

Report of the Directors and  
Financial Statements for the Year Ended 31 October 2007  
for  
Typhoon International Limited

FRIDAY



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27/06/2008  
COMPANIES HOUSE

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Chartered Accountants Registered Auditors

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for the Year Ended 31 October 2007

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Typhoon International Limited

Company Information  
for the Year Ended 31 October 2007

**DIRECTORS:**

M J Bibby  
P J Bibby  
R E Crowe  
S Ward

**SECRETARY**

R E Crowe

**REGISTERED OFFICE:**

Limerick Road  
Dormanstown Industrial Estate  
Redcar  
Cleveland  
TS10 5JU

**REGISTERED NUMBER:**

00462364 (England and Wales)

**AUDITORS**

King Nagus Bakerman  
Registered Auditors  
KNB House  
7 Rodney Street  
Liverpool  
L1 9HZ

Typhoon International Limited

Report of the Directors  
for the Year Ended 31 October 2007

The directors present their report with the financial statements of the company for the year ended 31 October 2007

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture and distribution of safety, survival and watersports equipment

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

We aim to present a balanced and comprehensive review of the development of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The company continues to deal in the manufacture and distribution of safety, survival and watersports equipment

We consider our key financial indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed

The turnover of the company was £5,355,871 which was lower than that in 2006 (£5,737,363). However, turnover has increased on average by 7% per annum over the last four years.

Gross profit has increased to £1,709,512 (31.92%) from £1,689,055 (29.44%) although profit before tax has fallen to £99,348 from £247,980. After taxation, £59,324 has been added to reserves.

Return on capital employed has fallen to 7.28% from 13.92%. Return on capital employed is calculated as profit before interest and tax divided by capital employed which comprises total assets less current liabilities, less cash, plus overdrafts and other short-term borrowings.

As for many businesses of our size, the business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside our control.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 October 2007.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 November 2006 to the date of this report.

M J Bibby  
P J Bibby  
R E Crowe  
S Ward

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, King Nagus Bakerman, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



R E Crowe - Secretary

26 March 2008

Report of the Independent Auditors to the Shareholders of  
Typhoon International Limited

We have audited the financial statements of Typhoon International Limited for the year ended 31 October 2007 on pages five to eighteen. 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 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 directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages two and three.

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 also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we 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 other transactions is not disclosed.

We read the Report of the Directors 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 the 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.

**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 October 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.



King Nagus Bakerman  
Registered Auditors  
KNB House  
7 Rodney Street  
Liverpool  
L1 9HZ

26 March 2008

Typhoon International Limited

Profit and Loss Account  
for the Year Ended 31 October 2007

|  | Notes    | 31.10.07<br>£    | £                | 31 10 06<br>£    | £                |
|--|----------|------------------|------------------|------------------|------------------|
| <b>TURNOVER</b>  |          |                  | <b>5,355,871</b> |                  | <b>5,737,363</b> |
| Cost of sales  |          |                  | <b>3,646,359</b> |                  | <b>4,048,308</b> |
| <b>GROSS PROFIT</b>                                      |          |                  | <b>1,709,512</b> |                  | <b>1,689,055</b> |
| Distribution costs                                       |          | <b>113,652</b>   |                  | <b>130,837</b>   |                  |
| Administrative expenses                                  |          | <b>1,410,448</b> |                  | <b>1,254,173</b> |                  |
|  |          |                  | <b>1,524,100</b> |                  | <b>1,385,010</b> |
|  |          |                  | <b>185,412</b>   |                  | <b>304,045</b>   |
| Other operating income                                   |          |                  | <b>16,035</b>    |                  | <b>30,024</b>    |
| <b>OPERATING PROFIT</b>                                  | <b>3</b> |                  | <b>201,447</b>   |                  | <b>334,069</b>   |
| Interest payable and similar charges                     | <b>4</b> |                  | <b>102,099</b>   |                  | <b>86,089</b>    |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |          |                  | <b>99,348</b>    |                  | <b>247,980</b>   |
| Tax on profit on ordinary activities                     | <b>5</b> |                  | <b>40,024</b>    |                  | <b>66,741</b>    |
| <b>PROFIT FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>  |          |                  | <b>59,324</b>    |                  | <b>181,239</b>   |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

Typhoon International Limited

Balance Sheet

31 October 2007

|  | Notes | 31.10.07<br>£    | £                     | 31 10 06<br>£    | £                     |
|--|-------|------------------|-----------------------|------------------|-----------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                       |                  |                       |
| Intangible assets                            | 6     |                  | 6,187                 |                  | 8,498                 |
| Tangible assets                              | 7     |                  | 437,180               |                  | 436,653               |
|  |       |                  | <u>443,367</u>        |                  | <u>445,151</u>        |
| <b>CURRENT ASSETS</b>                        |       |                  |                       |                  |                       |
| Stocks                                       | 8     | 1,626,038        |                       | 1,467,688        |                       |
| Debtors                                      | 9     | 1,529,264        |                       | 1,168,119        |                       |
| Cash at bank and in hand                     |       | 218,542          |                       | 161,682          |                       |
|  |       | <u>3,373,844</u> |                       | <u>2,797,489</u> |                       |
| <b>CREDITORS</b>                             |       |                  |                       |                  |                       |
| Amounts falling due within one year          | 10    | 1,708,354        |                       | 1,194,640        |                       |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>1,665,490</u>      |                  | <u>1,602,849</u>      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | <u>2,108,857</u>      |                  | <u>2,048,000</u>      |
| <b>CREDITORS</b>                             |       |                  |                       |                  |                       |
| Amounts falling due after more than one year | 11    |                  | (1,289,276)           |                  | (1,294,554)           |
| <b>PROVISIONS FOR LIABILITIES</b>            | 15    |                  | <u>(24,377)</u>       |                  | <u>(17,566)</u>       |
| <b>NET ASSETS</b>                            |       |                  | <u><u>795,204</u></u> |                  | <u><u>735,880</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                       |                  |                       |
| Called up share capital                      | 16    |                  | 3,700                 |                  | 3,700                 |
| Revaluation reserve                          | 17    |                  | 166,222               |                  | 166,222               |
| Other reserves                               | 17    |                  | 1,300                 |                  | 1,300                 |
| Profit and loss account                      | 17    |                  | 623,982               |                  | 564,658               |
| <b>SHAREHOLDERS' FUNDS</b>                   | 20    |                  | <u><u>795,204</u></u> |                  | <u><u>735,880</u></u> |

The financial statements were approved by the Board of Directors on 26 March 2008 and were signed on its behalf by



P J Bibby - Director

The notes form part of these financial statements



Typhoon International Limited

Cash Flow Statement

for the Year Ended 31 October 2007

|   | Notes | 31.10.07<br>£ | £         | 31 10 06<br>£ | £         |
|---|-------|---------------|-----------|---------------|-----------|
| Net cash (outflow)/inflow from operating activities     | 1     |               | (123,287) |               | 329,823   |
| Returns on investments and servicing of finance         | 2     |               | (102,099) |               | (86,089)  |
| Taxation  |       |               | (68,064)  |               | (62,555)  |
| Capital expenditure                                     | 2     |               | (73,043)  |               | (10,019)  |
|   |       |               | (366,493) |               | 171,160   |
| Financing   | 2     |               | 22,530    |               | (7,176)   |
| (Decrease)/Increase in cash in the period               |       |               | (343,963) |               | 163,984   |
| <hr/>   |       |               |           |               |           |
| Reconciliation of net cash flow to movement in net debt | 3     |               |           |               |           |
| (Decrease)/Increase in cash in the period               |       |               | (343,963) |               | 163,984   |
| Cash outflow from decrease in debt and lease financing  |       |               | 25,375    |               | 52,153    |
| Change in net debt resulting from cash flows            |       |               | (318,588) |               | 216,137   |
| Movement in net debt in the period                      |       |               | (318,588) |               | 216,137   |
| Net debt at 1 November                                  |       |               | (487,546) |               | (703,683) |
| Net debt at 31 October                                  |       |               | (806,134) |               | (487,546) |

The notes form part of these financial statements

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

|  | 31 10 07         | 31 10 06       |
|--|------------------|----------------|
|  | £                | £              |
| Operating profit   | 201,447          | 334,069        |
| Depreciation charges                                       | 74,826           | 76,855         |
| Profit on disposal of fixed assets                         | -                | (1,924)        |
| Increase in stocks   | (158,350)        | (180,983)      |
| (Increase)/Decrease in debtors                             | (361,145)        | 159,195        |
| Increase/(Decrease) in creditors                           | 119,935          | (57,389)       |
| <b>Net cash (outflow)/inflow from operating activities</b> | <b>(123,287)</b> | <b>329,823</b> |

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

|   | 31 10 07         | 31 10 06        |
|---|------------------|-----------------|
|   | £                | £               |
| <b>Returns on investments and servicing of finance</b>                      |                  |                 |
| Interest paid   | (100,690)        | (85,170)        |
| Interest element of hire purchase payments                                  | (1,409)          | (919)           |
| <b>Net cash outflow for returns on investments and servicing of finance</b> | <b>(102,099)</b> | <b>(86,089)</b> |
| <b>Capital expenditure</b>  |                  |                 |
| Purchase of intangible fixed assets   | (3,387)          | -               |
| Purchase of tangible fixed assets   | (69,656)         | (42,349)        |
| Sale of tangible fixed assets   | -                | 32,330          |
| <b>Net cash outflow for capital expenditure</b>                             | <b>(73,043)</b>  | <b>(10,019)</b> |
| <b>Financing</b>  |                  |                 |
| Capital repayments in year  | 22,530           | (7,176)         |
| <b>Net cash inflow/(outflow) from financing</b>                             | <b>22,530</b>    | <b>(7,176)</b>  |

3 ANALYSIS OF CHANGES IN NET DEBT

|                                      | At<br>1.11.06<br>£ | Cash flow<br>£   | At<br>31 10.07<br>£ |
|--------------------------------------|--------------------|------------------|---------------------|
| Net cash                             |                    |                  |                     |
| Cash at bank and in hand             | 161,682            | 56,860           | 218,542             |
| Bank overdraft                       | (462,102)          | (400,823)        | (862,925)           |
|                                      | <u>(300,420)</u>   | <u>(343,963)</u> | <u>(644,383)</u>    |
| Debt                                 |                    |                  |                     |
| Hire purchase                        | (9,540)            | (22,530)         | (32,070)            |
| Debts falling due<br>within one year | (58,525)           | 40,420           | (18,105)            |
| Debts falling due<br>after one year  | (119,061)          | 7,485            | (111,576)           |
|                                      | <u>(187,126)</u>   | <u>25,375</u>    | <u>(161,751)</u>    |
| Total                                | <u>(487,546)</u>   | <u>(318,588)</u> | <u>(806,134)</u>    |

Notes to the Financial Statements  
for the Year Ended 31 October 2007

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax

**Intangible fixed assets**

Intangible fixed assets comprise expenditure on approvals. Intangible fixed assets are amortised through the profit and loss account in equal instalments over five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

|                       |               |
|-----------------------|---------------|
| Freehold property     | - 2% on cost  |
| Plant and machinery   | - 10% on cost |
| Fixtures and fittings | - 20% on cost |
| Motor vehicles        | - 25% on cost |

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the start of the financial year and adjusted to reflect exchange rate movements on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the exchange rate ruling at the balance sheet date.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**2 STAFF COSTS**

|                       | 31.10 07         | 31 10 06         |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,192,403        | 1,175,898        |
| Social security costs | 109,614          | 96,071           |
| Other pension costs   | 13,876           | 12,807           |
|                       | <u>1,315,893</u> | <u>1,284,776</u> |

**2 STAFF COSTS - continued**

The average monthly number of employees during the year was as follows

|                | 31.10.07  | 31 10 06  |
|----------------|-----------|-----------|
| Production     | 54        | 63        |
| Administration | 23        | 21        |
|                | <u>77</u> | <u>84</u> |

**3 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

|  | 31 10 07      | 31 10 06      |
|--|---------------|---------------|
|  | £             | £             |
| Depreciation - owned assets                                | 63,393        | 66,939        |
| Depreciation - assets on hire purchase contracts           | 5,735         | 4,248         |
| Profit on disposal of fixed assets                         | -             | (1,924)       |
| Patents and licences amortisation                          | 5,698         | 5,668         |
| Auditors' remuneration                                     | 6,000         | 6,600         |
|  | <u>57,099</u> | <u>49,257</u> |
| Directors' emoluments                                      | 2,767         | 2,316         |
| Directors' pension contributions to money purchase schemes |               |               |

The number of directors to whom retirement benefits were accruing was as follows

|                        |          |          |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |
|------------------------|----------|----------|

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

|                    | 31 10.07       | 31 10 06      |
|--------------------|----------------|---------------|
|                    | £              | £             |
| Bank interest      | 42,593         | 27,751        |
| Bank loan interest | 2,146          | 4,645         |
| Mortgage           | 8,710          | 8,621         |
| Loan               | 47,241         | 44,153        |
| Hire purchase      | 1,409          | 919           |
|                    | <u>102,099</u> | <u>86,089</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2007

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

|                                      | 31.10 07      | 31 10 06      |
|--------------------------------------|---------------|---------------|
|                                      | £             | £             |
| Current tax                          |               |               |
| UK corporation tax                   | 33,213        | 68,064        |
| Deferred tax                         | 6,811         | (1,323)       |
| Tax on profit on ordinary activities | <u>40,024</u> | <u>66,741</u> |

UK corporation tax was charged at 30% in 2006

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

|  | 31.10.07      | 31 10 06       |
|--|---------------|----------------|
|  | £             | £              |
| Profit on ordinary activities before tax   | <u>99,348</u> | <u>247,980</u> |
| Profit on ordinary activities<br>multiplied by the standard rate of corporation tax<br>in the UK of 30% (2006 - 30%) | 29,804        | 74,394         |
| Effects of   |               |                |
| Accelerated capital allowances   | 4,268         | 2,997          |
| Disallowed expenses  | 3,676         | 3,850          |
| Marginal rate relief   | (4,535)       | (13,177)       |
| Current tax charge   | <u>33,213</u> | <u>68,064</u>  |

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2007

**6 INTANGIBLE FIXED ASSETS**

|                       | Patents<br>and<br>licences<br>£ |
|-----------------------|---------------------------------|
| <b>COST</b>           |                                 |
| At 1 November 2006    | 25,000                          |
| Additions             | 3,387                           |
| At 31 October 2007    | <u>28,387</u>                   |
| <b>AMORTISATION</b>   |                                 |
| At 1 November 2006    | 16,502                          |
| Amortisation for year | 5,698                           |
| At 31 October 2007    | <u>22,200</u>                   |
| <b>NET BOOK VALUE</b> |                                 |
| At 31 October 2007    | <u>6,187</u>                    |
| At 31 October 2006    | <u>8,498</u>                    |

**7 TANGIBLE FIXED ASSETS**

|                          | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Totals<br>£    |
|--------------------------|---------------------------|-----------------------------|----------------------------------|------------------------|----------------|
| <b>COST OR VALUATION</b> |                           |                             |                                  |                        |                |
| At 1 November 2006       | 250,000                   | 302,875                     | 268,780                          | 70,635                 | 892,290        |
| Additions                | -                         | 11,618                      | 21,167                           | 36,871                 | 69,656         |
| At 31 October 2007       | <u>250,000</u>            | <u>314,493</u>              | <u>289,947</u>                   | <u>107,506</u>         | <u>961,946</u> |
| <b>DEPRECIATION</b>      |                           |                             |                                  |                        |                |
| At 1 November 2006       | 36,360                    | 216,117                     | 165,159                          | 38,002                 | 455,638        |
| Charge for year          | 3,030                     | 21,245                      | 29,240                           | 15,613                 | 69,128         |
| At 31 October 2007       | <u>39,390</u>             | <u>237,362</u>              | <u>194,399</u>                   | <u>53,615</u>          | <u>524,766</u> |
| <b>NET BOOK VALUE</b>    |                           |                             |                                  |                        |                |
| At 31 October 2007       | <u>210,610</u>            | <u>77,131</u>               | <u>95,548</u>                    | <u>53,891</u>          | <u>437,180</u> |
| At 31 October 2006       | <u>213,640</u>            | <u>86,758</u>               | <u>103,621</u>                   | <u>32,633</u>          | <u>436,652</u> |

Included in cost or valuation of land and buildings is freehold land of £98,500 (2006 - £98,500) which is not depreciated

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2007

**7 TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 October 2007 is represented by

|                   | <b>Freehold<br/>property<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> | <b>Fixtures<br/>and<br/>fittings<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Totals<br/>£</b> |
|-------------------|------------------------------------|--------------------------------------|--|---------------------------------|---------------------|
| Valuation in 2001 | 250,000                            | -                                    | -  | -                               | 250,000             |
| Cost              | -                                  | 314,493                              | 289,947                                    | 107,506                         | 711,946             |
|                   | <u>250,000</u>                     | <u>314,493</u>                       | <u>289,947</u>                             | <u>107,506</u>                  | <u>961,946</u>      |

If freehold land and buildings had not been revalued they would have been included at the following historical cost

|  |                       |                       |
|--|-----------------------|-----------------------|
|  | <b>31 10.07<br/>£</b> | <b>31 10 06<br/>£</b> |
| Cost   | <u>125,440</u>        | <u>125,440</u>        |
| Aggregate depreciation                       | <u>61,412</u>         | <u>59,892</u>         |
| Value of land in freehold land and buildings | <u>49,460</u>         | <u>49,460</u>         |

Freehold land and buildings were valued on an open market basis on 31 October 2001 by Townsend and Gilbert, Chartered Surveyors

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

|                          | <b>Motor<br/>vehicles<br/>£</b> |
|--------------------------|---------------------------------|
| <b>COST OR VALUATION</b> |                                 |
| At 1 November 2006       | 41,195                          |
| Additions                | <u>19,500</u>                   |
| At 31 October 2007       | <u>60,695</u>                   |
| <b>DEPRECIATION</b>      |                                 |
| At 1 November 2006       | 25,692                          |
| Charge for year          | <u>5,735</u>                    |
| At 31 October 2007       | <u>31,427</u>                   |
| <b>NET BOOK VALUE</b>    |                                 |
| At 31 October 2007       | <u>29,268</u>                   |
| At 31 October 2006       | <u>15,503</u>                   |



Notes to the Financial Statements - continued  
for the Year Ended 31 October 2007

## 8 STOCKS

|                  | 31 10 07         | 31 10 06         |
|------------------|------------------|------------------|
|                  | £                | £                |
| Stocks           | 503,209          | 462,656          |
| Work-in-progress | 86,265           | 95,375           |
| Finished goods   | 1,036,564        | 909,657          |
|                  | <u>1,626,038</u> | <u>1,467,688</u> |

## 9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 31 10 07         | 31 10 06         |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade debtors                      | 1,280,093        | 1,094,006        |
| Amounts owed by group undertakings | 151,983          | -                |
| Other debtors                      | 10,372           | 9,141            |
| VAT                                | 44,442           | 9,969            |
| Prepayments                        | 42,374           | 55,003           |
|                                    | <u>1,529,264</u> | <u>1,168,119</u> |

## 10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | 31 10 07         | 31 10 06         |
|---|------------------|------------------|
|   | £                | £                |
| Bank loans and overdrafts (see note 12) | 873,421          | 512,894          |
| Other loans (see note 12)               | 7,609            | 7,733            |
| Hire purchase contracts (see note 13)   | 13,924           | 6,360            |
| Trade creditors                         | 642,616          | 481,369          |
| Tax                                     | 33,213           | 68,064           |
| Social security and other taxes         | 34,551           | 28,832           |
| Other creditors                         | 52,282           | 32,830           |
| Accrued expenses                        | 50,738           | 56,558           |
|   | <u>1,708,354</u> | <u>1,194,640</u> |

## 11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                                       | 31 10 07         | 31 10 06         |
|---------------------------------------|------------------|------------------|
|                                       | £                | £                |
| Other loans (see note 12)             | 111,576          | 119,061          |
| Hire purchase contracts (see note 13) | 18,146           | 3,180            |
| Other creditors                       | -                | 60,000           |
| Directors' Loans                      | 988,635          | 941,394          |
| Amount due to parent company          | 170,919          | 170,919          |
|                                       | <u>1,289,276</u> | <u>1,294,554</u> |

Some directors' loans bear interest at a rate of 1.5 - 2.5% over inter-bank rates

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2007

**12 LOANS**

An analysis of the maturity of loans is given below

|  | <b>31 10 07</b> | <b>31 10 06</b> |
|--|-----------------|-----------------|
|  | <b>£</b>        | <b>£</b>        |
| Amounts falling due within one year or on demand |                 |                 |
| Bank overdrafts                                  | 862,925         | 462,102         |
| Bank loans                                       | 10,496          | 50,792          |
| Mortgage loan                                    | 7,609           | 7,733           |
|  | <u>881,030</u>  | <u>520,627</u>  |
| Amounts falling due between one and two years    |                 |                 |
| Mortgage loan                                    | <u>7,609</u>    | <u>7,733</u>    |
| Amounts falling due between two and five years   |                 |                 |
| Mortgage loan                                    | <u>22,827</u>   | <u>23,199</u>   |
| Amounts falling due in more than five years      |                 |                 |
| Repayable by instalments                         |                 |                 |
| Mortgage loan                                    | <u>81,140</u>   | <u>88,129</u>   |

**13 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

|                             | <b>31 10 07</b> | <b>31 10 06</b>                        |
|-----------------------------|-----------------|--|
|                             | <b>£</b>        | <b>£</b>                               |
|                             |                 | <b>Hire<br/>purchase<br/>contracts</b> |
| Gross obligations repayable |                 |  |
| Within one year             | 15,548          | 7,030                                  |
| Between one and five years  | 20,335          | 3,515                                  |
|                             | <u>35,883</u>   | <u>10,545</u>                          |
| Finance charges repayable   |                 |  |
| Within one year             | 1,624           | 670                                    |
| Between one and five years  | 2,189           | 335                                    |
|                             | <u>3,813</u>    | <u>1,005</u>                           |
| Net obligations repayable   |                 |  |
| Within one year             | 13,924          | 6,360                                  |
| Between one and five years  | 18,146          | 3,180                                  |
|                             | <u>32,070</u>   | <u>9,540</u>                           |

**13 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued**

The following operating lease payments are committed to be paid within one year

|                            | <b>Land and<br/>buildings</b> |                 | <b>Other<br/>operating<br/>leases</b> |                 |
|----------------------------|-------------------------------|-----------------|---------------------------------------|-----------------|
|                            | <b>31 10 07</b>               | <b>31 10 06</b> | <b>31.10 07</b>                       | <b>31 10 06</b> |
|                            | <b>£</b>                      | <b>£</b>        | <b>£</b>                              | <b>£</b>        |
| Expiring                   |                               |                 |                                       |                 |
| Between one and five years | <u>7,020</u>                  | <u>7,020</u>    | <u>2,535</u>                          | <u>2,535</u>    |

**14 SECURED DEBTS**

The following secured debts are included within creditors

|                 | <b>31.10.07</b> | <b>31 10 06</b> |
|-----------------|-----------------|-----------------|
|                 | <b>£</b>        | <b>£</b>        |
| Bank overdrafts | 862,925         | 462,102         |
| Bank loans      | 10,496          | 50,792          |
| Mortgage loan   | 119,185         | 126,794         |
|                 | <u>992,606</u>  | <u>639,688</u>  |

Mortgage loans are secured on the freehold property Bank loans and overdrafts are secured by a fixed charge on the debts, goodwill and other intangible property, a second charge on the freehold property, and a floating charge on the other assets of the company There is an unlimited cross-guarantee in respect of the parent company, Typhoon Holdings Limited

**15 PROVISIONS FOR LIABILITIES**

|                            | <b>31.10.07</b> | <b>31 10 06</b>         |
|----------------------------|-----------------|-------------------------|
|                            | <b>£</b>        | <b>£</b>                |
| Deferred tax               | <u>24,377</u>   | <u>17,566</u>           |
|                            |                 | <b>Deferred<br/>tax</b> |
|                            |                 | <b>£</b>                |
| Balance at 1 November 2006 |                 | 17,566                  |
| Charge for year            |                 | <u>6,811</u>            |
| Balance at 31 October 2007 |                 | <u>24,377</u>           |

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2007

**16 CALLED UP SHARE CAPITAL**

| Authorised<br>Number                      | Class    | Nominal<br>value<br>£1 | 31.10.07<br>£ | 31 10 06<br>£ |
|---|----------|------------------------|---------------|---------------|
| 5,000                                     | Ordinary |                        | <u>5,000</u>  | <u>5,000</u>  |
|   |          |                        |               |               |
| Allotted, issued and fully paid<br>Number | Class    | Nominal<br>value<br>£1 | 31 10 07<br>£ | 31 10 06<br>£ |
| 3,700                                     | Ordinary |                        | <u>3,700</u>  | <u>3,700</u>  |

**17 RESERVES**

|                     | Profit<br>and loss<br>account<br>£ | Revaluation<br>reserve<br>£ | Other<br>reserves<br>£ | Totals<br>£    |
|---------------------|------------------------------------|-----------------------------|------------------------|----------------|
| At 1 November 2006  | 564,658                            | 166,222                     | 1,300                  | 732,180        |
| Profit for the year | <u>59,324</u>                      |                             |                        | <u>59,324</u>  |
| At 31 October 2007  | <u>623,982</u>                     | <u>166,222</u>              | <u>1,300</u>           | <u>791,504</u> |

**18 ULTIMATE PARENT COMPANY**

The company's ultimate parent undertaking at the balance sheet date was Typhoon Holdings Limited, a company incorporated in the United Kingdom

**19 RELATED PARTY DISCLOSURES**

During the year, the company made sales of goods of £847,978 to International Safety Products Limited, and purchases from International Products Limited of £116,105, a company controlled by P J Bibby. The net balance due to Typhoon International at 31 October 2007 was £146,803.

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                     | 31 10.07<br>£  | 31 10 06<br>£  |
|-------------------------------------|----------------|----------------|
| Profit for the financial year       | <u>59,324</u>  | <u>181,239</u> |
| Net addition to shareholders' funds | 59,324         | 181,239        |
| Opening shareholders' funds         | <u>735,880</u> | <u>554,641</u> |
| Closing shareholders' funds         | <u>795,204</u> | <u>735,880</u> |