

Company Registration No. 04354732 (England and Wales)

SWC COMPOSITE PRODUCTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

WEDNESDAY



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COMPANIES HOUSE

SWC COMPOSITE PRODUCTS LIMITED

DIRECTOR AND ADVISERS

Director	P Richings
Secretary	Ms S Richings
Company number	04354732
Registered office	Units 9 and 10 Plaxton Park Cayton Low Road Scarborough YO11 3BQ
Registered auditors	Townsend Harrison Limited 13 Yorkersgate Malton North Yorkshire YO17 7AA
Business address	Units 9 and 10 Plaxton Park Cayton Low Road Scarborough YO11 3BQ
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 2009

The director presents his report and financial statements for the year ended 31 December 2009

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 after tax for the year of £207,128 and reserves now stand at £549,757 which are to be retained for future working capital.

The group's gross profit percentage remained consistent with previous years as the subsidiary undertaking continued to source its materials at the most competitive rates achievable without compromising on the quality of products it produces.

Results and dividends

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

The director does not recommend payment of an ordinary 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 2009:

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 DECEMBER 2009

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

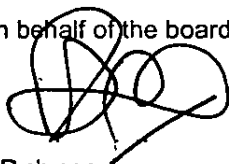
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

22 September 2010

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 2009 set out on pages 5 to 22. 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.

This is the first year that the preparation of group accounts has been required. The corresponding figures are therefore not audited. However, for the corresponding period the accounts for both the parent and its subsidiary were audited and so this has had no effect on our audit opinion on the financial statements.

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 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 group's and 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.

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 2009 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

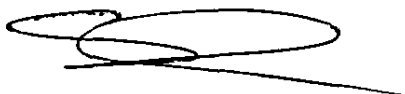
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

27 September 2010

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 2009

	Notes	2009 £	2008 £
Turnover	2	7,153,519	6,802,431
Cost of sales		(5,349,111)	(5,094,449)
Gross profit		1,804,408	1,707,982
Distribution costs		(56,414)	(29,666)
Administrative expenses		(1,989,427)	(1,776,262)
Other operating income		43,410	26,178
Operating loss	3	(198,023)	(71,768)
Other interest receivable and similar income		-	343
Interest payable and similar charges	4	(1,493)	(22,646)
Loss on ordinary activities before taxation	3	(199,516)	(94,071)
Tax on loss on ordinary activities	5	(7,612)	(30,598)
Loss on ordinary activities after taxation		(207,128)	(124,669)

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

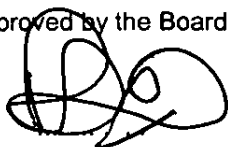
BALANCE SHEETS

AS AT 31 DECEMBER 2009

	Notes	Group 2009 £	2008 £	Company 2009 £	2008 £
Fixed assets					
Intangible assets	8	2,807,850	3,023,838	-	-
Tangible assets	9	189,578	310,822	-	-
Investments	10	-	-	5,241,343	5,241,343
		<u>2,997,428</u>	<u>3,334,660</u>	<u>5,241,343</u>	<u>5,241,343</u>
Current assets					
Stocks	11	275,197	211,539	-	-
Debtors	12	949,663	892,563	-	-
Cash at bank and in hand		104,163	1,992	1,475	1,099
		<u>1,329,023</u>	<u>1,106,094</u>	<u>1,475</u>	<u>1,099</u>
Creditors: amounts falling due within one year	13	(1,245,693)	(1,112,073)	(1,237,883)	(1,237,809)
Net current assets/(liabilities)		<u>83,330</u>	<u>(5,979)</u>	<u>(1,236,408)</u>	<u>(1,236,710)</u>
Total assets less current liabilities		<u>3,080,758</u>	<u>3,328,681</u>	<u>4,004,935</u>	<u>4,004,633</u>
Creditors, amounts falling due after more than one year	14	-	(27,767)	-	-
Provisions for liabilities		-	(13,028)	-	-
		<u>3,080,758</u>	<u>3,287,886</u>	<u>4,004,935</u>	<u>4,004,633</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	549,757	756,885	1,473,934	1,473,632
Shareholders' funds	18	<u>3,080,758</u>	<u>3,287,886</u>	<u>4,004,935</u>	<u>4,004,633</u>

Approved by the Board and authorised for issue on

22 September 2010



P Richings
Director

Company Registration No. 04354732

SWC COMPOSITE PRODUCTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	£	2009 £	£	2008 £
Net cash inflow/(outflow) from operating activities		357,384		(119,519)
Returns on investments and servicing of finance				
Interest received	-		343	
Interest paid	(1,493)		(22,646)	
Net cash outflow for returns on investments and servicing of finance		(1,493)		(22,303)
Taxation		(17,556)		(212,906)
Capital expenditure				
Payments to acquire tangible assets	(8,931)		(68,128)	
Receipts from sales of tangible assets	4,050		532,435	
Net cash (outflow)/inflow for capital expenditure		(4,881)		464,307
Equity dividends paid		-		(213,000)
Net cash inflow/(outflow) before management of liquid resources and financing		333,454		(103,421)
Financing				
Repayment of long term bank loan	-		(478,335)	
Repayment of other long term loans	-		(33,078)	
Repayment of other short term loans	-		(76,234)	
Capital element of hire purchase contracts	(49,509)		(63,073)	
Net cash outflow from financing		(49,509)		(650,720)
Increase/(decrease) in cash in the year		283,945		(754,141)

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities		2009	2008
		£	£
Operating loss		(198,023)	(71,768)
Depreciation of tangible assets		123,843	124,948
Amortisation of intangible assets		215,988	215,988
(Loss)/profit on disposal of tangible assets		2,282	(92,406)
(Increase)/decrease in stocks		(63,658)	63,655
(Increase)/decrease in debtors		(57,100)	459,858
Increase/(decrease) in creditors within one year		334,052	(819,794)
Net cash inflow/(outflow) from operating activities		357,384	(119,519)

2 Analysis of net debt	1 January 2009	Cash flow	Other non-cash changes	31 December 2009
	£	£	£	£
Net cash				
Cash at bank and in hand	1,992	102,171	-	104,163
Bank overdrafts	(496,915)	181,774	-	(315,141)
	(494,923)	283,945	-	(210,978)
Finance leases	(78,376)	49,509	-	(28,867)
Net debt	(573,299)	333,454	-	(239,845)

3 Reconciliation of net cash flow to movement in net debt		2009	2008
		£	£
Increase/(decrease) in cash in the year		283,945	(754,141)
Cash outflow from decrease in debt		49,509	651,280
Change in net debt resulting from cash flows		333,454	(102,861)
Movement in net debt in the year		333,454	(103,422)
Opening net debt		(573,299)	(469,877)
Closing net debt		(239,845)	(573,299)

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009. 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:

Freehold buildings	4% straight line
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.

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

(continued)

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, as the directors recognise this as the most accurate way to calculate the cost price of a job. The sale price is set at the start of the job. Frame finished jobs are valued at 70% (2008 80%) of sales price and finished roofing jobs at 80% of sales price in line with the company's gross profit percentage. Welded but not beaded frames are at 50% (2008 65%) and roofing work in progress is at 65% of sales price. Cut profile frames are at 20% of sales price.

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.

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

3	Operating profit	2009	2008
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	215,988	215,988
	Depreciation of tangible assets	123,843	124,948
	Loss on disposal of tangible assets	2,282	-
	Operating lease rentals		
	- Plant and machinery	57,062	30,314
	- Other assets	163,965	137,196
	Employee Retention Trust	900,000	500,000
	and after crediting		
	Profit on disposal of tangible assets	-	(92,406)

The auditors remuneration for the audit of the consolidated and parent company accounts totals £2,570 (2008 £4,425) The auditors were also paid for other services which totals £12,005 (2008 £12,030)

4	Interest payable	2009	2008
		£	£
	On bank loans and overdrafts	26	10,412
	On other loans wholly repayable within five years	-	45
	Hire purchase interest	1,467	12,189
		<u>1,493</u>	<u>22,646</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

5	Taxation	2009 £	2008 £
	Domestic current year tax		
	U K corporation tax	20,640	17,556
	Adjustment for prior years	-	14
		<u>20,640</u>	<u>17,570</u>
	Current tax charge	20,640	17,570
	Deferred tax charge credit current year	(13,028)	13,028
		<u>(13,028)</u>	<u>13,028</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(199,516)	(94,071)
		<u>(199,516)</u>	<u>(94,071)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 20.75%)	(41,898)	(19,520)
		<u>(41,898)</u>	<u>(19,520)</u>
	Effects of		
	Non deductible expenses	596	4,828
	Capital allowances in excess of depreciation	16,585	6,604
	Profit on sale of assets	-	(19,174)
	Adjustment for goodwill on consolidation written off	45,357	44,832
		<u>62,538</u>	<u>37,090</u>
	Current tax charge	20,640	17,570
		<u>20,640</u>	<u>17,570</u>

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:

	2009 £	2008 £
Holding company's profit for the financial year	302	29,198
	<u>302</u>	<u>29,198</u>
Share of net profit retained by associated undertakings	8,558	62,121
	<u>8,558</u>	<u>62,121</u>

7 Dividends

	2009 £	2008 £
Ordinary interim paid	-	213,000
	<u>-</u>	<u>213,000</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

8 Intangible fixed assets	
Group - Goodwill arising on consolidation	
	Goodwill
	£
Cost	
At 1 January 2009 & at 31 December 2009	4,319,768
	<hr/>
Amortisation	
At 1 January 2009	1,295,930
Charge for the year	215,988
	<hr/>
At 31 December 2009	1,511,918
	<hr/>
Net book value	
At 31 December 2009	2,807,850
	<hr/>
At 31 December 2008	3,023,838
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SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

9 Tangible fixed assets Group

	Short leasehold improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2009	131,271	1,064,631	40,750	1,236,652
Additions	-	8,931	-	8,931
Disposals	-	(10,966)	(29,250)	(40,216)
At 31 December 2009	131,271	1,062,596	11,500	1,205,367
Depreciation				
At 1 January 2009	68,862	830,627	26,341	925,830
On disposals	-	(8,972)	(24,912)	(33,884)
Charge for the year	12,326	107,196	4,321	123,843
At 31 December 2009	81,188	928,851	5,750	1,015,789
Net book value				
At 31 December 2009	50,083	133,745	5,750	189,578
At 31 December 2008	62,409	234,004	14,409	310,822

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 2009	27,027	-	27,027
At 31 December 2008	107,942	-	107,942
Depreciation charge for the year			
31 December 2009	27,027	-	27,027
31 December 2008	54,664	-	54,664

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

10 Fixed asset investments

Net book value

At 31 December 2009

-

At 31 December 2008

-

Company

Shares in
group
undertakings
£

Cost

At 1 January 2009 & at 31 December 2009

5,241,343

Net book value

At 31 December 2009

5,241,343

At 31 December 2008

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	Class	Shares held %
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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

11 Stocks and work in progress

	Group 2009 £	2008 £	Company 2009 £	2008 £
Raw materials and consumables	215,054	143,549	-	-
Work in progress	13,455	23,881	-	-
Finished goods and goods for resale	46,688	44,109	-	-
	<u>275,197</u>	<u>211,539</u>	<u>-</u>	<u>-</u>

12 Debtors

	Group 2009 £	2008 £	Company 2009 £	2008 £
Trade debtors	886,430	832,286	-	-
Other debtors	2,000	17,500	-	-
Prepayments and accrued income	61,233	42,777	-	-
	<u>949,663</u>	<u>892,563</u>	<u>-</u>	<u>-</u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

13 Creditors : amounts falling due within one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Bank loans and overdrafts	315,141	496,915	-	-
Net obligations under finance lease and hire purchase contracts	28,867	50,609	-	-
Trade creditors	354,954	325,220	-	-
Amounts owed to group undertakings	-	-	1,236,053	1,210,661
Corporation tax	20,640	17,556	80	7,649
Taxes and social security costs	148,970	94,142	-	-
Directors current accounts	246,421	17,499	-	17,499
Other creditors	80,600	63,462	-	-
Accruals and deferred income	50,100	46,670	1,750	2,000
	<u>1,245,693</u>	<u>1,112,073</u>	<u>1,237,883</u>	<u>1,237,809</u>

The subsidiary undertaking, SWC Trade Frames Limited, has entered into a composite accounting agreement dated 24 January 2003 with its bankers SWC Composite Products Limited and SWC Trade Frames Limited, have provided guarantees to the bank. Under the terms of the agreement and the guarantees, the bank is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debit balances within the composite accounting system. The bank also has charge over a life policy of which the subsidiary is a beneficiary, the stock of the subsidiary, and a cross guarantee and debenture from the subsidiary which is to secure an amount of £nil (2008 £15,120). These have all been removed since 31 December 2009.

Also included in bank loans and overdrafts is £315,141 (2008 £481,795) owed to Barclays Bank for invoice discounting. This amount is secured against SWC Trade Frames Limited's debtors.

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

The secured liabilities all relate to SWC Trade Frames Limited.

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

14 Creditors - amounts falling due after more than one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Net obligations under finance leases and hire purchase agreements	-	27,767	-	-
Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned				
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	29,580	50,693	-	-
Repayable between one and five years	-	29,580	-	-
	29,580	80,273	-	-
Finance charges and interest allocated to future accounting periods	(713)	(1,897)	-	-
	28,867	78,376	-	-
Included in liabilities falling due within one year	(28,867)	(50,609)	-	-
	-	27,767	-	-

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 2009 a provision was made for arrears of contributions of £1,026 (2008 £3,773).

	2009 £	2008 £
Contributions payable by the group for the year	6,983	9,625

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

16 Share capital	2009	2008
	£	£
Authorised		
253,101 Ordinary shares of £1 each	253,101	253,101
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
253,101 Ordinary shares of £1 each	253,101	253,101
	<u> </u>	<u> </u>
17 Statement of movements on reserves		
Group	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2009	2,277,900	756,885
Loss for the year	-	(207,128)
	<u> </u>	<u> </u>
Balance at 31 December 2009	2,277,900	549,757
	<u> </u>	<u> </u>
Company	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2009	2,277,900	1,473,632
Profit for the year	-	302
	<u> </u>	<u> </u>
Balance at 31 December 2009	2,277,900	1,473,934
	<u> </u>	<u> </u>

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

18 Reconciliation of movements in shareholders' funds	2009	2008
Group	£	£
Loss for the financial year	(207,128)	(124,669)
Dividends	-	(213,000)
Net depletion in shareholders' funds	(207,128)	(337,669)
Opening shareholders' funds	3,287,886	3,625,555
Closing shareholders' funds	3,080,758	3,287,886
	2009	2008
Company	£	£
Profit for the financial year	302	29,198
Dividends	-	(213,000)
Net addition to/(depletion in) shareholders' funds	302	(183,802)
Opening shareholders' funds	4,004,633	4,188,435
Closing shareholders' funds	4,004,935	4,004,633

19 Financial commitments

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Expiry date				
Between two and five years	161,522	164,390	648	648

20 Director's emoluments	2009	2008
	£	£
Remuneration	7972	10862

SWC COMPOSITE PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

21 Directors benefits; advances, credit and guarantees

Transactions in relation to Loans with Directors during the year are outlined in the table below

	At 1 January 2009	Amounts advanced	Amounts repaid	At 31 December 2009
	£	£	£	£
P Richings	(17,499)	72,350	(301,272)	(246,421)
	<u>(17,499)</u>	<u>72,350</u>	<u>(301,272)</u>	<u>(246,421)</u>

All the above loans are unsecured, interest free and repayable on demand. The balance outstanding is shown in creditors.

Dividends were paid to the director of £nil (2008 £213,000)

22 Employees

Number of employees of the group

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

	2009 Number	2008 Number
	<u>78</u>	<u>67</u>

Employment costs

	2009 £	2008 £
Wages and salaries	1,290,398	1,282,077
Social security costs	107,190	112,073
Other pension costs	6,983	9,625
Employee Retention Trust	900,000	500,000
	<u>2,304,571</u>	<u>1,903,775</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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

24 Related party transactions

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 £16,323 (2008 £61,789). Ms S Richings also received advances from the subsidiary undertaking of £48,000 and made repayments of £94,000 during the year. The net amount due to her of £46,000 is shown in other creditors at 31 December 2009. This loan is unsecured, interest free and repayable on demand.

Company

SWC Trade Frames Limited, a wholly owned subsidiary undertaking, bought services from the company amounting to £3,000 (2008 £51,386) during the year. SWC Trade Frames Limited paid for services on the company's behalf of £3,243 (2008 nil) and also settled the company's corporation tax liability of £7,649 (2008 nil). At 31 December 2009 the company owed SWC Trade Frames Limited £1,236,053 (2008 £1,210,661).

The subsidiary undertaking, SWC Trade Frames Limited, has entered into a composite accounting agreement dated 23 January 2003 with its bankers. SWC Composite Products Limited and SWC Trade Frames Limited have provided guarantees to the bank. Under the terms of the agreement and the guarantees, the bank is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debit balances within the composite accounting system. The bank also has charge over a life policy of which the subsidiary is beneficiary, the stock of the subsidiary, and a cross guarantee and debenture from SWC Trade Frames Limited. These have all been removed since 31 December 2009.