

Company Registration No 04573418 (England and Wales)

LAMBOARD HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006

TUESDAY



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COMPANIES HOUSE

LAMBOARD HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | D A Garrick M J McGraw E Dowlman S Goodchild R L Bristow |
| Secretary | S Goodchild |
| Company number | 04573418 |
| Registered office | 228 Leads Road Hull East Yorkshire HU7 0DQ |
| Auditors | HW, Chartered Accountants 117-119 Cleethorpe Road Grimsby N E Lincolnshire DN31 3ET |
| Business address | 228 Leads Road Hull East Yorkshire HU7 0DQ |
| Bankers | HSBC Bank PLC Merit House Priory Park West Saxon Way Hessle HU13 9PB |
| Solicitors | Cobbetts 1 Whitehall Riverside Leeds LS1 4BN |

LAMBOARD HOLDINGS LIMITED

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LAMBOARD HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2006

The directors present their report and financial statements for the year ended 31 August 2006

Principal activities and review of the business

The principal activity of the company continued to be that of laminating timber/plaster based boards with paper and vinyls for use in the caravan, portable building and other industries. The company has continued to develop its business of profile wrapping of MDF/extruded plastic mouldings. The company is also a holding company.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect to see profits made in the future as they have continued to diversify into new markets to ensure that they do not suffer from the downturn in one particular industry.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Purchase of own shares

During the year the company bought back 6,680 (20%) of its issued ordinary 'A' shares from a director who left in the year. £70,000 was paid out of the profit and loss reserves to pay for the shares which had been previously purchased at a cost of £30,000.

Directors

The following directors have held office since 1 September 2005:

D A Garrick
M J McGraw
E Dowlman
S Goodchild
R L Bristow

I C White was a director as at 1 September 2005 but left on 31 October 2005.

Directors' interests

The directors' interests in the shares of the company were as stated below:

| | 'A' Ordinary Shares of £ 1 each | |
|-------------|--|-------------------------|
| | 31 August 2006 | 1 September 2005 |
| D A Garrick | 17,031 | 17,031 |
| M J McGraw | 5,010 | 5,010 |
| E Dowlman | - | - |
| S Goodchild | 3,005 | 3,005 |
| R L Bristow | 1,670 | 1,670 |

| | 'B' Ordinary Shares of £ 1 each | |
|-------------|--|-------------------------|
| | 31 August 2006 | 1 September 2005 |
| D A Garrick | 1 | 1 |
| M J McGraw | - | - |
| E Dowlman | - | - |
| S Goodchild | - | - |
| R L Bristow | - | - |

LAMBOARD HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

Auditors

HW, Chartered Accountants were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

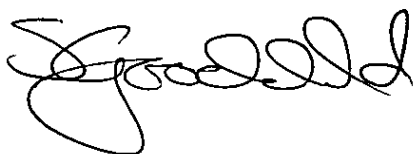
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

S Goodchild
Secretary
26 March 2007



LAMBOARD HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LAMBOARD HOLDINGS LIMITED

We have audited the financial statements of Lamboard Holdings Ltd for the year ended 31 August 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

LAMBOARD HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF LAMBOARD HOLDINGS LIMITED

Opinion

In our opinion the financial statements

-give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 August 2006 , and of its loss for the year then ended, and

-have been properly prepared in accordance with the Companies Act 1985

-the information given in the directors' report is consistent with the financial statements



HW, Chartered Accountants

26 March 2007

Registered Auditor

117-119 Cleethorpe Road
Grimsby
N E Lincolnshire

LAMBOARD HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2006

| | Notes | 2006 £ | 2005 £ |
|--|-------|-------------|-------------|
| Turnover | 2 | 8,620,714 | 10,410,511 |
| Cost of sales | | (7,932,402) | (9,613,972) |
| Gross profit | | 688,312 | 796,539 |
| Administrative expenses | | (989,028) | (1,178,175) |
| Other operating income | | 3,552 | 3,552 |
| Operating loss | 3 | (297,164) | (378,084) |
| Profit loss on sale of tangible assets | | - | 826,691 |
| (Loss)/profit on ordinary activities before interest | | (297,164) | 448,607 |
| Investment income | 4 | 10,318 | 11,113 |
| Other interest receivable and similar income | 4 | 4,750 | - |
| Interest payable and similar charges | 5 | (103,704) | (178,042) |
| (Loss)/profit on ordinary activities before taxation | | (385,800) | 281,678 |
| Tax on (loss)/profit on ordinary activities | 6 | 112,218 | (2,069) |
| (Loss)/profit for the year | | (273,582) | 279,609 |

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

LAMBOARD HOLDINGS LIMITED

BALANCE SHEET AS AT 31 AUGUST 2006

| | Notes | 2006 £ | £ | 2005 £ | £ |
|---|-------|----------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | 75,443 | | 86,219 | |
| Tangible assets | 8 | 402,616 | | 368,078 | |
| Investments | 9 | 216,719 | | 216,719 | |
| | | | <u>694,778</u> | | <u>671,016</u> |
| Current assets | | | | | |
| Stocks | 10 | 1,425,589 | | 2,075,785 | |
| Debtors | 11 | 3,099,880 | | 1,555,338 | |
| Cash at bank and in hand | | 142,411 | | 373,494 | |
| | | | <u>4,667,880</u> | | <u>4,004,617</u> |
| Creditors amounts falling due within one year | 12 | (4,436,047) | | (3,435,799) | |
| Net current assets | | | <u>231,833</u> | | <u>568,818</u> |
| Total assets less current liabilities | | | <u>926,611</u> | | <u>1,239,834</u> |
| Creditors amounts falling due after more than one year | 13 | (200,711) | | (169,461) | |
| Provisions for liabilities and charges | 14 | (45,109) | | (46,000) | |
| | | | <u>680,791</u> | | <u>1,024,373</u> |
| Capital and reserves | | | | | |
| Called up share capital | 15 | 26,717 | | 33,397 | |
| Share premium account | 16 | 45,986 | | 45,986 | |
| Other reserves | 16 | 6,680 | | - | |
| Profit and loss account | 16 | 601,408 | | 944,990 | |
| Shareholders' funds - equity interests | 17 | <u>680,791</u> | | <u>1,024,373</u> | |

The financial statements were approved by the Board on 26 March 2007

D A Garrick
Director



LAMBOARD HOLDINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2006

| | £ | 2006 £ | £ | 2005 £ |
|--|-----------|-------------|-----------|-----------|
| Net cash (outflow)/inflow from operating activities | | (1,397,045) | | 464,786 |
| Returns on investments and servicing of finance | | | | |
| Interest received | 15,068 | | 11,113 | |
| Interest paid | (103,704) | | (178,042) | |
| Net cash outflow for returns on investments and servicing of finance | | (88,636) | | (166,929) |
| Taxation | | (109,964) | | (75,868) |
| Capital expenditure | | | | |
| Payments to acquire tangible assets | (66,699) | | (597,483) | |
| Receipts from sales of tangible assets | 101,351 | | 2,450,301 | |
| Net cash inflow for capital expenditure | | 34,652 | | 1,852,818 |
| Net cash (outflow)/inflow before management of liquid resources and financing | | (1,560,993) | | 2,074,807 |
| Financing | | | | |
| Purchase of own shares | (70,000) | | - | |
| Other new short term loans | 37,961 | | - | |
| Repayment of other short term loans | (399,744) | | (83,932) | |
| Capital element of hire purchase contracts | (6,250) | | - | |
| Capital element of finance lease contracts | - | | (38,026) | |
| Net cash outflow from financing | | (438,033) | | (121,958) |
| (Decrease)/increase in cash in the year | | (1,999,026) | | 1,952,849 |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2006

| 1 | Reconciliation of operating loss to net cash (outflow)/inflow from operating activities | 2006 | | 2005 | |
|---|---|--------------------|--------------------|------------------------|--------------------|
| | | £ | | £ | |
| | Operating loss | (297,164) | | (378,084) | |
| | Depreciation of tangible assets | 73,241 | | 94,246 | |
| | Amortisation of intangible assets | 10,776 | | 10,776 | |
| | (Profit)/loss on disposal of tangible assets | (67,431) | | 101,294 | |
| | Decrease/(increase) in stocks | 650,196 | | (633,264) | |
| | (Increase)/decrease in debtors | (1,434,578) | | 904,299 | |
| | (Decrease)/Increase in creditors within one year | (332,085) | | 365,519 | |
| | Net cash (outflow)/inflow from operating activities | (1,397,045) | | 464,786 | |
| 2 | Analysis of net debt | 1 September 2005 | Cash flow | Other non-cash changes | 31 August 2006 |
| | | £ | £ | £ | £ |
| | Net cash | | | | |
| | Cash at bank and in hand | 373,494 | (231,083) | - | 142,411 |
| | Bank overdrafts | - | (1,767,943) | - | (1,767,943) |
| | | <u>373,494</u> | <u>(1,999,026)</u> | <u>-</u> | <u>(1,625,532)</u> |
| | Bank deposits | - | - | - | - |
| | Debt | | | | |
| | Finance leases | - | (68,750) | - | (68,750) |
| | Debts falling due within one year | (399,744) | 361,783 | - | (37,961) |
| | Debts falling due after one year | (169,461) | - | - | (169,461) |
| | | <u>(569,205)</u> | <u>293,033</u> | <u>-</u> | <u>(276,172)</u> |
| | Net debt | (195,711) | (1,705,993) | - | (1,901,704) |
| 3 | Reconciliation of net cash flow to movement in net debt | 2006 | | 2005 | |
| | | £ | | £ | |
| | (Decrease)/increase in cash in the year | (1,999,026) | | 1,952,849 | |
| | Cash outflow from decrease in debt and lease financing | 293,033 | | 121,958 | |
| | Movement in net debt in the year | (1,705,993) | | 2,074,807 | |
| | Opening net debt | (195,711) | | (2,270,518) | |
| | Closing net debt | (1,901,704) | | (195,711) | |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

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 accounting standards, which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years

1.5 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

| | |
|--------------------------------|-------------------------|
| Land and buildings Freehold | 2% Straight Line |
| Plant and machinery | 10% Straight Line |
| Fixtures, fittings & equipment | 20% & 25% Straight Line |

Freehold land is not depreciated

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over 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.

1.7 Investments

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

1.8 Stock

Stock is valued at the lower of cost and net realisable value

1.9 Pensions

The company 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.

1.10 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 had not been discounted.

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

1 Accounting policies

(continued)

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.13 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover

Geographical market

| | Turnover | |
|----------------|------------------|-------------------|
| | 2006 | 2005 |
| | £ | £ |
| United Kingdom | 7,686,054 | 8,468,891 |
| European Union | 934,660 | 1,941,620 |
| | <u>8,620,714</u> | <u>10,410,511</u> |

3 Operating loss

| | 2006 | 2005 |
|---|----------|---------|
| | £ | £ |
| Operating loss is stated after charging | | |
| Amortisation of intangible assets | 10,776 | 10,776 |
| Depreciation of tangible assets | 73,241 | 94,246 |
| Loss on disposal of tangible assets | - | 101,294 |
| Operating lease rentals | | |
| - Plant and machinery | 32,726 | 35,892 |
| - Other assets | 207,025 | 8,669 |
| Auditors' remuneration | 10,250 | 12,000 |
| Remuneration of auditors for non-audit work | 6,851 | 11,535 |
| and after crediting | | |
| Government grants | 3,552 | 3,552 |
| Profit on disposal of tangible assets | (67,431) | - |
| Profit on foreign exchange transactions | (6,943) | - |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

| | | | |
|----------|--|-------------|-------------|
| 4 | Investment income | 2006 | 2005 |
| | | £ | £ |
| | Income from shares in group undertakings | 10,318 | 11,113 |
| | Bank interest | 4,750 | - |
| | | <hr/> | <hr/> |
| | | 15,068 | 11,113 |
| | | <hr/> | <hr/> |
| 5 | Interest payable | 2006 | 2005 |
| | | £ | £ |
| | On bank loans and overdrafts | 103,161 | 175,584 |
| | Hire purchase interest | 543 | 2,458 |
| | | <hr/> | <hr/> |
| | | 103,704 | 178,042 |
| | | <hr/> | <hr/> |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

| 6 | Taxation | 2006 £ | 2005 £ |
|---|--|-----------|-----------|
| | Domestic current year tax | | |
| | U K corporation tax | (109,964) | 111,000 |
| | Adjustment for prior years | (1,363) | (27,231) |
| | | <u></u> | <u></u> |
| | Current tax charge | (111,327) | 83,769 |
| | Deferred tax | | |
| | Origination and reversal of timing differences | (891) | (81,700) |
| | | <u></u> | <u></u> |
| | | (112,218) | 2,069 |
| | | <u></u> | <u></u> |
| | Factors affecting the tax charge for the year | | |
| | (Loss)/profit on ordinary activities before taxation | (385,800) | 281,678 |
| | | <u></u> | <u></u> |
| | (Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.58% (2005 27.58%) | (106,404) | 77,687 |
| | | <u></u> | <u></u> |
| | Effects of | | |
| | Non deductible expenses | (3,813) | 11,354 |
| | Depreciation add back | 20,200 | - |
| | Capital allowances | (29,187) | 35,537 |
| | Tax losses utilised | 9,240 | - |
| | Adjustments to previous periods | (1,363) | (27,231) |
| | Chargeable disposals | - | 6,200 |
| | Other tax adjustments | - | (19,778) |
| | | <u></u> | <u></u> |
| | | (4,923) | 6,082 |
| | | <u></u> | <u></u> |
| | Current tax charge | (111,327) | 83,769 |
| | | <u></u> | <u></u> |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

7 Intangible fixed assets

| | Goodwill £ |
|---|-----------------------|
| Cost | |
| At 1 September 2005 & at 31 August 2006 | 107,772 |
| Amortisation | |
| At 1 September 2005 | 21,553 |
| Charge for the year | 10,776 |
| At 31 August 2006 | 32,329 |
| Net book value | |
| At 31 August 2006 | 75,443 |
| At 31 August 2005 | 86,219 |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

8 Tangible fixed assets

| | Plant and machinery | Fixtures, fittings & equipment | Total |
|-----------------------|------------------------|--------------------------------------|----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 September 2005 | 666,814 | 86,560 | 753,374 |
| Additions | 135,084 | 6,615 | 141,699 |
| Disposals | (64,800) | - | (64,800) |
| At 31 August 2006 | 737,098 | 93,175 | 830,273 |
| Depreciation | | | |
| At 1 September 2005 | 308,800 | 76,496 | 385,296 |
| On disposals | (30,880) | - | (30,880) |
| Charge for the year | 68,767 | 4,474 | 73,241 |
| At 31 August 2006 | 346,687 | 80,970 | 427,657 |
| Net book value | | | |
| At 31 August 2006 | 390,411 | 12,205 | 402,616 |
| At 31 August 2005 | 358,014 | 10,064 | 368,078 |

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

| | Plant and machinery £ |
|---|-----------------------------|
| Net book values | |
| At 31 August 2006 | 73,750 |
| Depreciation charge for the year | |
| At 31 August 2006 | 1,250 |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

9 Fixed asset investments

| | Shares in subsidiary undertakings £ |
|---|--|
| Cost | |
| At 1 September 2005 & at 31 August 2006 | 216,719 |
| Net book value | |
| At 31 August 2006 | 216,719 |
| At 31 August 2005 | 216,719 |

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 | | | |
| LamFrance SAS | France | Ordinary | 100 00 |
| Lamboard Group Limited | England | Ordinary | 100 00 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

| | | Capital and reserves 2006 £ | Profit for the year 2006 £ |
|------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | Principal activity | | |
| LamFrance SAS | Laminating timber/plastic boards | (97,156) | (156,331) |
| Lamboard Group Limited | Dormant | 169,461 | - |

10 Stocks

| | 2006 £ | 2005 £ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables | 1,294,468 | 2,001,247 |
| Finished goods and goods for resale | 131,121 | 74,538 |
| | 1,425,589 | 2,075,785 |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

| 11 Debtors | 2006 £ | 2005 £ |
|---|------------------|------------------|
| Trade debtors | 2,223,923 | 1,200,402 |
| Amounts owed by parent and fellow subsidiary undertakings | 382,715 | 206,371 |
| Corporation tax | 109,964 | - |
| Prepayments and accrued income | 383,278 | 148,565 |
| | <u>3,099,880</u> | <u>1,555,338</u> |

The subsidiary debtor is secured by land and buildings with a value of £456,000

| 12 Creditors amounts falling due within one year | 2006 £ | 2005 £ |
|--|------------------|------------------|
| Bank loans and overdrafts | 1,805,904 | 399,744 |
| Net obligations under hire purchase contracts | 37,500 | - |
| Trade creditors | 2,352,130 | 2,262,490 |
| Corporation tax | - | 111,327 |
| Other taxes and social security costs | 58,860 | 431,255 |
| Other creditors | 37,650 | 39,996 |
| Accruals and deferred income | 144,003 | 190,987 |
| | <u>4,436,047</u> | <u>3,435,799</u> |

Bank loans and overdrafts include £1,604,199 (2005 £Nil) due under an invoice discounting agreement secured on the related book debts. The bank loan and overdrafts are secured by fixed and floating charges over the company's assets. Amounts due under hire purchase contracts are secured on the assets to which they relate.

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

| 13 Creditors amounts falling due after more than one year | 2006 £ | 2005 £ |
|--|----------------|----------------|
| Net obligations under hire purchase contracts | 31,250 | - |
| Amounts owed to group undertakings | 169,461 | 169,461 |
| | <u>200,711</u> | <u>169,461</u> |
| Analysis of loans | | |
| Wholly repayable within five years | 207,422 | 569,205 |
| | <u>207,422</u> | <u>569,205</u> |
| Included in current liabilities | (37,961) | (399,744) |
| | <u>169,461</u> | <u>169,461</u> |
| Loan maturity analysis | | |
| In more than five years | 169,461 | 169,461 |
| | <u>169,461</u> | <u>169,461</u> |
| Amounts due under hire purchase contracts are secured on the assets to which they relate | | |
| Net obligations under hire purchase contracts | | |
| Repayable within one year | 40,759 | - |
| Repayable between one and five years | 33,966 | - |
| | <u>74,725</u> | <u>-</u> |
| Finance charges and interest allocated to future accounting periods | (5,975) | - |
| | <u>68,750</u> | <u>-</u> |
| Included in liabilities falling due within one year | (37,500) | - |
| | <u>31,250</u> | <u>-</u> |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

14 Provisions for liabilities and charges

| | Deferred tax liability £ |
|-----------------------------|-----------------------------|
| Balance at 1 September 2005 | 46,000 |
| Profit and loss account | (891) |
| | <hr/> |
| Balance at 31 August 2006 | 45,109 |
| | <hr/> <hr/> |

The deferred tax liability is made up as follows

| | 2006 £ | 2005 £ |
|--------------------------------|-------------|-------------|
| Accelerated capital allowances | 65,432 | 46,000 |
| Tax losses available | (20,323) | - |
| | <hr/> | <hr/> |
| | 45,109 | 46,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

| 15 Share capital | 2006 £ | 2005 £ |
|---|----------------|----------------|
| Authorised | | |
| 499,900 'A' Ordinary Shares of £1 each | 499,900 | 499,900 |
| 100 'B' Ordinary Shares of £1 each | 100 | 100 |
| | <u>500,000</u> | <u>500,000</u> |
| Allotted, called up and fully paid | | |
| 26,716 'A' Ordinary Shares of £1 each | 26,716 | 33,396 |
| 1 'B' Ordinary Shares of £1 each | 1 | 1 |
| | <u>26,717</u> | <u>33,397</u> |

The rights attaching to the shares are as follows

Income

Any profits resolved to be distributed in any financial year or period are distributed to members holding any class of shares *pari passu* as if the same constituted one class of share

Capital

On a return of assets on liquidation or capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the company of its own shares), the assets of the company available for distribution amongst the shareholders after payment of its liabilities shall be applied in the following manner and order of priority

a)first, in paying to the 'B' shareholders as a class a sum equal to £100,000

b)second, in paying to the 'A' shareholders the sum of £1 per 'A' ordinary share held together with a sum equal to any arrears of dividend thereon declared but unpaid

c)third, in paying the balance to members holding any class of shares *pari passu* as if the same constituted one class of share

Voting

The 'B' shareholders are not entitled to vote at general meetings

During the year the company bought back 6,680 (20%) of its issued ordinary 'A' shares from a director who left in the year £70,000 was paid out of the profit and loss reserves to pay for the shares which had been previously purchased at a cost of £30,000

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

16 Statement of movements on reserves

| | Share premium account £ | Other reserves (see below) £ | Profit and loss account £ |
|-----------------------------|----------------------------------|---------------------------------------|------------------------------------|
| Balance at 1 September 2005 | 45,986 | - | 944,990 |
| Loss for the year | - | - | (273,582) |
| Purchase of own shares | - | - | (70,000) |
| Movement during the year | - | 6,680 | - |
| Balance at 31 August 2006 | 45,986 | 6,680 | 601,408 |

Other reserves

Capital redemption reserve

Capital redemption reserve increase

6,680

Balance at 31 August 2006

6,680

17 Reconciliation of movements in shareholders' funds

| | 2006 £ | 2005 £ |
|--|-----------|-----------|
| (Loss)/Profit for the financial year | (273,582) | 279,609 |
| Purchase of own shares | (70,000) | - |
| Net (depletion in)/addition to shareholders' funds | (343,582) | 279,609 |
| Opening shareholders' funds | 1,024,373 | 744,764 |
| Closing shareholders' funds | 680,791 | 1,024,373 |

18 Financial commitments

At 31 August 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2007

| | Land and buildings | | Other | |
|-------------------------------|--------------------|-----------|-----------|-----------|
| | 2006 £ | 2005 £ | 2006 £ | 2005 £ |
| Operating leases which expire | | | | |
| Within one year | - | - | 7,402 | 7,329 |
| Between two and five years | - | - | 31,773 | 40,225 |
| In over five years | 200,000 | 200,000 | - | - |
| | 200,000 | 200,000 | 39,175 | 47,554 |

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

| 19 Directors' emoluments | 2006 £ | 2005 £ |
|---|----------------|----------------|
| Emoluments for qualifying services | 307,658 | 327,383 |
| Company pension contributions to money purchase schemes | 12,380 | 15,659 |
| Compensation for loss of office | 30,000 | - |
| | <u>350,038</u> | <u>343,042</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2005 - 5)

Emoluments disclosed above include the following amounts paid to the highest paid director

| | | |
|---|---------------|---------------|
| Emoluments for qualifying services | 70,502 | 72,448 |
| Company pension contributions to money purchase schemes | 2,838 | 3,600 |
| | <u>73,340</u> | <u>76,048</u> |

20 Employees

Number of employees

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

| | 2006 Number | 2005 Number |
|--------------------------|----------------|----------------|
| Production | 31 | 35 |
| Administration and sales | 12 | 13 |
| | <u>43</u> | <u>48</u> |

| Employment costs | 2006 £ | 2005 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,031,239 | 1,087,559 |
| Social security costs | 90,143 | 102,816 |
| Other pension costs | 35,117 | 29,718 |
| | <u>1,156,499</u> | <u>1,220,093</u> |

21 Control

The directors consider that D A Garnick is the company's controlling party by virtue of his majority shareholding

LAMBOARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2006**

22 Related party transactions

During the year the company sold goods for a value of £ 228,994 (2005 £210,909) to Lam France SAS, a subsidiary undertaking and purchased goods for a value of £Nil (2005 £34,807)

During the year the company made a provision of £Nil (2005 £227,635) against the amount due from Lam France SAS

At the year end an amount of £382,715 (2005 £206,371) was due from Lam France SAS This debt is secured on land and buildings with a value of £456,000

At the year end an amount of £169,461 (2005 £169,461) was owed to Lamboard Group Limited, a subsidiary undertaking