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Registered number: 3998372

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2010



STORM TECHNOLOGIES LIMITED

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STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT for the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and 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 company will continue in business.

The directors are 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

PRINCIPAL ACTIVITIES

The company's principal activity continues to be the supply of computer hardware and application software.

BUSINESS REVIEW

The directors are pleased to report an increase in sales revenues, despite an extremely competitive marketplace. The sales team was further increased and is to be congratulated on the number of new accounts won, further widening our customer base. We also continued the trend of growth in our technical department, which over the past two years has proved to be a valuable resource, generating its own revenue streams alongside its traditional provision of customer support. In order to maintain a high level of administrative support for the sales and technical departments, and to ensure our management procedures remain efficient, we have recruited two new members in the accounting and administration section. These changes have had an impact on profitability for the year, while gross profit margin remains close to last year's level, overhead has increased in terms of staff and related ancillary costs. The directors believe that the current staff levels and infrastructure will enable further substantial growth in revenue, without any material change in overhead.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £793,355 (2009 - £753,317).

An interim dividend of £1,000,000 (2009 £500,000) was paid during the year and the directors do not recommend a final dividend.

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT for the year ended 31 December 2010

DIRECTORS

The directors who served during the year were

J R Brooker
S L Dearn

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations totaling £1,100 (2009 £1,100)

FUTURE DEVELOPMENTS

Since the year end the company has substantially exceeded sales targets and is looking forward to a successful 2011

FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash and a debt factoring facility. The main risks arising from these financial instruments are interest rate risk and liquidity risk. The policies for managing these risks are regularly reviewed and agreed by the board. It is and has been throughout the period under review the company's policy that no trading in financial instruments shall be undertaken.

The company's debt factoring facility carries interest at a pre-set margin over bank base rate. Funds available are based on an agreed percentage of trade debtors, subject to an overall maximum facility. This method of funding provides liquidity based on the company's activity and growth which is, in the opinion of the directors, the most appropriate method of funding a rapidly growing business. This facility is regularly monitored by the board with regard to both liquidity and interest rate.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company provides a guarantee for the bank facilities of Storm Procurement Limited, a company in which both directors of Storm Technologies Limited have an interest.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, WISE & CO, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT
for the year ended 31 December 2010

This report was approved by the board on 12 April 2011 and signed on its behalf



J R Brooker
Secretary

STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STORM TECHNOLOGIES LIMITED

We have audited the financial statements of Storm Technologies Limited for the year ended 31 December 2010, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of directors' responsibilities, the directors are 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, 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 company's affairs as at 31 December 2010 and of its profit 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

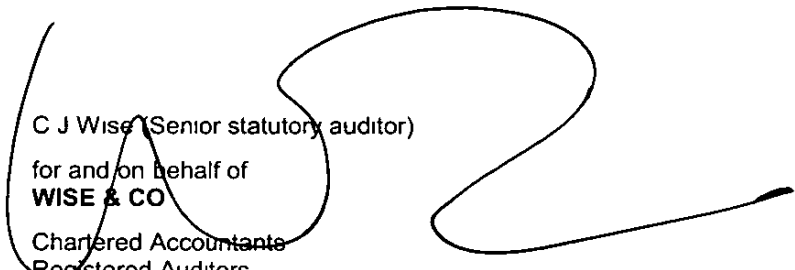
STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STORM TECHNOLOGIES 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



C J Wise (Senior statutory auditor)

for and on behalf of

WISE & CO

Chartered Accountants

Registered Auditors

The Old Star
Church Street
Princes Risborough
Bucks

12 April 2011

STORM TECHNOLOGIES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	Note	2010 £	2009 £
TURNOVER	1,2	37,514,881	29,550,572
Cost of sales		<u>(31,053,003)</u>	<u>(23,881,843)</u>
GROSS PROFIT		6,461,878	5,668,729
Administrative expenses		<u>(5,313,228)</u>	<u>(4,589,624)</u>
OPERATING PROFIT	3	1,148,650	1,079,105
Interest receivable		-	83
Interest payable	6	<u>(11,111)</u>	<u>(6,919)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,137,539	1,072,269
Tax on profit on ordinary activities	7	<u>(344,184)</u>	<u>(318,952)</u>
PROFIT FOR THE FINANCIAL YEAR	15	£ 793,355	£ 753,317

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 9 to 18 form part of these financial statements

STORM TECHNOLOGIES LIMITED
Registered number 3998372

BALANCE SHEET
as at 31 December 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	8		1,218,193		240,194
CURRENT ASSETS					
Stocks	9	815,961		539,868	
Debtors	10	7,658,056		6,334,251	
Cash at bank and in hand		376		55,115	
		<u>8,474,393</u>		<u>6,929,234</u>	
CREDITORS: amounts falling due within one year	11	<u>(8,188,462)</u>		<u>(5,534,111)</u>	
NET CURRENT ASSETS			<u>285,931</u>		<u>1,395,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,504,124</u>		<u>1,635,317</u>
CREDITORS: amounts falling due after more than one year	12		<u>(61,960)</u>		<u>(26,711)</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	13		<u>(40,203)</u>		<u>-</u>
NET ASSETS			<u>£ 1,401,961</u>		<u>£ 1,608,606</u>
CAPITAL AND RESERVES					
Called up share capital	14		77		77
Profit and loss account	15		<u>1,401,884</u>		<u>1,608,529</u>
SHAREHOLDERS' FUNDS	16		<u>£ 1,401,961</u>		<u>£ 1,608,606</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 April 2011


J R Brooker
Director


S L Dearn
Director

The notes on pages 9 to 18 form part of these financial statements

STORM TECHNOLOGIES LIMITED

CASH FLOW STATEMENT
for the year ended 31 December 2010

	Note	2010 £	2009 £
Net cash flow from operating activities	18	1,375,748	1,035,007
Returns on investments and servicing of finance	19	(11,111)	(6,836)
Taxation	19	(333,999)	(336,960)
Capital expenditure and financial investment	19	(1,103,024)	(308,080)
Equity dividends paid/Share capital redeemed		(1,000,000)	(500,000)
CASH OUTFLOW BEFORE FINANCING		(1,072,386)	(116,869)
Financing	19	38,852	4,530
DECREASE IN CASH IN THE YEAR		£ (1,033,534)	£ (112,339)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
for the year ended 31 December 2010

	2010 £	2009 £
Decrease in cash in the year	(1,033,534)	(112,339)
Cash inflow from increase in debt and lease financing	(38,852)	(4,530)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(1,072,386)	(116,869)
New finance lease	-	(4,530)
MOVEMENT IN NET DEBT IN THE YEAR	(1,072,386)	(121,399)
Net debt at 1 January 2010	(2,124,010)	(2,002,611)
NET DEBT AT 31 DECEMBER 2010	£ (3,196,396)	£ (2,124,010)

The notes on pages 9 to 18 form part of these financial statements

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

S/Term Leasehold Property	-	6.7%	straight line
Plant & machinery	-	25%	reducing balance and straight line
Motor vehicles	-	25%	reducing balance
Fixtures & fittings	-	25%	reducing balance and straight line
Office equipment	-	25-50%	reducing balance and straight line

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

1 ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2 TURNOVER

The whole of the turnover is attributable to the sale of Information Technology equipment and associated technical services

A geographical analysis of turnover is as follows

	2010 £	2009 £
United Kingdom	37,386,435	29,414,756
Rest of European Union	44,605	132,495
Rest of world	83,841	3,321
	<u>£ 37,514,881</u>	<u>£ 29,550,572</u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	46,851	100,243
- held under finance leases	27,754	-
Auditors' remuneration	15,000	10,000
Operating lease rentals		
- other operating leases	44,369	118,658
Difference on foreign exchange	3,221	(10,816)
	<u> </u>	<u> </u>

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	3,662,743	3,135,003
Social security costs	461,950	418,193
Other pension costs	14,632	19,026
	<u>£ 4,139,325</u>	<u>£ 3,572,222</u>

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

	2010 No	2009 No
Directors	2	2
Sales, technical & administration	63	53
	<u>65</u>	<u>55</u>

5 DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments including benefits in kind	£ 477,919	£ 466,470
Company pension contributions to money purchase pension schemes	£ 14,632	£ 8,562

During the year retirement benefits were accruing to 2 directors (2009 - 2) in respect of money purchase pension schemes

The highest paid director received remuneration of £287,894 (2009 - £261,414)

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

6 INTEREST PAYABLE

	2010 £	2009 £
On bank loans and overdrafts	1,259	3,517
On finance leases and hire purchase contracts	9,852	3,402
	<u>£ 11,111</u>	<u>£ 6,919</u>

7 TAXATION

	2010 £	2009 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	275,835	333,999
Deferred tax (see note 13)		
Origination and reversal of timing differences	68,349	(15,047)
Tax on profit on ordinary activities	<u>£ 344,184</u>	<u>£ 318,952</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - *higher than*) the standard rate of corporation tax in the UK (28%). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>£ 1,137,539</u>	<u>£ 1,072,269</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	318,511	300,235
Effects of.		
Expenses not deductible for tax purposes	55,042	18,716
Depreciation for the year (lower than)/in excess of capital allowances	(97,718)	15,048
Current tax charge for the year (see note above)	<u>£ 275,835</u>	<u>£ 333,999</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

8 TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost					
At 1 January 2010	-	9,792	308,964	644,465	963,221
Additions	985,324	636	20,607	118,642	1,125,209
Disposals	-	(7,117)	(139,069)	(414,007)	(560,193)
At 31 December 2010	985,324	3,311	190,502	349,100	1,528,237
Depreciation					
At 1 January 2010	-	6,781	170,198	546,048	723,027
Charge for the year	16,422	827	28,226	45,552	91,027
On disposals	-	(6,446)	(104,922)	(392,642)	(504,010)
At 31 December 2010	16,422	1,162	93,502	198,958	310,044
Net book value					
At 31 December 2010	£ 968,902	£ 2,149	£ 97,000	£ 150,142	£ 1,218,193
At 31 December 2009	£ -	£ 3,011	£ 138,766	£ 98,417	£ 240,194

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2010 £	2009 £
Motor vehicles	28,750	104,148
Furniture, fittings and equipment	97,000	-
	<u>£ 125,750</u>	<u>£ 104,148</u>

9 STOCKS

	2010 £	2009 £
Finished goods and goods for resale	£ 815,961	£ 539,868

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

10 DEBTORS

	2010 £	2009 £
Trade debtors	5,662,216	4,068,933
Other debtors	1,958,575	1,975,331
Prepayments and accrued income	37,265	261,841
Deferred tax asset (see note 13)	-	28,146
	<u>£ 7,658,056</u>	<u>£ 6,334,251</u>

Included within other debtors due within one year is a loan to Mr J Brooker, a director, amounting to £55,542 (2009 - £879,556 The maximum amount outstanding during the year was £879,556

11 CREDITORS

Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	8,919	-
Net obligations under finance leases and hire purchase contracts	50,675	47,072
Trade creditors	3,750,212	2,339,802
Corporation tax	275,835	333,999
Social security and other taxes	469,936	204,712
Proceeds of factored debts	3,075,218	2,105,342
Other creditors	146,596	65,093
Accruals and deferred income	411,071	438,091
	<u>£ 8,188,462</u>	<u>£ 5,534,111</u>

Of the creditors falling due within and after more than one year, the proceeds of factored debt £3,075,218 (2009 £2,105,342) and net obligations under finance leases and hire purchase contracts totaling £112,635 (2009 £73,783) are secured Factored debt is secured on underlying debtors and hire purchase liabilities on the assets financed

12 CREDITORS

Amounts falling due after more than one year

	2010 £	2009 £
Net obligations under finance leases and hire purchase contracts	<u>£ 61,960</u>	<u>£ 26,711</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2010 £	2009 £
Between one and five years	<u>£ 61,960</u>	<u>£ 26,711</u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

13 DEFERRED TAXATION

	2010 £	2009 £
At beginning of year	28,146	13,099
(Charge for)/released during year	(68,349)	15,047
	<u>£ (40,203)</u>	<u>£ 28,146</u>

The deferred taxation balance is made up as follows

	2010 £	2009 £
Accelerated/(decelerated) capital allowances	<u>£ 40,203</u>	<u>£ 28,146</u>

14 SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
77 Ordinary shares of £1 each	<u>£ 77</u>	<u>£ 77</u>

15 RESERVES

	Profit and loss account £
At 1 January 2010	1,608,529
Profit for the year	793,355
Dividends Equity capital	(1,000,000)
At 31 December 2010	<u>£ 1,401,884</u>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	1,608,606	1,355,289
Profit for the year	793,355	753,317
Dividends (Note 17)	(1,000,000)	(500,000)
Closing shareholders' funds	<u>£ 1,401,961</u>	<u>£ 1,608,606</u>

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

17 DIVIDENDS AND REDEMPTION OF SHARES

	2010 £	2009 £
Dividends paid on equity capital	£ 1,000,000	£ 500,000

18 NET CASH FLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	1,148,650	1,079,105
Depreciation of tangible fixed assets	91,027	100,243
Loss on disposal of tangible fixed assets	33,998	-
Increase in stocks	(276,093)	(384)
(Increase)/decrease in debtors	(1,351,951)	642,880
Increase/(decrease) in creditors	1,730,117	(786,837)
Net cash inflow from operating activities	£ 1,375,748	£ 1,035,007

19 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	-	83
Interest paid	(1,259)	(3,517)
Hire purchase interest	(9,852)	(3,402)
Net cash outflow from returns on investments and servicing of finance	£ (11,111)	£ (6,836)

	2010 £	2009 £
Taxation		
Corporation tax repaid/(paid)	£ (333,999)	£ (336,960)

	2010 £	2009 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,125,209)	(308,080)
Sale of tangible fixed assets	22,185	-
Net cash outflow from capital expenditure	£ (1,103,024)	£ (308,080)

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

19 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT
(continued)

	2010 £	2009 £
Financing		
New finance leases	£ 38,852	£ 4,530

20 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2010 £	Cash flow £	Other non-cash changes £	31 December 2010 £
Cash at bank and in hand	55,115	(54,739)	-	376
Bank overdraft	-	(8,919)	-	(8,919)
Proceeds of factored debts	(2,105,342)	(969,876)	-	(3,075,218)
	<u>(2,050,227)</u>	<u>(1,033,534)</u>	<u>-</u>	<u>(3,083,761)</u>
Debt				
Debts due within one year	(47,072)	(38,852)	35,249	(50,675)
Debts falling due after more than one year	(26,711)	-	(35,249)	(61,960)
Net debt	<u>£ (2,124,010)</u>	<u>£ (1,072,386)</u>	<u>£ -</u>	<u>£ (3,196,396)</u>

21 PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,632 (2009 £8,562). Contributions totalling £nil (2009 £nil) were payable to the fund at the balance sheet date and are included in creditors.

22 OPERATING LEASE COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows:

	Short leasehold land and buildings 2010 £	2009 £
Expiry date		
Between 2 and 5 years	-	222,000
After more than 5 years	320,000	-

STORM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

23 RELATED PARTY TRANSACTIONS

The company guarantees the overdraft facility of Storm Procurement Limited, to which it also made working capital loans during the year. The maximum amount outstanding during the year was £677,115 and at the balance sheet date was £677,115 (2009 £394,413). During the financial year, the company sold computers and equipment to Storm Procurement Limited on normal commercial terms. The total value of sales was £1,805,810 (2009 £394,413). The company also made working capital loans to Capital Continuity Limited. The maximum amount outstanding during the year was £862,834 (2009 £659,596), which was also the balance due at the year end. The company also sold computers and equipment to Capital Continuity Limited on normal commercial terms. The total value of sales was £341,870 (2009 £1,052,773). Mr J Brooker and Mr S Dearn are directors and shareholders of both companies. The company occupies premises owned by Mr J Brooker and his family and Mr S Dearn. The company entered in to a 15 year lease on the 4th May 2010. During the year the company paid rent of £80,000 (2009 £nil) and there was no balance owing at the year end.