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Report of the Directors and  
Financial Statements for the Year Ended 31 October 2008  
for  
Typhoon International Limited



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Chartered Accountants . Registered Auditors

Typhoon International Limited

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for the Year Ended 31 October 2008

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Typhoon International Limited

Company Information  
for the Year Ended 31 October 2008

**DIRECTORS:**

M J Bibby  
P J Bibby  
R E Crowe  
S Ward

**SECRETARY:**

R E Crowe

**REGISTERED OFFICE:**

Limerick Road  
Dormanstown Industrial Estate  
Redcar  
Cleveland  
TS10 5JU

**REGISTERED NUMBER:**

00462364 (England and Wales)

**AUDITORS:**

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

## Typhoon International Limited

### Report of the Directors for the Year Ended 31 October 2008

The directors present their report with the financial statements of the company for the year ended 31 October 2008.

#### **PRINCIPAL ACTIVITY**

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

#### **REVIEW OF BUSINESS**

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

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

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

The turnover of the company was £6,194,111 which was an increase of 15% over 2007 (£5,355,871) Turnover has increased on average by 7% per annum over the last five years.

Gross profit has increased to £2,158,890 (34.85%) from £1,709,512 (31.92%) and profit before tax has increased to £129,737 from £99,348 in 2007. After taxation, £134,461 has been added to reserves.

Return on capital employed has increased to 8.52% from 7.27%. Return on capital employed is calculated as profit before interest and tax divided by capital employed which comprises total assets less current liabilities, less cash, plus overdrafts and other short-term borrowings.

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

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 October 2008.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 November 2007 to the date of this report.

M J Bibby  
P J Bibby  
R E Crowe  
S Ward

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

Typhoon International Limited

Report of the Directors  
for the Year Ended 31 October 2008

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, King Nagus Bakerman, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



R E Crowe - Secretary

15 June 2009

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

We have audited the financial statements of Typhoon International Limited for the year ended 31 October 2008 on pages five to eighteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

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

15 June 2009

Typhoon International Limited

Profit and Loss Account  
for the Year Ended 31 October 2008

	Notes	31.10.08 £	£	31.10.07 £	£
<b>TURNOVER</b>			6,194,111		5,355,871
Cost of sales			4,035,221		3,646,359
<b>GROSS PROFIT</b>			2,158,890		1,709,512
Distribution costs		161,733		113,652	
Administrative expenses		1,778,733		1,410,448	
			1,940,466		1,524,100
			218,424		185,412
Other operating income			7,859		16,035
<b>OPERATING PROFIT</b>	3		226,283		201,447
Interest receivable and similar income			85		-
			226,368		201,447
Interest payable and similar charges	4		96,631		102,099
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			129,737		99,348
Tax on profit on ordinary activities	5		(4,724)		40,024
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			134,461		59,324

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

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

The notes form part of these financial statements

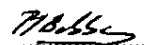
Typhoon International Limited

Balance Sheet

31 October 2008

	Notes	31.10.08 £	31.10.07 £
<b>FIXED ASSETS</b>			
Intangible assets	6	14,758	6,187
Tangible assets	7	434,305	437,180
		<u>449,063</u>	<u>443,367</u>
<b>CURRENT ASSETS</b>			
Stocks	8	1,734,386	1,626,038
Debtors	9	1,729,271	1,529,264
Cash at bank and in hand		34,116	218,542
		<u>3,497,773</u>	<u>3,373,844</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	1,825,970	1,708,354
<b>NET CURRENT ASSETS</b>		<u>1,671,803</u>	<u>1,665,490</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,120,866</u>	<u>2,108,857</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	(1,171,548)	(1,289,276)
<b>PROVISIONS FOR LIABILITIES</b>	15	(19,653)	(24,377)
<b>NET ASSETS</b>		<u><u>929,665</u></u>	<u><u>795,204</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	3,700	3,700
Revaluation reserve	17	166,222	166,222
Other reserves	17	1,300	1,300
Profit and loss account	17	758,443	623,982
<b>SHAREHOLDERS' FUNDS</b>	20	<u><u>929,665</u></u>	<u><u>795,204</u></u>

The financial statements were approved by the Board of Directors on 24 June 2009 and were signed on its behalf by:

  
 .....  
 P J Bibby - Director

The notes form part of these financial statements



**Typhoon International Limited**

**Cash Flow Statement**  
**for the Year Ended 31 October 2008**

		<b>31.10.08</b>		<b>31.10.07</b>	
	Notes	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	1		<b>319,753</b>		<b>(123,287)</b>
<b>Returns on investments and servicing of finance</b>	2		<b>(96,546)</b>		<b>(102,099)</b>
<b>Taxation</b>			<b>(33,213)</b>		<b>(68,064)</b>
<b>Capital expenditure</b>	2		<b>(83,763)</b>		<b>(73,043)</b>
			<b>106,231</b>		<b>(366,493)</b>
<b>Financing</b>	2		<b>10,471</b>		<b>22,530</b>
<b>Increase/(Decrease) in cash in the period</b>			<b>116,702</b>		<b>(343,963)</b>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase/(Decrease) in cash in the period		<b>116,702</b>		<b>(343,963)</b>	
Cash outflow from decrease in debt and lease financing		<b>7,397</b>		<b>25,375</b>	
Change in net debt resulting from cash flows			<b>124,099</b>		<b>(318,588)</b>
<b>Movement in net debt in the period</b>			<b>124,099</b>		<b>(318,588)</b>
<b>Net debt at 1 November</b>			<b>(806,134)</b>		<b>(487,546)</b>
<b>Net debt at 31 October</b>			<b>(682,035)</b>		<b>(806,134)</b>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 October 2008

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

	31.10.08	31.10.07
	£	£
Operating profit	226,283	201,447
Depreciation charges	78,415	74,826
Profit on disposal of fixed assets	(347)	-
Increase in stocks	(108,348)	(158,350)
Increase in debtors	(203,007)	(361,145)
Increase in creditors	326,757	119,935
<b>Net cash inflow/(outflow) from operating activities</b>	<b>319,753</b>	<b>(123,287)</b>

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

	31.10.08	31.10.07
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	85	-
Interest paid	(94,239)	(100,690)
Interest element of hire purchase payments	(2,392)	(1,409)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(96,546)</b>	<b>(102,099)</b>
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(13,012)	(3,387)
Purchase of tangible fixed assets	(74,951)	(69,656)
Sale of tangible fixed assets	4,200	-
<b>Net cash outflow for capital expenditure</b>	<b>(83,763)</b>	<b>(73,043)</b>
<b>Financing</b>		
Capital repayments in year	10,471	22,530
<b>Net cash inflow from financing</b>	<b>10,471</b>	<b>22,530</b>

Typhoon International Limited

Notes to the Cash Flow Statement  
for the Year Ended 31 October 2008

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.07 £	Cash flow £	At 31.10.08 £
Net cash:			
Cash at bank and in hand	218,542	(184,426)	34,116
Bank overdraft	(862,925)	301,128	(561,797)
	<u>(644,383)</u>	<u>116,702</u>	<u>(527,681)</u>
Debt:			
Hire purchase	(32,070)	(10,471)	(42,541)
Debts falling due within one year	(18,105)	10,732	(7,373)
Debts falling due after one year	(111,576)	7,136	(104,440)
	<u>(161,751)</u>	<u>7,397</u>	<u>(154,354)</u>
Total	<u>(806,134)</u>	<u>124,099</u>	<u>(682,035)</u>

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 October 2008

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

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

**Intangible fixed assets**

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

**Tangible fixed assets**

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

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

**Stocks**

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

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

**Deferred tax**

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

**Foreign currencies**

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

**Hire purchase and leasing commitments**

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

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**2. STAFF COSTS**

	31.10.08	31.10.07
	£	£
Wages and salaries	1,516,465	1,192,403
Social security costs	138,111	109,614
Other pension costs	18,863	13,876
	<u>1,673,439</u>	<u>1,315,893</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2008

2. **STAFF COSTS - continued**

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

	31.10.08	31.10.07
Production	53	54
Administration	32	23
	<u>85</u>	<u>77</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.10.08	31.10.07
	£	£
Depreciation - owned assets	56,319	63,393
Depreciation - assets on hire purchase contracts	17,655	5,735
Profit on disposal of fixed assets	(347)	-
Patents and licences amortisation	4,441	5,698
Auditors' remuneration	6,030	6,000
	<u>60,000</u>	<u>57,099</u>
Directors' emoluments	7,536	2,767
Directors' pension contributions to money purchase schemes		

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

Money purchase schemes	<u>1</u>	<u>1</u>
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4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.10.08	31.10.07
	£	£
Bank interest	48,138	42,593
Bank loan interest	55	2,146
Mortgage	9,012	8,710
Loan	37,034	47,241
Hire purchase	2,392	1,409
	<u>96,631</u>	<u>102,099</u>

5. **TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	31.10.08	31.10.07
	£	£
Current tax:		
UK corporation tax	-	33,213
Deferred tax	(4,724)	6,811
Tax on profit on ordinary activities	<u>(4,724)</u>	<u>40,024</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2008

5. **TAXATION - continued**

**Factors affecting the tax (credit)/charge**

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

	31.10.08 £	31.10.07 £
Profit on ordinary activities before tax	<u>129,737</u>	<u>99,348</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 30%)	38,921	29,804
Effects of:		
Accelerated capital allowances	5,633	4,268
Disallowed expenses	3,067	3,676
Marginal rate relief	-	(4,535)
Losses utilised	<u>(47,621)</u>	<u>-</u>
Current tax (credit)/charge	<u>-</u>	<u>33,213</u>

6. **INTANGIBLE FIXED ASSETS**

	Patents and licences £
<b>COST</b>	
At 1 November 2007	28,387
Additions	<u>13,012</u>
At 31 October 2008	<u>41,399</u>
<b>AMORTISATION</b>	
At 1 November 2007	22,200
Amortisation for year	<u>4,441</u>
At 31 October 2008	<u>26,641</u>
<b>NET BOOK VALUE</b>	
At 31 October 2008	<u>14,758</u>
At 31 October 2007	<u>6,187</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2008

**7. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 November 2007	250,000	314,493	289,948	107,506	961,947
Additions	-	1,914	32,945	40,092	74,951
Disposals	-	-	-	(15,445)	(15,445)
At 31 October 2008	250,000	316,407	322,893	132,153	1,021,453
<b>DEPRECIATION</b>					
At 1 November 2007	39,390	237,362	194,399	53,615	524,766
Charge for year	3,030	18,373	25,910	26,661	73,974
Eliminated on disposal	-	-	-	(11,592)	(11,592)
At 31 October 2008	42,420	255,735	220,309	68,684	587,148
<b>NET BOOK VALUE</b>					
At 31 October 2008	207,580	60,672	102,584	63,469	434,305
At 31 October 2007	210,610	77,131	95,549	53,891	437,181

Included in cost or valuation of land and buildings is freehold land of £98,500 (2007 - £98,500) which is not depreciated.

Cost or valuation at 31 October 2008 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2001	124,560	-	-	-	124,560
Cost	125,440	316,407	322,893	132,153	896,893
	250,000	316,407	322,893	132,153	1,021,453

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

	31.10.08 £	31.10.07 £
Cost	125,440	125,440
Aggregate depreciation	62,552	61,412
Value of land in freehold land and buildings	49,460	49,460

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

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2008

7. **TANGIBLE FIXED ASSETS - continued**

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

	Motor vehicles £
<b>COST OR VALUATION</b>	
At 1 November 2007	56,918
Additions	40,092
Transfer to ownership	(24,977)
	<hr/>
At 31 October 2008	72,033
	<hr/>
<b>DEPRECIATION</b>	
At 1 November 2007	13,798
Charge for year	17,655
Transfer to ownership	(14,397)
	<hr/>
At 31 October 2008	17,056
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 October 2008	54,977
	<hr/>
At 31 October 2007	43,120
	<hr/>

8. **STOCKS**

	31.10.08 £	31.10.07 £
Stocks	986,815	503,209
Work-in-progress	146,691	86,265
Finished goods	600,880	1,036,564
	<hr/>	<hr/>
	1,734,386	1,626,038
	<hr/>	<hr/>

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.10.08 £	31.10.07 £
Trade debtors	1,568,025	1,280,093
Amounts owed by group undertakings	97,415	151,983
Other debtors	5,345	10,372
VAT	-	44,442
Prepayments	58,486	42,374
	<hr/>	<hr/>
	1,729,271	1,529,264
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Typhoon International Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2008

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.10.08	31.10.07
	£	£
Bank loans and overdrafts (see note 12)	561,797	873,421
Other loans (see note 12)	7,373	7,609
Hire purchase contracts (see note 13)	22,021	13,924
Trade creditors	1,025,268	642,616
Tax	-	33,213
Social security and other taxes	37,951	34,551
VAT	15,126	-
Other creditors	43,542	52,282
Accrued expenses	112,892	50,738
	<u>1,825,970</u>	<u>1,708,354</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.10.08	31.10.07
	£	£
Other loans (see note 12)	104,440	111,576
Hire purchase contracts (see note 13)	20,520	18,146
Directors' Loans	875,669	988,635
Amount due to parent company	170,919	170,919
	<u>1,171,548</u>	<u>1,289,276</u>

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

**12. LOANS**

An analysis of the maturity of loans is given below:

	31.10.08	31.10.07
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	561,797	862,925
Bank loans	-	10,496
Mortgage loan	7,373	7,609
	<u>569,170</u>	<u>881,030</u>
Amounts falling due between one and two years:		
Mortgage loan	<u>7,373</u>	<u>7,609</u>
Amounts falling due between two and five years:		
Mortgage loan	<u>22,116</u>	<u>22,827</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Mortgage loan	<u>74,951</u>	<u>81,140</u>

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

	<b>Hire purchase contracts</b>	
	<b>31.10.08</b>	<b>31.10.07</b>
	<b>£</b>	<b>£</b>
Gross obligations repayable:		
Within one year	24,724	15,548
Between one and five years	23,077	20,335
	<u>47,801</u>	<u>35,883</u>
Finance charges repayable:		
Within one year	2,703	1,624
Between one and five years	2,557	2,189
	<u>5,260</u>	<u>3,813</u>
Net obligations repayable:		
Within one year	22,021	13,924
Between one and five years	20,520	18,146
	<u>42,541</u>	<u>32,070</u>

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

	<b>Land and buildings</b>		<b>Other operating leases</b>	
	<b>31.10.08</b>	<b>31.10.07</b>	<b>31.10.08</b>	<b>31.10.07</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiring:				
Between one and five years	<u>7,500</u>	<u>7,020</u>	<u>728</u>	<u>2,535</u>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>31.10.08</b>	<b>31.10.07</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	561,797	862,925
Bank loans	-	10,496
Mortgage loan	111,813	119,185
	<u>673,610</u>	<u>992,606</u>

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

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2008

**15. PROVISIONS FOR LIABILITIES**

	31.10.08	31.10.07
	£	£
Deferred tax	<u>19,653</u>	<u>24,377</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 November 2007		<u>24,377</u>
Charge for year		<u>(4,724)</u>
Balance at 31 October 2008		<u><u>19,653</u></u>

**16. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	31.10.08	31.10.07
			£	£
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>
Alotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.10.08	31.10.07
			£	£
3,700	Ordinary	£1	<u>3,700</u>	<u>3,700</u>

**17. RESERVES**

	Profit and loss account £	Revaluation reserve £	Other reserves £	Totals £
At 1 November 2007	623,982	166,222	1,300	791,504
Profit for the year	<u>134,461</u>			<u>134,461</u>
At 31 October 2008	<u><u>758,443</u></u>	<u><u>166,222</u></u>	<u><u>1,300</u></u>	<u><u>925,965</u></u>

**18. ULTIMATE PARENT COMPANY**

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

**19. RELATED PARTY DISCLOSURES**

During the year, the company made sales of goods of £536,777 to International Safety Products Limited, and purchases from International Products Limited of £106,381, a company which was controlled by P.J.Bibby. The net balance due to Typhoon International at 31 October 2008 was £109,026.

The company provided goods and services to the value of £395,799 in the year to 31 October 2008 to Pryde (UK) Limited, a fellow subsidiary company.

The company purchased services to the value of £24,000 in the year to 31 October 2008 from Bibby Ventures Limited, a company controlled by P.J.Bibby.

• Typhoon International Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2008

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.10.08	31.10.07
	£	£
Profit for the financial year	134,461	59,324
Net addition to shareholders' funds	134,461	59,324
Opening shareholders' funds	795,204	735,880
Closing shareholders' funds	929,665	795,204