

Company Registration No. 04354732 (England and Wales)

SWC COMPOSITE PRODUCTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2013



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 MARCH 2013

The director presents his report and financial statements for the year ended 31 March 2013

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 and aluminium 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 period of £118,496 (2012 - £158,286) and at the period end the shareholders funds was £2,535,691 (2012 - £2,679,497).

The group's gross profit percentage reduced in the period to 23.3% (2012 - 24.0%) as a result of raw material inflation and a decrease in group turnover in the period.

Results and dividends

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

An interim dividend was paid during the period of £25,310 (2012 £58,460). 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 and aluminium products.

Director

The following director has held office since 1 April 2012:

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 YEAR ENDED 31 MARCH 2013

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

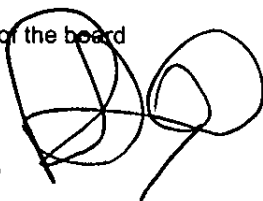
So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that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

On behalf of the board

P Richings

Director

11 December 2013



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 March 2013 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 2013 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

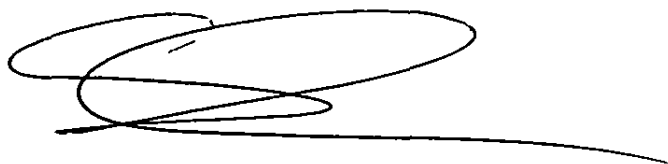
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

12 December 2013

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 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	8,407,793	9,510,366
Cost of sales		(6,443,836)	(7,230,300)
Gross profit		1,963,957	2,280,066
Distribution costs		(59,776)	(87,321)
Administrative expenses		(2,047,791)	(2,388,189)
Other operating income		57,706	75,467
Operating loss	3	(85,904)	(119,977)
Investment income	4	-	1,500
Interest payable and similar charges	5	(1,981)	(7,856)
Loss on ordinary activities before taxation	3	(87,885)	(126,333)
Tax on loss on ordinary activities	6	(30,611)	(31,953)
Loss on ordinary activities after taxation		<u>(118,496)</u>	<u>(158,286)</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 2013

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
Fixed assets					
Intangible assets	9	2,105,888	2,321,876	-	-
Tangible assets	10	542,469	543,791	-	-
Investments	11	10	10	5,241,343	5,241,343
		<u>2,648,367</u>	<u>2,865,677</u>	<u>5,241,343</u>	<u>5,241,343</u>
Current assets					
Stocks	12	506,971	423,466	-	-
Debtors	13	1,149,588	983,652	-	7,000
Cash at bank and in hand		<u>212,728</u>	<u>136,711</u>	<u>2,349</u>	<u>2,379</u>
		1,869,287	1,543,829	2,349	9,379
Creditors' amounts falling due within one year	14	<u>(1,959,562)</u>	<u>(1,700,189)</u>	<u>(1,331,046)</u>	<u>(1,320,946)</u>
Net current liabilities		<u>(90,275)</u>	<u>(156,360)</u>	<u>(1,328,697)</u>	<u>(1,311,567)</u>
Total assets less current liabilities		2,558,092	2,709,317	3,912,646	3,929,776
Provisions for liabilities	15	<u>(22,401)</u>	<u>(29,820)</u>	-	-
		<u>2,535,691</u>	<u>2,679,497</u>	<u>3,912,646</u>	<u>3,929,776</u>
Capital and reserves					
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	<u>4,690</u>	<u>148,496</u>	<u>1,381,645</u>	<u>1,398,775</u>
Shareholders' funds	19	<u>2,535,691</u>	<u>2,679,497</u>	<u>3,912,646</u>	<u>3,929,776</u>

Approved by the Board and authorised for issue on 11 December 2013

P Richings
Director

Company Registration No. 04354732

SWC COMPOSITE PRODUCTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
£	£	£
Net cash inflow from operating activities	381,175	754,854
Returns on investments and servicing of finance		
Interest paid	(1,981)	(7,856)
Dividends received	-	1,500
Net cash outflow for returns on investments and servicing of finance	(1,981)	(6,356)
Taxation	(15,896)	(14,681)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(148,174)	(259,165)
Payments to acquire investments	-	(10)
Net cash outflow for capital expenditure	(148,174)	(259,175)
Equity dividends paid	(25,310)	(58,460)
Net cash inflow before management of liquid resources and financing	189,814	416,182
Increase in cash in the year	189,814	416,182

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

1	Reconciliation of operating loss to net cash inflow from operating activities		2013	2012
			£	£
	Operating loss		(85,904)	(119,977)
	Depreciation of tangible assets		149,496	147,186
	Amortisation of intangible assets		215,988	269,986
	Increase in stocks		(83,505)	(183,991)
	(Increase)/decrease in debtors		(165,936)	156,648
	Increase in creditors within one year		351,036	485,002
	Net cash inflow from operating activities		381,175	754,854
2	Analysis of net funds	1 April 2012	Cash flow	Other non- 31 March 2013 cash changes
		£	£	£
	Net cash			
	Cash at bank and in hand	136,711	76,017	212,728
	Bank overdrafts	(113,797)	113,797	-
		22,914	189,814	212,728
	Net funds	22,914	189,814	212,728
3	Reconciliation of net cash flow to movement in net funds		2013	2012
			£	£
	Increase in cash in the year		189,814	416,182
	Movement in net funds in the year		189,814	416,182
	Opening net funds/(debt)		22,914	(393,268)
	Closing net funds		212,728	22,914

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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 2013. 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

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.

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 year they are payable.

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

(continued)

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 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 S W C 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.

1.14 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 year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2013	2012
	£	£
Operating loss is stated after charging		
Amortisation of intangible assets	215,988	269,986
Depreciation of tangible assets	149,496	147,186
Operating lease rentals		
- Plant and machinery	60,424	88,131
- Other assets	150,000	190,380
Fees payable to the group's auditor for the audit of the group's annual accounts (company £1,750, 2012 £3,135)	8,750	16,615
Remuneration paid to the auditor for other services	6,990	1,125
Employer Financed Retirement Benefit Scheme Contribution	700,000	850,200
	<u> </u>	<u> </u>

4 Investment income

	2013	2012
	£	£
Income from fixed asset investments	-	1,500
	<u> </u>	<u> </u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

5	Interest payable	2013	2012
		£	£
	On bank loans and overdrafts	1,981	7,856
6	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U K corporation tax	38,030	15,896
	Total current tax	38,030	15,896
	Deferred tax		
	Deferred tax charge current year	(7,419)	16,057
		30,611	31,953
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(87,885)	(126,333)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.65% (2012 - 20.00%)	(18,148)	(25,267)
	Effects of		
	Non deductible expenses	1,063	1,096
	Depreciation add back	10,511	-
	Capital allowances in excess of depreciation	-	(13,780)
	Adjustment for goodwill on consolidation written off	44,604	53,997
	Dividends and distributions received	-	(300)
	Other tax adjustments	-	150
		56,178	41,163
	Current tax charge for the year	38,030	15,896

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

7 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

	2013 £	2012 £
Holding company's profit for the financial year	8,180	9,449

8 Dividends

	2013 £	2012 £
Ordinary interim paid	25,310	58,460

9 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 April 2012 & at 31 March 2013	4,319,768
Amortisation	
At 1 April 2012	1,997,892
Charge for the year	215,988
At 31 March 2013	2,213,880
Net book value	
At 31 March 2013	2,105,888
At 31 March 2012	2,321,876

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

10 Tangible fixed assets

Group	Short leasehold improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2012	173,643	1,475,114	82,075	1,730,832
Additions	26,617	117,159	4,400	148,176
At 31 March 2013	200,260	1,592,273	86,475	1,879,008
Depreciation				
At 1 April 2012	21,705	1,153,838	11,498	1,187,041
Charge for the year	20,321	110,431	18,746	149,498
At 31 March 2013	42,026	1,264,269	30,244	1,336,539
Net book value				
At 31 March 2013	158,234	328,004	56,231	542,469
At 31 March 2012	151,938	321,278	70,575	543,791

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

11 Fixed asset investments Group

	Unlisted investments £	Total £
Cost		
At 1 April 2012 & at 31 March 2013	10	10
Net book value		
At 31 March 2013	10	10
At 31 March 2012	10	10

Company

	Shares in group undertakings £
Cost	
At 1 April 2012 & at 31 March 2013	5,241,343
Net book value	
At 31 March 2013	5,241,343
At 31 March 2012	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

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

12 Stocks and work in progress

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Raw materials and consumables	409,961	345,593	-	-
Work in progress	20,725	22,700	-	-
Finished goods and goods for resale	76,285	55,173	-	-
	<u>506,971</u>	<u>423,466</u>	<u>-</u>	<u>-</u>

13 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,123,131	877,617	-	-
Other debtors	40	7,100	-	7,000
Prepayments and accrued income	26,417	98,935	-	-
	<u>1,149,588</u>	<u>983,652</u>	<u>-</u>	<u>7,000</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

14 Creditors - amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	-	113,797	-	-
Trade creditors	443,317	771,523	-	-
Amounts owed to group undertakings	-	-	1,324,001	1,314,954
Corporation tax	38,030	15,896	2,045	2,392
Taxes and social security costs	185,016	92,610	2,000	600
Directors current accounts	1,143,584	604,376	-	-
Other creditors	21,317	27,874	-	-
Accruals and deferred income	128,298	74,113	3,000	3,000
	<u>1,959,562</u>	<u>1,700,189</u>	<u>1,331,046</u>	<u>1,320,946</u>

Included in bank loans and overdrafts is £nil (2012 - £113,797) 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 £
Balance at 1 April 2012	29,820
Profit and loss account	(7,419)
Balance at 31 March 2013	<u>22,401</u>

The deferred tax liability is made up as follows

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	<u>22,401</u>	<u>29,820</u>	<u>-</u>	<u>-</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

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 2013 a provision was made for arrears of contributions of £1,415 (2012 - £1,962)

	2013 £	2012 £
Contributions payable by the group for the year	6,075	7,482

17 Share capital

	2013 £	2012 £
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 April 2012	2,277,900	148,496
Loss for the year	-	(118,496)
Dividends paid	-	(25,310)
Balance at 31 March 2013	2,277,900	4,690

Company

	Share premium account £	Profit and loss account £
Balance at 1 April 2012	2,277,900	1,398,775
Profit for the year	-	8,180
Dividends paid	-	(25,310)
Balance at 31 March 2013	2,277,900	1,381,645

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

19 Reconciliation of movements in shareholders' funds		2013	2012
Group		£	£
Loss for the financial year		(118,496)	(158,286)
Dividends		(25,310)	(58,460)
Net depletion in shareholders' funds		(143,806)	(216,746)
Opening shareholders' funds		2,679,497	2,896,243
Closing shareholders' funds		2,535,691	2,679,497
Company		2013	2012
		£	£
Profit for the financial year		8,180	9,449
Dividends		(25,310)	(58,460)
Net depletion in shareholders' funds		(17,130)	(49,011)
Opening shareholders' funds		3,929,776	3,978,787
Closing shareholders' funds		3,912,646	3,929,776

20 Financial commitments

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as follows

		Land and buildings	
		2013	2012
		£	£
Expiry date			
In over five years		175,000	175,000

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

21 Director's remuneration	2013 £	2012 £
Remuneration for qualifying services for the subsidiary company	14,539	17,417

During the period the Subsidiary Company, in order to motivate and incentivise its officers and employees, has, made contributions to a previously established employer financed retirement benefit scheme for the benefit of the Company's officers, employees and their wider families, The S W C Trade Frames Limited 2012 EFRBS ("the Scheme")

Contributions were made to the Scheme during the accounting period and these created value in that Scheme. The amount of such value which is held on terms which are discretionary was £693,050. Because no earmarking has yet taken place in respect of this amount, it is not considered that this amount can be regarded as directors' remuneration and, therefore, it has been excluded from the overall figure above and the remuneration of the highest paid director.

22 Employees

Number of employees

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

	2013 Number	2012 Number
	93	89
Employment costs	2013 £	2012 £
Wages and salaries	1,520,402	1,719,218
Social security costs	118,331	134,005
Other pension costs	6,075	7,482
	1,644,808	1,860,705

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 YEAR ENDED 31 MARCH 2013

24 Related party relationships and transactions

Loans to directors

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
P Richings - Director's loan account	-	(519,376)	140,102	-	(585,310)	(964,584)
		<u>(519,376)</u>	<u>140,102</u>	<u>-</u>	<u>(585,310)</u>	<u>(964,584)</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 £7,539 (2012 - £9,023). As at 31 March 2013, other creditors in SWC Trade Frames Limited included a directors loan account balance of £179,000 (2012 £85,000) with no interest payable.

During the period the company paid an amount of £150,000 (2012 £150,000) 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 £12,000 (2012 £15,000) during the period. SWC Trade Frames Limited paid for services on the company's behalf of £2,100 (2012 £1,962) and also settled the company's corporation tax liability of £2,392 (2012 £1,423) and VAT liability of £2,045 (2012 - £3,073). At 31 March 2013 the company owed SWC Trade Frames Limited £1,324,001 (2012 £1,314,954). P Richings director, is also a director of SWC Trade Frames Limited.

During the period a dividend of £25,310 (2012 £58,460) was paid to P Richings, director.