

Registration number 04528244

**KALIBER MARKETING (HOLDINGS) LIMITED
DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**



KALIBER MARKETING (HOLDINGS) LIMITED

CONTENTS PAGE

	Page
Company information	1
Directors' report	2 to 3
Independent auditors' report	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	8 to 20

KALIBER MARKETING (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	D J Richards P Randall J Sheard (appointed 1 October 2005) S Bibby (appointed 29 June 2006)
Secretary	S Bibby
Registered number	04528244
Registered office	Unit 1 Queens Avenue Macclesfield Cheshire SK10 2BN
Solicitors	Daniels Solicitors County Chambers 6 Chestergate Macclesfield Cheshire SK11 6BA
Bankers	NatWest Bank plc PO Box No 305 Spring Gardens Manchester M60 2DB
Auditors	HWCA Limited Northern Assurance Buildings 9/21 Princess Street Manchester M2 4DN

KALIBER MARKETING (HOLDINGS) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

The directors present their report and the audited financial statements for the year ended 30 September 2006

Principal activity and business review

The principal activity of the company for the year under review was that of those of the manufacture and sale of patio doors and vertical sliding doors

The directors consider the results for the year and the company's position at the end of the year to be satisfactory. Turnover and gross profit have remained constant whilst overheads have reduced by 17.4%. The current asset ratio has improved from 0.94 to 1.40.

Results

The results for the company are set out in the financial statements

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including currency risk, credit risk, interest rate and liquidity risk. As a matter of policy the company does not trade in financial instruments, nor does it enter into any derivative transactions.

Charitable donations

During the year the company made charitable donations of £3,775

Directors

The directors who held office during the year were as follows

- D J Richards
- P Randall
- J Sheard (appointed 1 October 2005)
- S Bibby (appointed 29 June 2006)

Auditors

The auditors, HWCA Limited, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985

KALIBER MARKETING (HOLDINGS) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements, and
- prepare the financial statements on a 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 the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Approved by the board on 17 May 2007 and signed on its behalf by


D J Richards
Director

**INDEPENDENT AUDITORS' REPORT TO
KALIBER MARKETING (HOLDINGS) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of Kaliber Marketing (Holdings) Limited, set out on pages 5 to 20, together with the financial statements of the company for the year ended 30 September 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 20 are properly prepared in accordance with those provisions.

HWCA Limited

HWCA Limited
Registered Auditors
Northern Assurance Buildings
9/21 Princess Street
Manchester
M2 4DN

17 May 2007

KALIBER MARKETING (HOLDINGS) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Note	2006 £	2005 £
Gross profit		2,720,386	2,715,304
Distribution costs		(376,017)	(389,387)
Administrative expenses		(1,666,911)	(2,082,014)
Operating profit	2	<u>677,458</u>	<u>243,903</u>
Other interest receivable and similar income		10,650	19,327
Interest payable and similar charges	5	(30,700)	(34,092)
Profit on ordinary activities before taxation		<u>657,408</u>	<u>229,138</u>
Tax on profit on ordinary activities	6	(208,803)	(59,584)
Profit for the financial year	18	<u><u>448,605</u></u>	<u><u>169,554</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

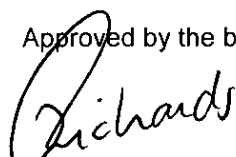
There is no material difference between the result reported above and the result on an unmodified historical cost basis

KALIBER MARKETING (HOLDINGS) LIMITED
ABBREVIATED BALANCE SHEET
AS AT 30 SEPTEMBER 2006

		2006		2005	
	Note	£	£	£	£
Fixed assets					
Intangible assets	7		898,315		954,459
Tangible assets	8		417,573		431,237
Investments	9		6		6
			<u>1,315,894</u>		<u>1,385,702</u>
Current assets					
Stocks	10	259,880		279,453	
Debtors	11	1,304,074		1,022,298	
Cash at bank and in hand		<u>247,440</u>		<u>297,259</u>	
		1,811,394		1,599,010	
Creditors Amounts falling due within one year	12	<u>(1,292,508)</u>		<u>(1,689,542)</u>	
Net current assets/(liabilities)			<u>518,886</u>		<u>(90,532)</u>
Total assets less current liabilities			1,834,780		1,295,170
Creditors. Amounts falling due after more than one year	13		(332,257)		(238,008)
Provisions for liabilities	16		<u>(1,210)</u>		<u>(4,455)</u>
Net assets			<u>1,501,313</u>		<u>1,052,707</u>
Capital and reserves					
Called up share capital	17		650,004		650,004
Profit and loss reserve	18		<u>851,309</u>		<u>402,703</u>
Equity shareholders' funds	19		<u>1,501,313</u>		<u>1,052,707</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the board on 17 May 2007 and signed on its behalf by


D J Richards
Director

KALIBER MARKETING (HOLDINGS) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

		2006		2005	
	Note	£	£	£	£
Net cash flow from operating activities	22		91,896		143,988
Returns on investment and servicing of finance	23		(20,050)		(14,765)
Taxation	23		(56,941)		(64,593)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(80,499)		(127,609)	
Sale of tangible fixed assets		<u>7,902</u>		<u>12,958</u>	
			<u>(72,597)</u>		<u>(114,651)</u>
Cash outflow before management of liquid resources and financing			<u>(57,692)</u>		<u>(50,021)</u>
Financing					
Increase in loans and borrowings		250,000		-	
Repayment of loans and borrowings		(130,952)		(150,000)	
Capital element of hire purchase payments		<u>(122,641)</u>		<u>(94,443)</u>	
			<u>(3,593)</u>		<u>(244,443)</u>
Net cash flow			<u><u>(61,285)</u></u>		<u><u>(294,465)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2006	2005
	Note	£	£
Decrease in cash in the year	24	(61,285)	(294,465)
Cash outflow from decrease in debt and lease financing		<u>3,593</u>	<u>71,222</u>
Change in net debt resulting from cash flows		<u>(57,692)</u>	<u>(223,243)</u>
New hire purchase agreements		<u>(85,527)</u>	-
Movement in net debt in the year		<u>(143,219)</u>	<u>(223,243)</u>
Net debt at the start of the year	24	<u>(230,088)</u>	-
Net debt at the end of the year	24	<u><u>(373,307)</u></u>	<u><u>(223,243)</u></u>

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Plant and machinery	25% straight line basis
Fixtures, fittings and equipment	25% straight line basis
Motor vehicles	25% straight line basis

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

The useful economic life is estimated at 20 years

Other fixed asset investments

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

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

Group accounts

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

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

2 Operating profit

Operating profit is stated after charging/(crediting)

	2006	2005
	£	£
Hire of plant and machinery (Operating Leases)	17,762	16,982
Audit fees	5,750	16,503
Profit on sale of tangible fixed assets	(7,904)	(12,345)
Depreciation of owned tangible fixed assets	179,692	177,135
Amortisation of goodwill	56,144	56,144
Loan written off	-	83,076
	<u> </u>	<u> </u>

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2006	2005
	No	No
Production	31	31
Distribution	7	7
Administration	27	28
Sales	3	3
	<u> </u>	<u> </u>
	<u>68</u>	<u>69</u>

The aggregate payroll costs of these persons were as follows

	2006	2005
	£	£
Wages and salaries	1,584,704	1,853,771
Social security	144,642	190,738
Other pension costs	42,513	39,994
	<u> </u>	<u> </u>
	<u>1,771,859</u>	<u>2,084,503</u>

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

4 Directors' emoluments

The directors' emoluments for the year are as follows

	2006	2005
	£	£
Directors' emoluments (including benefits in kind)	314,115	594,841
Directors' pension contributions	42,513	32,515
	<u>356,628</u>	<u>627,356</u>

During the period the number of directors who were accruing benefits under company pension schemes was as follows

	2006	2005
	No.	No.
Money purchase	<u>2</u>	<u>1</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £135,823 (2005 - £526,013), and company pension contributions of £39,355 (2005 - £32,515) were made to a money purchase scheme on their behalf

5 Interest payable and similar charges

	2006	2005
	£	£
Loan interest	14,062	20,103
Overdue tax interest payable	-	505
Hire purchase interest	16,638	13,484
	<u>30,700</u>	<u>34,092</u>

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

6 Taxation

Analysis of current period tax charge

	2006	2005
	£	£
Current tax		
Corporation tax charge	212,048	56,940
(Over)/under provision in previous year	-	(1,484)
UK Corporation tax	<u>212,048</u>	<u>55,456</u>
 Deferred tax		
Origination and reversal of timing differences	(3,245)	4,128
 Total tax on profit on ordinary activities	<u><u>208,803</u></u>	<u><u>59,584</u></u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2005 - lower than) the standard rate of corporation tax in the UK of 30 00% (2005 - 30 00%)

The differences are reconciled below

	2006	2005
	£	£
Profit on ordinary activities before taxation	<u>657,408</u>	<u>229,138</u>
Standard rate corporation tax charge	197,222	68,741
Expenses not deductible for tax purposes (including goods)	14,735	7,886
Accelerated capital allowances	22,442	13,279
Adjustments to previous periods	-	(1,484)
Marginal rate relief	(19,980)	(32,966)
Profit on disposals	(2,371)	-
Total current tax for the year	<u><u>212,048</u></u>	<u><u>55,456</u></u>

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

7 Intangible fixed assets

	Goodwill £
Cost	
As at 1 October 2005 and 30 September 2006	<u>1,122,893</u>
Amortisation	
As at 1 October 2005	168,434
Charge for the year	<u>56,144</u>
As at 30 September 2006	<u>224,578</u>
Net book value	
As at 30 September 2006	<u>898,315</u>
As at 30 September 2005	<u>954,459</u>

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
As at 1 October 2005	464,888	159,690	379,239	1,003,817
Additions	72,994	7,505	85,527	166,026
Disposals	<u>(32,837)</u>	<u>(14,281)</u>	<u>(27,941)</u>	<u>(75,059)</u>
As at 30 September 2006	<u>505,045</u>	<u>152,914</u>	<u>436,825</u>	<u>1,094,784</u>
Depreciation				
As at 1 October 2005	264,324	105,071	203,185	572,580
Eliminated on disposals	<u>(32,837)</u>	<u>(14,283)</u>	<u>(27,941)</u>	<u>(75,061)</u>
Charge for the year	<u>72,248</u>	<u>25,682</u>	<u>81,762</u>	<u>179,692</u>
As at 30 September 2006	<u>303,735</u>	<u>116,470</u>	<u>257,006</u>	<u>677,211</u>
Net book value				
As at 30 September 2006	<u>201,310</u>	<u>36,444</u>	<u>179,819</u>	<u>417,573</u>
As at 30 September 2005	<u>200,564</u>	<u>54,619</u>	<u>176,054</u>	<u>431,237</u>

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £240,122 (2005 - £278,518) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £109,257 (2005 - £98,700)

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

9 Investments held as fixed assets

	Group shares £
Cost	
As at 1 October 2005 and 30 September 2006	<u>6</u>
Net book value	
As at 30 September 2006	<u>6</u>
As at 30 September 2005	<u>6</u>

The company holds more than 20% of the share capital of the following companies

	Country of incorporation	Principal activity	Class	%	Year end
Subsidiary undertakings					
Kaliber Marketing Limited	England and Wales	Dormant	Ordinary	100	31 March 2006
KAT UK Limited	England and Wales	Dormant	Ordinary	100	31 May 2006
Vertical Sliders Limited	England and Wales	Dormant	Ordinary	100	30 June 2006

	Capital & reserves £	Profit/(loss) for the year £
Subsidiary undertakings		
Kaliber Marketing Limited	2	-
KAT UK Limited	2	-
Vertical Sliders Limited	2	-

10 Stocks and work in progress

	2006 £	2005 £
Raw materials	250,780	259,499
Work in progress	9,100	19,954
	<u>259,880</u>	<u>279,453</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

11 Debtors

	2006	2005
	£	£
Trade debtors	726,138	830,630
Other debtors	250,000	1,020
Director current accounts	265,509	130,027
Prepayments and accrued income	62,427	60,621
	<u>1,304,074</u>	<u>1,022,298</u>

Debtors includes £250,000 (2005 - £nil) receivable after more than one year

This can be analysed as follows

	2006	2005
	£	£
Other debtors	<u>250,000</u>	<u>-</u>

12 Creditors Amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	165,095	124,136
Other loans	-	50,000
Obligations under finance leases and hire purchase contracts	123,395	115,203
Trade creditors	575,257	687,189
Amounts owed to group undertakings	1,425	1,425
Corporation tax	212,047	56,940
Social security and other taxes	155,358	197,761
Other creditors	10,660	10,832
Accruals and deferred income	49,271	446,056
	<u>1,292,508</u>	<u>1,689,542</u>

13 Creditors: Amounts falling due after more than one year

	2006	2005
	£	£
Bank loans and overdrafts	239,555	100,000
Obligations under finance leases and hire purchase contracts	92,702	138,008
	<u>332,257</u>	<u>238,008</u>

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

14 Maturity of borrowings

Amounts repayable

	Bank loans & overdrafts £	Other Loans £	Obligations under finance leases and HP contracts £	Total £
As at 30 September 2006				
In one year or less on demand	165,095	-	123,395	288,490
Between one and two years	56,637	-	68,899	125,536
Between two and five years	107,770	-	23,803	131,573
After more than five years by instalments	75,148	-	-	75,148
	<u>404,650</u>	<u>-</u>	<u>216,097</u>	<u>620,747</u>
As at 30 September 2005				
In one year or less on demand	124,136	50,000	115,203	289,339
Between one and two years	100,000	-	95,518	195,518
Between two and five years	-	-	42,490	42,490
	<u>224,136</u>	<u>50,000</u>	<u>253,211</u>	<u>527,347</u>

Bank loans are repaid in quarterly instalments of £25,000 and monthly instalments of £3,708, commencing 31 December 2002 and 21 August 2006 respectively. Interest is charged on both loans at a rate of 2.5% per annum above the bank's base rate. They are secured by a debenture over all the assets of the company.

15 Security of borrowings

Bank loans and overdrafts are secured by a fixed and floating charge over all current and future assets of the company. Obligations under hire purchase contracts are secured on the relevant assets.

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

16 Provisions for liabilities

	Deferred tax provision
	£
As at 1 October 2005	4,455
Deferred tax provision charged to the profit and loss account	<u>(3,245)</u>
As at 30 September 2006	<u>1,210</u>

Deferred tax

Deferred tax is provided at 30.00% (2005 - 30.00%)

	2006	2005
	£	£
Accelerated capital allowances	<u>1,210</u>	<u>4,455</u>

17 Share capital

	2006	2005
	£	£
Authorised		
Equity		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
Equity		
650,004 Ordinary shares of £1 each	<u>650,004</u>	<u>650,004</u>

18 Reserves

	Profit and loss reserve
	£
Balance at 1 October 2005	402,704
Transfer from profit and loss account for the year	<u>448,605</u>
Balance at 30 September 2006	<u>851,309</u>

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

19 Reconciliation of movements in shareholders' funds

	2006	2005
	£	£
Profit attributable to members of the company	448,605	169,554
Opening equity shareholders' funds	<u>1,052,707</u>	<u>883,153</u>
Closing equity shareholders' funds	<u><u>1,501,313</u></u>	<u><u>1,052,707</u></u>

20 Operating lease commitments

As at 30 September 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings	
	2006	2005
	£	£
Within one year	-	38,000
Within two and five years	<u>87,660</u>	<u>49,660</u>
	<u><u>87,660</u></u>	<u><u>87,660</u></u>

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

21 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £42,513 (2005 - £39,994)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

22 Reconciliation of operating profit to operating cash flows

	2006	2005
	£	£
Operating profit	677,458	243,903
Depreciation, amortisation and impairment charges	235,836	233,280
Profit on disposal of fixed assets	(7,904)	(12,345)
Decrease/(increase) in stocks	19,573	(72,889)
Increase in debtors	(281,776)	(200,959)
Decrease in creditors	(551,291)	(47,002)
Net cash inflow from operating activities	<u>91,896</u>	<u>143,988</u>

23 Analysis of cash flows

	2006	2005
	£	£
Returns on investment and servicing of finance		
HP interest paid	(16,638)	(13,484)
Other interest paid	(14,062)	(20,608)
Interest received	10,650	19,327
	<u>(20,050)</u>	<u>(14,765)</u>
Taxation		
Taxation paid	<u>(56,941)</u>	<u>(64,593)</u>

24 Analysis of net debt

	At start of period	Cash flow	Other non-cash changes	At end of period
	£	£	£	£
Cash at bank and in hand	297,259	(49,819)	-	247,440
Bank overdraft	(24,136)	(11,466)	-	(35,602)
Cash and bank net debt	<u>273,123</u>	<u>(61,285)</u>	-	<u>211,838</u>

KALIBER MARKETING (HOLDINGS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Debt due within one year	(150,000)	150,000	(129,493)	(129,493)
Debt due after one year	(100,000)	(269,048)	129,493	(239,555)
Hire purchase	(253,211)	37,114	85,527	(130,570)
Change in debt	<u>(503,211)</u>	<u>(81,934)</u>	<u>85,527</u>	<u>(499,618)</u>
Net debt	<u>(230,088)</u>	<u>(143,219)</u>	<u>85,527</u>	<u>(287,780)</u>

25 Controlling entity

The ultimate controlling party is D J Richards by virtue of his shareholding and directorship

26 Related party transactions

The company made purchases from Tiger 2000 Limited, a company in which D J Richards is interested as a director, amounting to £nil (2005 - £3,452) At the year end there was £nil (2005 - £nil) outstanding on the purchase ledger in relation to this company

D J Richards is also a director of Merlin UK Limited which is both a customer of and supplier to the company During the year sales to Merlin UK Limited amounted to £2,227 (2005 £28,932) and there were purchases of £2,282 (2005 £4,549) At the year end there was a sales ledger balance of £6,455 (2005 £29,509) and a purchase ledger balance of £820 (2005 £470)

The company owns the whole of the share capital of KAT UK Limited At the end of the year KAT UK Limited owed the company £1,425 (2005 - £1,425)

During the year, the company made a loan of £250,000 to The Conrah Hotel Limited, a company in which DJ Richards is interested in as a director

27 Director's loan account

The following balance owed by the director was outstanding at the year end

	Maximum Balance £	2006 £	2005 £
D J Richards	<u>265,509</u>	<u>265,509</u>	<u>130,027</u>

The overdrawn loan account was repaid after the year end