group 2012 £	2010 £	Company 2012 £	2010 £
Raw materials and consumables	345,593	196,839	-	-
Work in progress	22,700	2,050	-	-
Finished goods and goods for resale	55,173	40,586	-	-
	<u>423,466</u>	<u>239,475</u>	<u>-</u>	<u>-</u>

### 13 Debtors

	Group 2012 £	2010 £	Company 2012 £	2010 £
Trade debtors	877,617	983,114	-	-
Other debtors	7,100	33,819	7,000	12,000
Prepayments and accrued income	98,935	123,367	-	-
	<u>983,652</u>	<u>1,140,300</u>	<u>7,000</u>	<u>12,000</u>

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

### 14 Creditors : amounts falling due within one year

	Group		Company	
	2012	2010	2012	2010
	£	£	£	£
Bank loans and overdrafts	113,797	652,557	-	-
Trade creditors	771,523	446,752	-	-
Amounts owed to group undertakings	-	-	1,314,954	1,274,037
Corporation tax	15,896	14,681	2,392	1,423
Taxes and social security costs	92,610	123,929	600	-
Directors current accounts	604,376	83,897	-	-
Other creditors	27,874	129,097	-	-
Accruals and deferred income	74,113	301,819	3,000	1,500
	<u>1,700,189</u>	<u>1,752,732</u>	<u>1,320,946</u>	<u>1,276,960</u>

Included in bank loans and overdrafts is £113,797 (2010 - £652,557) owed to Barclays Bank for invoice discounting. This amount is secured via a fixed and floating charge dated 20 February 2010.

The secured liabilities all relate to SWC Trade Frames Limited.

### 15 Provisions for liabilities

Group	Deferred taxation £
Profit and loss account	29,820
Balance at 31 March 2012	<u>29,820</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2012	2010	2012	2010
	£	£	£	£
Accelerated capital allowances	<u>29,820</u>	<u>13,763</u>	<u>-</u>	<u>-</u>

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 MARCH 2012

#### 16 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 March 2012 a provision was made for arrears of contributions of £1,962 (2010 - £873).

	2012 £	2010 £
Contributions payable by the group for the period	7,482	6,682

#### 17 Share capital

	2012 £	2010 £
Allotted, called up and fully paid		
253,101 Ordinary shares of £1 each	253,101	253,101

#### 18 Statement of movements on reserves Group

	Share premium account £	Profit and loss account £
Balance at 1 January 2011	2,277,900	365,242
Loss for the period	-	(158,286)
Dividends paid	-	(58,460)
Balance at 31 March 2012	2,277,900	148,496

##### Company

	Share premium account £	Profit and loss account £
Balance at 1 January 2011	2,277,900	1,447,786
Profit for the period	-	9,449
Dividends paid	-	(58,460)
Balance at 31 March 2012	2,277,900	1,398,775

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

19 Reconciliation of movements in shareholders' funds	2012	2010
	£	£
<b>Group</b>		
Loss for the financial period	(158,286)	(153,015)
Dividends	(58,460)	(31,500)
Net depletion in shareholders' funds	(216,746)	(184,515)
Opening shareholders' funds	2,896,243	3,080,758
Closing shareholders' funds	2,679,497	2,896,243
	2012	2010
	£	£
<b>Company</b>		
Profit for the financial period	9,449	5,352
Dividends	(58,460)	(31,500)
Net depletion in shareholders' funds	(49,011)	(26,148)
Opening shareholders' funds	3,978,787	4,004,935
Closing shareholders' funds	3,929,776	3,978,787

## 20 Financial commitments

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012	2010
	£	£
Expiry date		
In over five years	175,000	175,000

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

21 Director's remuneration	2012 £	2010 £
Remuneration for qualifying services for the subsidiary company	<u>17,417</u>	<u>5,668</u>

During the period the Subsidiary Company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefit of the Subsidiary Company's officers, employees and their wider families, The SWC Trade Frames Limited 2012 EFRBS ("the Scheme"). The Scheme contributions made during the period amounted to £841,550. Because the value created in the Scheme is held on terms which are discretionary and no earmarking has yet taken place, it is not considered that these amounts can be regarded as directors' remuneration and, therefore, these amounts have been excluded from the overall figure above.

## 22 Employees

### Number of employees

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

	2012 Number	2010 Number
	<u>89</u>	<u>85</u>

Employment costs	2012 £	2010 £
Wages and salaries	1,719,218	1,371,366
Social security costs	134,005	141,506
Other pension costs	7,482	6,682
HR and Employee Incentive Consultancy	-	900,000
Employer Finance Retirement Benefit Scheme	<u>850,200</u>	<u>-</u>
	<u>2,710,905</u>	<u>2,419,554</u>

## 23 Control

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

# SWC COMPOSITE PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

### 24 Related party relationships and transactions

#### Loans to directors

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
P Richings -	-	(83,897)	302,981	-	(738,460)	(519,376)
		<u>(83,897)</u>	<u>302,981</u>	<u>-</u>	<u>(738,460)</u>	<u>(519,376)</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 period she was paid remuneration of £9,023 (2010 - £5,668). As at 31 March 2012, other creditors in SWC Trade Frames Limited included a directors loan account balance of £85,000 (2010 £Nil) with no interest payable.

During the period the company paid an amount of £150,000 (2010 £Nil) for rental of the premises at Dunslow Road to the property owner, East Coast Developments (Yorkshire) Limited. Mr P Richings, director, is a 50% shareholder in East Coast Developments (Yorkshire) Limited. All rentals paid were on normal commercial terms.

#### Company

SWC Trade Frames Limited, a wholly owned subsidiary undertaking, bought services from the company amounting to £15,000 (2010 £12,000) during the period. SWC Trade Frames Limited paid for services on the company's behalf of £1,962 (2010 £6,404) and also settled the company's corporation tax liability of £1,423 (2010 £80) and VAT liability of £3,073 (2010 - £Nil). At 31 March 2012 the company owed SWC Trade Frames Limited £1,314,954 (2010 £1,274,037). P Richings director, is also a director of SWC Trade Frames Limited.

During the period dividend of £58,460 (2010 £31,500) was paid to P Richings, director.