

Company Registration No. 04528244 (England and Wales)

KALIBER MARKETING (HOLDINGS) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004



KALIBER MARKETING (HOLDINGS) LIMITED

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KALIBER MARKETING (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2004

The directors present their report and financial statements for the year ended 30 September 2004.

Principal activities and review of the business

The principal activities of the company continued to be those of the manufacture and sale of patio doors and vertical sliding windows. The company trades under the name of KAT UK. None of the subsidiary companies traded during the year.

The directors are pleased that the efforts made to improve the awareness of the company's brand and products have been reflected in an increase in turnover for the year.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend the payment of a dividend.

Future developments

The directors consider that the company is well placed to sustain the current level of activity in the foreseeable future.

Directors

The following directors have held office since 1 October 2003:

D. J. Richards
S. Moriarty (Resigned 31 March 2004)
P. Randall

Directors' interests

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

| | Ordinary shares of £ 1 each | |
|----------------|-----------------------------|----------------|
| | 30 September 2004 | 1 October 2003 |
| D. J. Richards | 650,004 | 650,004 |
| P. Randall | - | - |

P Randall was appointed on 15 September 2003. None of the directors have any interest in the share capital of the subsidiary companies.

Auditors

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

KALIBER MARKETING (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

On behalf of the board



D. J. Richards

Director

14 June 2005

KALIBER MARKETING (HOLDINGS) LIMITED

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

We have examined the abbreviated accounts set out on pages 4 to 19, together with the financial statements of the company for the year ended 30 September 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 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 section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered 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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

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 4 to 19 are properly prepared in accordance with that provision.

Haines Watts

Haines Watts

Chartered Accountants
Registered Auditor

27th June 2005
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Northern Assurance Buildings
9/21 Princess Street
Manchester
M2 4DN

KALIBER MARKETING (HOLDINGS) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2004

| | | 2004 | 2003 |
|--|-----------|-----------------------|-----------------------|
| | Notes | £ | £ |
| Gross profit | | 2,729,419 | 2,398,810 |
| Distribution costs | | (408,038) | (445,294) |
| Administrative expenses | | (2,106,060) | (1,754,042) |
| Operating profit | 2 | <u>215,321</u> | <u>199,474</u> |
| Other interest receivable and similar income | | 5,904 | 6,558 |
| Interest payable and similar charges | 4 | <u>(47,464)</u> | <u>(48,246)</u> |
| Profit on ordinary activities before taxation | | 173,761 | 157,786 |
| Tax on profit on ordinary activities | 5 | <u>(53,513)</u> | <u>(44,885)</u> |
| Profit on ordinary activities after taxation | 17 | <u><u>120,248</u></u> | <u><u>112,901</u></u> |


KALIBER MARKETING (HOLDINGS) LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2004

| | Notes | 2004 | | 2003 | |
|--|-------|-------------|------------------|-------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 7 | | 1,010,603 | | 1,066,748 |
| Tangible assets | 8 | | 308,155 | | 328,837 |
| Investments | 9 | | 6 | | 6 |
| | | | <u>1,318,764</u> | | <u>1,395,591</u> |
| Current assets | | | | | |
| Stocks | 10 | 206,564 | | 201,601 | |
| Debtors | 11 | 837,068 | | 845,637 | |
| Cash at bank and in hand | | 569,012 | | 179,476 | |
| | | | <u>1,612,644</u> | | <u>1,226,714</u> |
| Creditors: amounts falling due within one year | 12 | (1,692,771) | | (1,383,976) | |
| Net current liabilities | | | <u>(80,127)</u> | | <u>(157,262)</u> |
| Total assets less current liabilities | | | 1,238,637 | | 1,238,329 |
| Creditors: amounts falling due after more than one year | 13 | | (355,157) | | (468,451) |
| Provisions for liabilities and charges | 14 | | (327) | | (6,973) |
| | | | <u>883,153</u> | | <u>762,905</u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 650,004 | | 650,004 |
| Profit and loss account | 17 | | 233,149 | | 112,901 |
| Shareholders' funds - equity interests | 18 | | <u>883,153</u> | | <u>762,905</u> |

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

The financial statements were approved by the Board on 14 June 2005


D. J. Richards
Director

KALIBER MARKETING (HOLDINGS) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2004

| | 2004 | | 2003 | |
|--|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ |
| Net cash inflow from operating activities | | 793,399 | | 344,587 |
| Returns on investments and servicing of finance | | | | |
| Interest received | 5,904 | | 6,558 | |
| Interest paid | (47,464) | | (40,102) | |
| Net cash outflow for returns on investments and servicing of finance | | (41,560) | | (33,544) |
| Taxation | | (107,938) | | (29,609) |
| Capital expenditure | | | | |
| Payments to acquire tangible assets | (12,949) | | (95,017) | |
| Receipts from sales of tangible assets | 28,401 | | 1,500 | |
| Net cash inflow/(outflow) from capital expenditure | | 15,452 | | (93,517) |
| Hive up of subsidiary asset and trade (net of cash acquired) | | - | | 323,464 |
| Net cash inflow/(outflow) before management of liquid resources and financing | | 659,353 | | (135,547) |
| Financing | | | | |
| Issue of ordinary share capital | - | | 2 | |
| New long term bank loan | - | | 400,000 | |
| Other new long term loans | - | | 100,000 | |
| Repayment of long term bank loan | (100,000) | | (100,000) | |
| Repayment of other long term loans | (50,000) | | - | |
| Capital element of hire purchase contracts | (121,241) | | (84,979) | |
| Net cash (outflow)/inflow from financing | | (271,241) | | 315,023 |
| Increase in cash in the year | | 388,112 | | 179,476 |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2004

| 1 | Reconciliation of operating profit to net cash inflow from operating activities | 2004 | 2003 | | |
|---|---|------------------|------------------|------------------------|-------------------|
| | | £ | £ | | |
| | Operating profit | 215,321 | 199,474 | | |
| | Depreciation of tangible assets | 165,352 | 148,142 | | |
| | Amortisation of intangible assets | 56,145 | 56,145 | | |
| | (Profit)/loss on disposal of tangible assets | (12,028) | 12,188 | | |
| | Increase in stocks | (4,963) | (13,336) | | |
| | Decrease/(increase) in debtors | 8,569 | (239,242) | | |
| | Increase in creditors within one year | 365,003 | 181,216 | | |
| | Net cash inflow from operating activities | 793,399 | 344,587 | | |
| 2 | Analysis of net debt | 1 October 2003 | Cash flow | Other non-cash changes | 30 September 2004 |
| | | £ | £ | £ | £ |
| | Net cash: | | | | |
| | Cash at bank and in hand | 179,476 | 389,536 | - | 569,012 |
| | Bank overdrafts | - | (1,424) | - | (1,424) |
| | | <u>179,476</u> | <u>388,112</u> | <u>-</u> | <u>567,588</u> |
| | Debt: | | | | |
| | Finance leases | (147,580) | 121,241 | (148,094) | (174,433) |
| | Debts falling due within one year | (150,000) | 150,000 | (150,000) | (150,000) |
| | Debts falling due after one year | (400,000) | | 150,000 | (250,000) |
| | | <u>(697,580)</u> | <u>271,241</u> | <u>(148,094)</u> | <u>(574,433)</u> |
| | Net debt | <u>(518,104)</u> | <u>659,353</u> | <u>(148,094)</u> | <u>(6,845)</u> |
| 3 | Reconciliation of net cash flow to movement in net debt | 2004 | 2003 | | |
| | | £ | £ | | |
| | Increase in cash in the year | 388,112 | 179,476 | | |
| | Cash outflow/(inflow) from decrease/(increase) in debt and lease financing | 271,241 | (315,021) | | |
| | Change in net debt resulting from cash flows | 659,353 | (135,545) | | |
| | Loan notes issued for acquisition | - | (150,000) | | |
| | New finance lease | (148,094) | (232,559) | | |
| | Movement in net debt in the year | 511,259 | (518,104) | | |
| | Opening net debt | (518,104) | - | | |
| | Closing net debt | (6,845) | (518,104) | | |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

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

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|-------------------|
| Plant and machinery | 25% straight line |
| Fixtures, fittings & equipment | 25% straight line |
| Motor vehicles | 25% straight line |

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

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

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes in accordance with the requirements of FRS19 - Deferred tax. The deferred tax balance has not been discounted.

1.10 Group accounts

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

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

| | | | |
|----------|---|-------------------|-------------------|
| 2 | Operating profit | 2004 | 2003 |
| | | £ | £ |
| | Operating profit is stated after charging: | | |
| | Amortisation of intangible assets | 56,145 | 56,145 |
| | Depreciation of tangible assets | 165,353 | 148,142 |
| | Loss on disposal of tangible assets | - | 12,188 |
| | Operating lease rentals | 101,094 | 29,634 |
| | Auditors' remuneration | 6,710 | 8,005 |
| | and after crediting: | | |
| | Profit on disposal of tangible assets | (12,028) | - |
| | | <u> </u> | <u> </u> |
| 3 | Investment income | 2004 | 2003 |
| | | £ | £ |
| | Bank interest | 5,904 | 6,558 |
| | | <u> </u> | <u> </u> |
| 4 | Interest payable | 2004 | 2003 |
| | | £ | £ |
| | On bank loans and overdrafts | 1,848 | - |
| | On other loans wholly repayable within five years | 27,665 | 31,848 |
| | Hire purchase interest | 16,429 | 16,398 |
| | On overdue tax | 1,522 | - |
| | | <u> </u> | <u> </u> |
| | | <u>47,464</u> | <u>48,246</u> |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

| 5 Taxation | 2004 | 2003 |
|--|----------------|----------------|
| | £ | £ |
| Domestic current year tax | | |
| U.K. corporation tax | 64,594 | 58,969 |
| Adjustment for prior years | (4,435) | - |
| | <u>60,159</u> | <u>58,969</u> |
| Current tax charge | | |
| Deferred tax | | |
| Deferred tax charge/credit current year | (6,646) | (14,084) |
| | <u>53,513</u> | <u>44,885</u> |
| | | |
| Factors affecting the tax charge for the year | | |
| Profit on ordinary activities before taxation | <u>173,761</u> | <u>157,786</u> |
| | | |
| Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 19.00%) | <u>52,128</u> | <u>29,979</u> |
| | | |
| Effects of: | | |
| Non deductible expenses | 9,693 | 20,198 |
| Depreciation add back | 62,841 | 30,463 |
| Capital allowances | (30,076) | (22,891) |
| Adjustments to previous periods | (4,435) | - |
| Marginal rate relief | (32,362) | - |
| Other tax adjustments | 2,370 | 1,220 |
| | <u>8,031</u> | <u>28,990</u> |
| | | |
| Current tax charge | <u>60,159</u> | <u>58,969</u> |

6 Prior year adjustment

The company disclosed the amortisation of goodwill in the financial statements for the period ended 30 September 2003 as an exceptional item after the operating profit for the period. This disclosure was not in accordance with FRS3, the financial statement on "Reporting financial performance". Accordingly the amortisation has been reclassified as an administrative expense in the comparative figures for the current year. The effect of this reclassification is as follows:

| | 2004 | 2003 |
|--|------------------|------------------|
| | £ | £ |
| Administrative expenses as previously reported | 2,106,060 | 1,697,897 |
| Amortisation | - | 56,145 |
| | <u>2,106,060</u> | <u>1,754,042</u> |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

7 Intangible fixed assets

| | Goodwill £ |
|--|---------------|
| Cost | |
| At 1 October 2003 & at 30 September 2004 | 1,122,893 |
| Amortisation | |
| At 1 October 2003 | 56,145 |
| Charge for the year | 56,145 |
| At 30 September 2004 | 112,290 |
| Net book value | |
| At 30 September 2004 | 1,010,603 |
| At 30 September 2003 | 1,066,748 |

The acquired goodwill is being amortised over its estimated useful life of 20 years.

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

8 Tangible fixed assets

| | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|-----------------------|------------------------|--------------------------------------|-------------------|-----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 October 2003 | 266,765 | 110,833 | 350,182 | 727,780 |
| Additions | 67,428 | 13,546 | 80,069 | 161,043 |
| Disposals | (16,788) | (478) | (85,552) | (102,818) |
| At 30 September 2004 | 317,405 | 123,901 | 344,699 | 786,005 |
| Depreciation | | | | |
| At 1 October 2003 | 155,189 | 45,460 | 198,294 | 398,943 |
| On disposals | (8,505) | (478) | (77,462) | (86,445) |
| Charge for the year | 56,955 | 27,200 | 81,197 | 165,352 |
| At 30 September 2004 | 203,639 | 72,182 | 202,029 | 477,850 |
| Net book value | | | | |
| At 30 September 2004 | 113,766 | 51,719 | 142,670 | 308,155 |
| At 30 September 2003 | 111,576 | 65,373 | 151,888 | 328,837 |

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

| | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|---|------------------------|--------------------------------------|-------------------|---------|
| | £ | £ | £ | £ |
| Net book values | | | | |
| At 30 September 2004 | 78,750 | 5,750 | 130,126 | 214,626 |
| At 30 September 2003 | 23,261 | 2,106 | 151,683 | 177,050 |
| Depreciation charge for the year | | | | |
| At 30 September 2004 | 19,625 | 1,150 | 49,119 | 69,894 |
| At 30 September 2003 | 12,375 | 1,487 | 72,488 | 86,350 |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

9 Fixed asset investments

Shares in
subsidiary
undertakings
£

Cost

At 1 October 2003 & at 30 September 2004

6

Holdings of more than 20%

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

| Company | Country of registration or incorporation | Class | Shares held % |
|--------------------------------|---|----------|------------------|
| Subsidiary undertakings | | | |
| Kaliber Marketing Limited | England and Wales | Ordinary | 100 |
| KAT UK Limited | England and Wales | Ordinary | 100 |
| Vertical Sliders Limited | England and Wales | Ordinary | 100 |

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

| | Capital and reserves 2004 £ | Profit/(loss) for the year 2004 £ |
|---------------------------|--------------------------------------|--|
| Kaliber Marketing Limited | 2 | - |
| KAT UK Limited | 2 | - |
| Vertical Sliders Limited | 2 | - |

10 Stocks and work in progress

| | 2004 £ | 2003 £ |
|-------------------------------|----------------|----------------|
| Raw materials and consumables | 154,345 | 157,651 |
| Work in progress | 52,219 | 43,950 |
| | <u>206,564</u> | <u>201,601</u> |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

| 11 Debtors | 2004 | 2003 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Trade debtors | 781,657 | 763,121 |
| Other debtors | 1,162 | 7,897 |
| Prepayments and accrued income | 54,249 | 74,619 |
| | <u>837,068</u> | <u>845,637</u> |
| | <u><u>837,068</u></u> | <u><u>845,637</u></u> |
| 12 Creditors: amounts falling due within one year | 2004 | 2003 |
| | £ | £ |
| Bank loans and overdrafts | 101,424 | 100,000 |
| Net obligations under hire purchase contracts | 69,276 | 79,129 |
| Trade creditors | 629,506 | 670,874 |
| Amounts owed to subsidiary undertakings | 1,425 | - |
| Corporation tax | 66,078 | 113,857 |
| Other taxes and social security costs | 200,075 | 168,342 |
| Other creditors | 60,061 | 62,448 |
| Accruals and deferred income | 564,926 | 189,326 |
| | <u>1,692,771</u> | <u>1,383,976</u> |
| | <u><u>1,692,771</u></u> | <u><u>1,383,976</u></u> |

The overdraft of £1,424 (2003 - £nil) is secured by a fixed and floating charge over all current and future assets of the company.

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

| 13 Creditors: amounts falling due after more than one year | 2004 £ | 2003 £ |
|--|----------------|----------------|
| Bank loans | 200,000 | 300,000 |
| Other loans | 50,000 | 100,000 |
| Net obligations under hire purchase contracts | 105,157 | 68,451 |
| | <u>355,157</u> | <u>468,451</u> |
| Analysis of loans | | |
| Wholly repayable within five years | 400,000 | 550,000 |
| | <u>400,000</u> | <u>550,000</u> |
| Included in current liabilities | (150,000) | (150,000) |
| | <u>250,000</u> | <u>400,000</u> |
| Loan maturity analysis | | |
| In more than one year but not more than two years | 150,000 | 150,000 |
| In more than two years but not more than five years | 100,000 | 250,000 |
| | <u>150,000</u> | <u>250,000</u> |

The aggregate amount of creditors for which security has been given amounted to £300,000 (2003 - £400,000).

The hire purchase creditor is secured on the assets to which the debt relates.

Net obligations under hire purchase contracts

| | | |
|---|----------------|----------------|
| Repayable within one year | 79,615 | 79,129 |
| Repayable between one and five years | 121,235 | 38,283 |
| Repayable after five years | - | 30,168 |
| | <u>200,850</u> | <u>147,580</u> |
| Finance charges and interest allocated to future accounting periods | (26,417) | - |
| | <u>174,433</u> | <u>147,580</u> |
| Included in liabilities falling due within one year | (69,276) | (79,129) |
| | <u>105,157</u> | <u>68,451</u> |

Other creditors include unsecured loan notes amounting to £100,000 (2003 - £150,000). These were issued in respect of consideration for the purchase of 1 Ordinary share in the company's subsidiary undertaking Kaliber Marketing Limited. Interest is charged at a rate of 2% above the bank's base rate and the loan notes are repayable in three installments of £50,000 each on 14 November 2003, 2004 and 2005. The bank loan is repaid in quarterly installments of £25,000 commencing 31 December 2002 and interest is charged on the loan at a rate of 2.5% per annum above the bank's base rate. It is secured by a debenture over all the assets of the company.

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

14 Provisions for liabilities and charges

| | Deferred tax liability £ |
|------------------------------|-----------------------------|
| Balance at 1 October 2003 | 6,973 |
| Profit and loss account | (6,646) |
| | <u>327</u> |
| Balance at 30 September 2004 | <u>327</u> |

The deferred tax liability is made up as follows:

| | 2004 £ | 2003 £ |
|--------------------------------|------------|--------------|
| Accelerated capital allowances | <u>327</u> | <u>6,973</u> |

15 Pension costs

Defined contribution

The company operates a defined contribution 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.

| | 2004 £ | 2003 £ |
|---|---------------|---------------|
| Contributions payable by the company for the year | <u>35,468</u> | <u>16,200</u> |

16 Share capital

| | 2004 £ | 2003 £ |
|---|------------------|------------------|
| Authorised | | |
| 1,000,000 Ordinary shares of £1 each | <u>1,000,000</u> | <u>1,000,000</u> |
| Allotted, called up and fully paid | | |
| 650,004 Ordinary shares of £1 each | <u>650,004</u> | <u>650,004</u> |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

17 Statement of movements on profit and loss account

| | Profit and loss account £ |
|------------------------------|------------------------------------|
| Balance at 1 October 2003 | 112,901 |
| Retained profit for the year | 120,248 |
| | <u>233,149</u> |
| Balance at 30 September 2004 | <u>233,149</u> |

18 Reconciliation of movements in shareholders' funds

| | 2004 £ | 2003 £ |
|-------------------------------|----------------|----------------|
| Profit for the financial year | 120,248 | 112,901 |
| Opening shareholders' funds | 762,905 | 650,004 |
| | <u>883,153</u> | <u>762,905</u> |
| Closing shareholders' funds | <u>883,153</u> | <u>762,905</u> |

19 Financial commitments

At 30 September 2004 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|----------------------------|--------------------|---------------|-----------|--------------|
| | 2004 £ | 2003 £ | 2004 £ | 2003 £ |
| Expiry date: | | | | |
| Within one year | - | - | - | 2,997 |
| Between two and five years | 87,662 | 87,662 | - | - |
| | <u>87,662</u> | <u>87,662</u> | <u>-</u> | <u>2,997</u> |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

| 20 Directors' emoluments | 2004 £ | 2003 £ |
|---|----------------|----------------|
| Emoluments for qualifying services | 675,531 | 199,127 |
| Company pension contributions to money purchase schemes | 19,512 | 15,000 |
| | <u>695,043</u> | <u>214,127</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2003- 1).

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

| | | |
|---|----------------|----------------|
| Emoluments for qualifying services | 574,579 | 147,756 |
| Company pension contributions to money purchase schemes | 19,512 | 15,000 |
| | <u>594,091</u> | <u>162,756</u> |

21 Transactions with directors

The following director had an interest free loan during the year. The movement on this loan was as follows:

| | Amount outstanding | | Maximum in year £ |
|---|--------------------|-----------|-------------------------|
| | 2004 £ | 2003 £ | |
| D J Richards directors loan account (overdrawn) | <u>360</u> | <u>-</u> | <u>1,531</u> |

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

22 Employees

Number of employees

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

| | 2004 Number | 2003 Number |
|--------------|----------------|----------------|
| Distribution | 7 | 10 |
| Sales | 3 | 3 |
| Admin | 33 | 23 |
| Production | 50 | 47 |
| | <u>93</u> | <u>83</u> |

Employment costs

| | £ | £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,130,459 | 1,654,197 |
| Social security costs | 218,161 | 150,680 |
| Other pension costs | 35,468 | 16,200 |
| | <u>2,384,088</u> | <u>1,821,077</u> |

23 Control

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

24 Related party transactions

During the year the company made purchases from Tiger 2000 Limited, a company in which D J Richards is interested as a director and shareholder, amounting to £22,344 (2003 - £14,610). At the year end there was £2,146 (2003 - £nil) outstanding on the purchase ledger in relation to this company.

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 £1,423 (2003 - £nil).