

Company Registration No. 04528244 (England and Wales)

KALIBER MARKETING (HOLDINGS) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005



KALIBER MARKETING (HOLDINGS) LIMITED

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KALIBER MARKETING (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

The directors present their report and financial statements for the year ended 30 September 2005.

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 have concentrated on the company's core products during the year and this has been reflected in an increase in profitability despite the anticipated reduction in turnover.

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 2004:

D J Richards

P. Randall

J. Sheard

(Appointed 1 October 2005)

Directors' interests

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

	Ordinary shares of £ 1 each	
	30 September 2005	1 October 2004
D J Richards	650,004	650,004
P. Randall	-	-

None of the directors have any interest in the share capital of the subsidiary companies.

Charitable donations	2005	2004
	£	£

During the year the company made the following payments:

Charitable donations	8,037	-
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The recipients and amounts of the charitable donations are as follows:

Haven House £4,350

Care for the Wild £2,806

Various small donations £881

Auditors

HWCA Limited 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 2005

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.

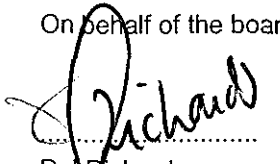
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Statement of disclosure to auditor

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

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

On behalf of the board


.....
D.J. Richards
Director
19th May 2006

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 2005 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 audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 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 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 4 to 19 are properly prepared in accordance with that provision.

HWCA Limited

HWCA Limited

22nd May 2006

Chartered Accountants
Registered Auditor

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 2005

	Notes	2005 £	2004 £
Gross profit		2,715,304	2,729,419
Distribution costs		(389,386)	(408,038)
Administrative expenses		(2,082,014)	(2,106,060)
Operating profit	2	243,904	215,321
Other interest receivable and similar income		19,327	5,904
Interest payable and similar charges	4	(34,092)	(47,464)
Profit on ordinary activities before taxation		229,139	173,761
Tax on profit on ordinary activities	5	(59,584)	(53,513)
Profit on ordinary activities after taxation	16	169,555	120,248

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

KALIBER MARKETING (HOLDINGS) LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2005

	Notes	2005		2004	
		£	£	£	£
Fixed assets					
Intangible assets	6		954,459		1,010,603
Tangible assets	7		431,237		308,155
Investments	8		6		6
			<u>1,385,702</u>		<u>1,318,764</u>
Current assets					
Stocks	9	279,453		206,564	
Debtors	10	1,022,298		837,068	
Cash at bank and in hand		297,259		569,012	
		<u>1,599,010</u>		<u>1,612,644</u>	
Creditors: amounts falling due within one year	11	<u>(1,689,542)</u>		<u>(1,692,771)</u>	
Net current liabilities			<u>(90,532)</u>		<u>(80,127)</u>
Total assets less current liabilities			1,295,170		1,238,637
Creditors: amounts falling due after more than one year	12		(238,007)		(355,157)
Provisions for liabilities and charges	13		(4,455)		(327)
			<u>1,052,708</u>		<u>883,153</u>
Capital and reserves					
Called up share capital	15		650,004		650,004
Profit and loss account	16		402,704		233,149
Shareholders' funds - equity interests	17		<u>1,052,708</u>		<u>883,153</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 19th May 2006


D J Richards
Director

KALIBER MARKETING (HOLDINGS) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	2005		2004	
	£	£	£	£
Net cash inflow from operating activities		130,505		793,399
Returns on investments and servicing of finance				
Interest received	19,327		5,904	
Interest paid	(20,608)		(47,464)	
Net cash outflow for returns on investments and servicing of finance		(1,281)		(41,560)
Taxation		(64,594)		(107,938)
Capital expenditure				
Payments to acquire tangible assets	(127,610)		(12,949)	
Receipts from sales of tangible assets	12,958		28,401	
Net cash (outflow)/inflow for capital expenditure		(114,652)		15,452
Net cash (outflow)/inflow before management of liquid resources and financing		(50,022)		659,353
Financing				
Repayment of long term bank loan	(100,000)		(100,000)	
Repayment of other long term loans	(50,000)		(50,000)	
Capital element of hire purchase contracts	(94,443)		(121,241)	
Net cash outflow from financing		(244,443)		(271,241)
(Decrease)/increase in cash in the year		<u>(294,465)</u>		<u>388,112</u>

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2005

1	Reconciliation of operating profit to net cash inflow from operating activities		2005	2004	
			£	£	
	Operating profit		243,904	215,321	
	Depreciation of tangible assets		177,135	165,352	
	Amortisation of intangible assets		56,144	56,145	
	Profit on disposal of tangible assets		(12,345)	(12,028)	
	Increase in stocks		(72,889)	(4,963)	
	(Increase)/decrease in debtors		(185,230)	8,569	
	(Decrease)/increase in creditors within one year		(76,214)	365,003	
	Net cash inflow from operating activities		130,505	793,399	
2	Analysis of net debt	1 October 2004	Cash flow	Other non-cash changes	30 September 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	569,012	(271,753)	-	297,259
	Bank overdrafts	(1,424)	(22,712)	-	(24,136)
		<u>567,588</u>	<u>(294,465)</u>	<u>-</u>	<u>273,123</u>
	Debt:				
	Finance leases	(174,433)	94,443	(173,220)	(253,210)
	Debts falling due within one year	(150,000)	150,000	(150,000)	(150,000)
	Debts falling due after one year	(250,000)	-	150,000	(100,000)
		<u>(574,433)</u>	<u>244,443</u>	<u>(173,220)</u>	<u>(503,210)</u>
	Net debt	<u>(6,845)</u>	<u>(50,022)</u>	<u>(173,220)</u>	<u>(230,087)</u>
3	Reconciliation of net cash flow to movement in net debt		2005	2004	
			£	£	
	(Decrease)/increase in cash in the year		(294,465)	388,112	
	Cash outflow from decrease in debt and lease financing		244,443	271,241	
	Change in net debt resulting from cash flows		(50,022)	659,353	
	New finance lease		(173,220)	(148,094)	
	Movement in net debt in the year		(223,242)	511,259	
	Opening net debt		(6,845)	(518,104)	
	Closing net debt		(230,087)	(6,845)	

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

1 Accounting policies

1.1 Accounting convention

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

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 company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 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 Foreign currency translation

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

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

1 Accounting policies

(continued)

1.11 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 company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2	Operating profit	2005 £	2004 £
	Operating profit is stated after charging:		
	Amortisation of intangible assets	56,144	56,145
	Depreciation of tangible assets	177,135	165,353
	Loss on foreign exchange transactions	83,076	-
	Operating lease rentals		
	- Plant and machinery	-	8,852
	- Other assets	79,241	92,242
	Auditors' remuneration	16,503	6,710
	and after crediting:		
	Profit on disposal of tangible assets	(12,345)	(12,028)
		<u> </u>	<u> </u>
3	Investment income	2005 £	2004 £
	Bank interest	19,327	5,904
		<u> </u>	<u> </u>
4	Interest payable	2005 £	2004 £
	On bank loans and overdrafts	-	1,848
	On other loans wholly repayable within five years	20,103	27,665
	Hire purchase interest	13,484	16,429
	On overdue tax	505	1,522
		<u> </u>	<u> </u>
		34,092	47,464
		<u> </u>	<u> </u>

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

5 Taxation	2005	2004
	£	£
Domestic current year tax		
U.K. corporation tax	56,940	64,594
Adjustment for prior years	(1,484)	(4,435)
Current tax charge	55,456	60,159
Deferred tax		
Deferred tax charge/credit current year	4,128	(6,646)
	<u>59,584</u>	<u>53,513</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>229,139</u>	<u>173,761</u>
<i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)</i>	<u>68,742</u>	<u>52,128</u>
Effects of:		
Non deductible expenses	7,886	9,693
Depreciation add back	66,280	62,841
Capital allowances	(53,002)	(30,076)
Adjustments to previous periods	(1,484)	(4,435)
Marginal rate relief	(32,966)	(32,362)
Other tax adjustments	-	2,370
	<u>(13,286)</u>	<u>8,031</u>
Current tax charge	<u>55,456</u>	<u>60,159</u>

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

6 Intangible fixed assets	Goodwill £
Cost	
At 1 October 2004 & at 30 September 2005	1,122,893
	<hr/>
Amortisation	
At 1 October 2004	112,290
Charge for the year	56,144
	<hr/>
At 30 September 2005	168,434
	<hr/>
Net book value	
At 30 September 2005	954,459
	<hr/> <hr/>
At 30 September 2004	1,010,603
	<hr/> <hr/>

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 2005

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2004	317,405	123,901	344,699	786,005
Additions	148,763	35,789	116,278	300,830
Disposals	(1,280)	-	(81,738)	(83,018)
At 30 September 2005	464,888	159,690	379,239	1,003,817
Depreciation				
At 1 October 2004	203,640	72,182	202,028	477,850
On disposals	(667)	-	(81,738)	(82,405)
Charge for the year	61,351	32,889	82,895	177,135
At 30 September 2005	264,324	105,071	203,185	572,580
Net book value				
At 30 September 2005	200,564	54,619	176,054	431,237
At 30 September 2004	113,766	51,719	142,670	308,155

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 2005	109,136	7,482	161,900	278,518
At 30 September 2004	78,750	5,750	130,126	214,626
Depreciation charge for the year				
At 30 September 2005	25,490	2,061	71,149	98,700
At 30 September 2004	19,625	1,150	49,119	69,894

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 October 2004 & at 30 September 2005	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	100.00
KAT UK Limited	England and Wales	Ordinary	100.00
Vertical Sliders Limited	England and Wales	Ordinary	100.00

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

		Capital and reserves 2005	Profit for the year 2005
	Principal activity	£	£
Kaliber Marketing Limited	Dormant	2	-
KAT UK Limited	Dormant	2	-
Vertical Sliders Limited	Dormant	2	-

9 Stocks and work in progress

	2005	2004
	£	£
Raw materials and consumables	259,499	154,345
Work in progress	19,954	52,219
	<u>279,453</u>	<u>206,564</u>

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

10 Debtors	2005 £	2004 £
Trade debtors	830,630	781,657
Other debtors	131,047	1,162
Prepayments and accrued income	60,621	54,249
	<u>1,022,298</u>	<u>837,068</u>
11 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	124,136	101,424
Net obligations under hire purchase contracts	115,203	69,276
Trade creditors	687,189	629,506
Amounts owed to subsidiary undertakings	1,425	1,425
Corporation tax	56,940	66,078
Other taxes and social security costs	197,761	200,075
Other creditors	60,832	60,061
Accruals and deferred income	446,056	564,926
	<u>1,689,542</u>	<u>1,692,771</u>

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 (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

12 Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loans	100,000	200,000
Other loans	-	50,000
Net obligations under hire purchase contracts	138,007	105,157
	<u>238,007</u>	<u>355,157</u>
Analysis of loans		
Wholly repayable within five years	250,000	400,000
	<u>250,000</u>	<u>400,000</u>
Included in current liabilities	(150,000)	(150,000)
	<u>100,000</u>	<u>250,000</u>
Loan maturity analysis		
In more than one year but not more than two years	100,000	150,000
In more than two years but not more than five years	-	100,000
	<u>100,000</u>	<u>250,000</u>

Bank loans 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.

Net obligations under hire purchase contracts

Repayable within one year	123,209	79,615
Repayable between one and five years	164,568	121,235
	<u>287,777</u>	<u>200,850</u>
Finance charges and interest allocated to future accounting periods	(34,567)	(26,417)
	<u>253,210</u>	<u>174,433</u>
Included in liabilities falling due within one year	(115,203)	(69,276)
	<u>138,007</u>	<u>105,157</u>

Other creditors include unsecured loan notes amounting to £50,000 (2004 - £100,000). 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 2005

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 October 2004	327
Profit and loss account	4,128
	<u>4,455</u>
Balance at 30 September 2005	<u>4,455</u>

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	<u>4,455</u>	<u>327</u>

14 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.

	2005 £	2004 £
Contributions payable by the company for the year	<u>39,994</u>	<u>35,468</u>

15 Share capital

	2005 £	2004 £
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 2005

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2004	233,149
Retained profit for the year	169,555
	<hr/>
Balance at 30 September 2005	402,704
	<hr/> <hr/>

17 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	169,555	120,248
Opening shareholders' funds	883,153	762,905
	<hr/>	<hr/>
Closing shareholders' funds	1,052,708	883,153
	<hr/> <hr/>	<hr/> <hr/>

18 Financial commitments

At 30 September 2005 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2006:

	Land and buildings	
	2005 £	2004 £
Operating leases which expire:		
Within one year	38,000	-
Between two and five years	49,660	87,662
	<hr/>	<hr/>
	87,660	87,662
	<hr/> <hr/>	<hr/> <hr/>

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

19 Directors' emoluments	2005	2004
	£	£
Emoluments for qualifying services	594,841	675,531
Company pension contributions to money purchase schemes	32,515	19,512
	<u>627,356</u>	<u>695,043</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004 - 1).

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

Emoluments for qualifying services	526,013	574,579
Company pension contributions to money purchase schemes	32,515	15,000
	<u>558,528</u>	<u>589,579</u>

20 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
	2005	2004	
	£	£	£
D J Richards directors loan account (overdrawn)	130,027	360	130,027
	<u>130,027</u>	<u>360</u>	<u>130,027</u>

The overdrawn loan account was repaid after the year end.

KALIBER MARKETING (HOLDINGS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

21 Employees

Number of employees

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

	2005 Number	2004 Number
Distribution	7	7
Sales	3	3
Admin	28	33
Production	31	50
	<u>69</u>	<u>93</u>

Employment costs

	2005 £	2004 £
Wages and salaries	1,853,771	2,130,459
Social security costs	190,738	218,161
Other pension costs	39,994	35,468
	<u>2,084,503</u>	<u>2,384,088</u>

22 Ultimate parent company

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

23 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, amounting to £3,452 (2004 - £22,344). At the year end there was £nil (2004 - £2,146) 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 £28,932 (2004 £nil) and there were purchases of £4,549 (2004 £nil). At the year end there was a sales ledger balance of £29,509 (2004 £nil) and a purchase ledger balance of £470 (2004 £nil).

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 (2004 - £1,425).