

REGISTERED NUMBER: 00462364 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31 October 2011
for
Typhoon International Limited

HW, Chartered Accountants
Statutory Auditor
3rd Floor
Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ



Typhoon International Limited

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for the Year Ended 31 October 2011

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Typhoon International Limited

Company Information
for the Year Ended 31 October 2011

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:

HW, Chartered Accountants
Statutory Auditor
3rd Floor
Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

Typhoon International Limited

Report of the Directors
for the Year Ended 31 October 2011

The directors present their report with the financial statements of the company for the year ended 31 October 2011

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 £6,905,920 which was a decrease of 5.80% from (2010 £7,331,454).

However gross profit margin increased to 33.76% from 33.66% in 2010. The total added to reserves in the year ended 31 October 2011 was £226,861 (2010 £147,259).

Return on capital employed was 6.83% (2010 10.00%). 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 2011.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2010 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 Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


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 418 of the Companies Act 2006) 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, HW, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



R E Crowe - Secretary

19 March 2012

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

We have audited the financial statements of Typhoon International Limited for the year ended 31 October 2011 on pages five to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Francis Murphy FCA (Senior Statutory Auditor)
for and on behalf of HW, Chartered Accountants
Statutory Auditor
3rd Floor
Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

19 March 2012

Typhoon International Limited

Profit and Loss Account
for the Year Ended 31 October 2011

| | Notes | 31.10.11 £ | £ | 31 10 10 £ | £ |
|--|-------|------------------|-----------------------|------------------|-----------------------|
| TURNOVER | 2 | | 6,905,920 | | 7,331,454 |
| Cost of sales | | | <u>4,574,634</u> | | <u>4,863,825</u> |
| GROSS PROFIT | | | 2,331,286 | | 2,467,629 |
| Distribution costs | | 181,999 | | 226,106 | |
| Administrative expenses | | <u>2,046,120</u> | | <u>2,078,259</u> | |
| | | | <u>2,228,119</u> | | <u>2,304,365</u> |
| | | | 103,167 | | 163,264 |
| Other operating income | | | <u>65,807</u> | | <u>50,494</u> |
| OPERATING PROFIT | 4 | | 168,974 | | 213,758 |
| Interest payable and similar charges | 5 | | <u>63,200</u> | | <u>63,567</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | | 105,774 | | 150,191 |
| Tax on profit on ordinary activities | 6 | | <u>2,393</u> | | <u>2,932</u> |
| PROFIT FOR THE FINANCIAL YEAR | | | <u>103,381</u> | | <u>147,259</u> |

CONTINUING OPERATIONS

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

The notes form part of these financial statements

Typhoon International Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 October 2011

| | 31.10.11 £ | 31 10 10 £ |
|---|-----------------------|-----------------------|
| PROFIT FOR THE FINANCIAL YEAR | 103,381 | 147,259 |
| Revaluation of Freehold property | <u>123,480</u> | <u>-</u> |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR | <u>226,861</u> | <u>147,259</u> |

The notes form part of these financial statements

Typhoon International Limited

Balance Sheet
31 October 2011

| | Notes | 31.10.11 £ | £ | 31 10 10 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 7 | | 14,549 | | 23,637 |
| Tangible assets | 8 | | 539,753 | | 428,068 |
| | | | <u>554,302</u> | | <u>451,705</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 9 | 1,894,658 | | 2,262,531 | |
| Debtors | 10 | 1,786,599 | | 1,916,069 | |
| Cash at bank and in hand | | 64,530 | | 36,067 | |
| | | <u>3,745,787</u> | | <u>4,214,667</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | 1,275,776 | | 1,881,653 | |
| NET CURRENT ASSETS | | | <u>2,470,011</u> | | <u>2,333,014</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>3,024,313</u> | | <u>2,784,719</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 12 | | (1,543,338) | | (1,532,998) |
| PROVISIONS FOR LIABILITIES | 16 | | (27,101) | | (24,708) |
| NET ASSETS | | | <u><u>1,453,874</u></u> | | <u><u>1,227,013</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 17 | | 3,700 | | 3,700 |
| Revaluation reserve | 18 | | 199,560 | | 109,460 |
| Other reserves | 18 | | 1,300 | | 1,300 |
| Profit and loss account | 18 | | 1,249,314 | | 1,112,553 |
| SHAREHOLDERS' FUNDS | 21 | | <u><u>1,453,874</u></u> | | <u><u>1,227,013</u></u> |

The financial statements were approved by the Board of Directors on 19 March 2012 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 2011

| | Notes | 31.10.11 £ | £ | 31 10 10 £ | £ |
|--|-------|---------------|-----------|---------------|-----------|
| Net cash inflow from operating activities | 1 | | 300,084 | | 58,285 |
| Returns on investments and servicing of finance | 2 | | (63,200) | | (63,567) |
| Capital expenditure | 2 | | (71,880) | | (91,753) |
| | | | 165,004 | | (97,035) |
| Financing | 2 | | (13,701) | | 16,947 |
| Increase/(Decrease) in cash in the period | | | 151,303 | | (80,088) |
| <hr/> | | | | | |
| Reconciliation of net cash flow to movement in net debt | 3 | | | | |
| Increase/(Decrease) in cash in the period | | 151,303 | | (80,086) | |
| Cash outflow/(inflow) from decrease/(increase) in debt and lease financing | | 57,593 | | (213,978) | |
| Change in net debt resulting from cash flows | | | 208,896 | | (294,064) |
| Movement in net debt in the period | | | 208,896 | | (294,064) |
| Net debt at 1 November | | | (809,289) | | (515,225) |
| Net debt at 31 October | | | (600,393) | | (809,289) |

The notes form part of these financial statements

Typhoon International Limited

Notes to the Cash Flow Statement
for the Year Ended 31 October 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 31.10.11 | 31 10 10 |
|--|----------------|---------------|
| | £ | £ |
| Operating profit | 168,974 | 213,758 |
| Depreciation charges | 94,563 | 82,244 |
| Profit on disposal of fixed assets | (1,800) | - |
| Decrease/(Increase) in stocks | 367,873 | (403,190) |
| Decrease in debtors | 85,578 | 80,178 |
| (Decrease)/Increase in creditors | (415,104) | 85,295 |
| Net cash inflow from operating activities | 300,084 | 58,285 |

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

| | 31.10.11 | 31 10 10 |
|---|-----------------|-----------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest paid | (60,996) | (61,143) |
| Interest element of hire purchase payments | (2,204) | (2,424) |
| Net cash outflow for returns on investments and servicing of finance | (63,200) | (63,567) |
| Capital expenditure | | |
| Purchase of intangible fixed assets | (4,968) | (14,484) |
| Purchase of tangible fixed assets | (68,712) | (80,184) |
| Sale of tangible fixed assets | 1,800 | 2,915 |
| Net cash outflow for capital expenditure | (71,880) | (91,753) |
| Financing | | |
| Capital repayments in year | (13,701) | 16,947 |
| Net cash (outflow)/inflow from financing | (13,701) | 16,947 |

The notes form part of these financial statements

Typhoon International Limited

Notes to the Cash Flow Statement
for the Year Ended 31 October 2011

3 ANALYSIS OF CHANGES IN NET DEBT

| | At 1.11.10 £ | Cash flow £ | At 31.10.11 £ |
|--------------------------------------|--------------------|----------------|---------------------|
| Net cash | | | |
| Cash at bank and in hand | 36,067 | 28,463 | 64,530 |
| Bank overdraft | (610,941) | 122,840 | (488,101) |
| | <u>(574,874)</u> | <u>151,303</u> | <u>(423,571)</u> |
| Debt | | | |
| Hire purchase | (37,384) | 13,701 | (23,683) |
| Debts falling due within one year | (45,000) | - | (45,000) |
| Debts falling due after one year | (152,031) | 43,892 | (108,139) |
| | <u>(234,415)</u> | <u>57,593</u> | <u>(176,822)</u> |
| Total | <u>(809,289)</u> | <u>208,896</u> | <u>(600,393)</u> |

The notes form part of these financial statements

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.

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.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write each asset off over its estimated useful life.

| | |
|------------------------------------|-------------------|
| Freehold property (excluding land) | - 2% on cost |
| Plant and machinery | - 10% on cost |
| Fixtures and fittings/computers | - 10%/20% on cost |
| Motor vehicles | - 25% on cost |

Pension costs

The company operates a defined contribution pension scheme for certain employees. It does not operate any pension scheme for the directors, however it makes a contribution to one of the directors' own Personal Pension Scheme in accordance with their individual contract of employment. The cost associated with these contributions is charged to the profit and loss account in the period to which they relate.

Property revaluation

Freehold property is subject to periodic revaluation in accordance with the requirements of Financial Reporting Standard 15.

2 TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

During the year ended 31 October 2011 turnover outside the U.K. amounted to 31% of total (2010 21%).

Typhoon International Limited

Notes to the Financial Statements - continued
for the Year Ended 31 October 2011

3 **STAFF COSTS**

| | 31.10.11 | 31 10 10 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,607,134 | 1,570,408 |
| Social security costs | 137,527 | 146,981 |
| Other pension costs | 13,976 | 13,915 |
| | <u>1,758,637</u> | <u>1,731,304</u> |

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

| | 31.10.11 | 31 10 10 |
|----------------|-----------|-----------|
| Production | 55 | 52 |
| Administration | 32 | 36 |
| | <u>87</u> | <u>88</u> |

4 **OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

| | 31.10.11 | 31 10 10 |
|--|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 70,979 | 59,948 |
| Depreciation - assets on hire purchase contracts | 9,528 | 10,440 |
| Profit on disposal of fixed assets | (1,800) | - |
| Patents and licences amortisation | 14,056 | 11,856 |
| Auditors' remuneration | 8,750 | 6,950 |
| | <u>66,946</u> | <u>80,391</u> |
| Directors' remuneration | 3,075 | 3,075 |
| 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> |
|------------------------|----------|----------|

5 **INTEREST PAYABLE AND SIMILAR CHARGES**

| | 31.10.11 | 31 10 10 |
|--------------------|---------------|---------------|
| | £ | £ |
| Bank interest | 18,215 | 24,758 |
| Loan | 37,102 | 31,275 |
| Bank loan interest | 5,679 | 5,110 |
| Hire purchase | 2,204 | 2,424 |
| | <u>63,200</u> | <u>63,567</u> |

Typhoon International Limited

Notes to the Financial Statements - continued
for the Year Ended 31 October 2011

6 **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

| | 31.10.11 £ | 31.10.10 £ |
|--------------------------------------|---------------|---------------|
| Deferred tax | 2,393 | 2,932 |
| Tax on profit on ordinary activities | 2,393 | 2,932 |

Factors affecting the tax charge

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

| | 31.10.11 £ | 31.10.10 £ |
|--|---------------|---------------|
| Profit on ordinary activities before tax | 105,774 | 150,191 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%) | 27,501 | 42,053 |
| Effects of Accelerated capital allowances | (2,963) | (10,183) |
| Disallowed expenses | 38 | 3,077 |
| Group loss relief | (24,576) | (22,577) |
| Research & development enhanced expenditure | - | (12,370) |
| Current tax charge | - | - |

7 **INTANGIBLE FIXED ASSETS**

| | Patents and licences £ |
|-----------------------|---------------------------------|
| COST | |
| At 1 November 2010 | 69,495 |
| Additions | 4,968 |
| At 31 October 2011 | 74,463 |
| AMORTISATION | |
| At 1 November 2010 | 45,858 |
| Amortisation for year | 14,056 |
| At 31 October 2011 | 59,914 |
| NET BOOK VALUE | |
| At 31 October 2011 | 14,549 |
| At 31 October 2010 | 23,637 |

8 TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|--------------------------|---------------------------|-----------------------------|----------------------------------|------------------------|-------------|
| COST OR VALUATION | | | | | |
| At 1 November 2010 | 250,000 | 321,118 | 349,612 | 150,238 | 1,070,968 |
| Additions | - | - | 61,212 | 7,500 | 68,712 |
| Disposals | - | (850) | - | (13,995) | (14,845) |
| Revaluations | 75,000 | - | - | - | 75,000 |
| At 31 October 2011 | 325,000 | 320,268 | 410,824 | 143,743 | 1,199,835 |
| DEPRECIATION | | | | | |
| At 1 November 2010 | 48,480 | 281,146 | 241,373 | 71,901 | 642,900 |
| Charge for year | - | 11,315 | 36,042 | 33,150 | 80,507 |
| Eliminated on disposal | - | (850) | - | (13,995) | (14,845) |
| Revaluation adjustments | (48,480) | - | - | - | (48,480) |
| At 31 October 2011 | - | 291,611 | 277,415 | 91,056 | 660,082 |
| NET BOOK VALUE | | | | | |
| At 31 October 2011 | 325,000 | 28,657 | 133,409 | 52,687 | 539,753 |
| At 31 October 2010 | 201,520 | 39,972 | 108,239 | 78,337 | 428,068 |

Included in cost or valuation of land and buildings is freehold land of £128,050 (2010 - £98,500) which is not depreciated

Cost or valuation at 31 October 2011 is represented by

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|-------------------|---------------------------|-----------------------------|----------------------------------|------------------------|-------------|
| Valuation in 2011 | 199,560 | - | - | - | 199,560 |
| Cost | 125,440 | 320,268 | 410,824 | 143,743 | 1,000,275 |
| | 325,000 | 320,268 | 410,824 | 143,743 | 1,199,835 |

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

| | 31.10.11 £ | 31 10 10 £ |
|--|---------------|---------------|
| Cost | 125,440 | 125,440 |
| Aggregate depreciation | 67,712 | 65,592 |
| Value of land in freehold land and buildings | 49,460 | 49,460 |

Freehold land and buildings were valued on an open market basis on 16 December 2009 by Sanderson Weatherall, Chartered Surveyors

Typhoon International Limited

Notes to the Financial Statements - continued
for the Year Ended 31 October 2011

8 TANGIBLE FIXED ASSETS - continued

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

| | Motor vehicles £ |
|--------------------------|---------------------------------|
| COST OR VALUATION | |
| At 1 November 2010 | 79,817 |
| Transfer to ownership | (40,092) |
| At 31 October 2011 | <u>39,725</u> |
| DEPRECIATION | |
| At 1 November 2010 | 29,187 |
| Charge for year | 9,528 |
| Transfer to ownership | (28,767) |
| At 31 October 2011 | <u>9,948</u> |
| NET BOOK VALUE | |
| At 31 October 2011 | <u><u>29,777</u></u> |
| At 31 October 2010 | <u><u>50,630</u></u> |

9 STOCKS

| | 31.10.11 £ | 31 10 10 £ |
|------------------|-------------------------|-------------------------|
| Stocks | 598,389 | 524,490 |
| Work-in-progress | 89,383 | 82,777 |
| Finished goods | 1,206,886 | 1,655,264 |
| | <u><u>1,894,658</u></u> | <u><u>2,262,531</u></u> |

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.10.11 £ | 31 10 10 £ |
|------------------------------------|-------------------------|-------------------------|
| Trade debtors | 1,350,917 | 1,582,897 |
| Amounts owed by group undertakings | 315,659 | 241,153 |
| Other debtors | 1,668 | 4,135 |
| Prepayments | 118,355 | 87,884 |
| | <u><u>1,786,599</u></u> | <u><u>1,916,069</u></u> |

Typhoon International Limited

Notes to the Financial Statements - continued
for the Year Ended 31 October 2011

11 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.10.11 | 31 10 10 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 13) | 533,101 | 655,941 |
| Hire purchase contracts (see note 14) | 12,025 | 13,701 |
| Trade creditors | 503,300 | 968,730 |
| Social security and other taxes | 45,884 | 43,784 |
| VAT | 54,610 | 12,675 |
| Other creditors | 43,472 | 120,131 |
| Other loan | 4,956 | 2,712 |
| Accrued expenses | 78,428 | 63,979 |
| | <u>1,275,776</u> | <u>1,881,653</u> |

12 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 31.10.11 | 31 10 10 |
|---------------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans (see note 13) | 108,139 | 152,031 |
| Hire purchase contracts (see note 14) | 11,658 | 23,683 |
| Other loan | 7,325 | 7,232 |
| Directors' Loans | 1,245,297 | 1,179,133 |
| Amount due to parent company | 170,919 | 170,919 |
| | <u>1,543,338</u> | <u>1,532,998</u> |

Some directors' loans bear interest at a rate of 0.5 - 2.5% over inter-bank rates

13 LOANS

An analysis of the maturity of loans is given below

| | 31.10.11 | 31 10 10 |
|--|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year or on demand | | |
| Bank overdrafts | 488,101 | 610,941 |
| Bank loans | 45,000 | 45,000 |
| | <u>533,101</u> | <u>655,941</u> |
| Amounts falling due between one and two years | | |
| Bank loans - 1-2 years | 45,000 | 45,000 |
| | <u>45,000</u> | <u>45,000</u> |
| Amounts falling due between two and five years | | |
| Bank loans - 2-5 years | 63,139 | 107,031 |
| | <u>63,139</u> | <u>107,031</u> |

Typhoon International Limited

Notes to the Financial Statements - continued
for the Year Ended 31 October 2011

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

| | 31.10.11 | 31 10 10 |
|-----------------------------|-----------------|-----------------|
| | £ | £ |
| Gross obligations repayable | | |
| Within one year | 13,267 | 15,152 |
| Between one and five years | 12,907 | 26,174 |
| | <u>26,174</u> | <u>41,326</u> |
| Finance charges repayable | | |
| Within one year | 1,242 | 1,451 |
| Between one and five years | 1,249 | 2,491 |
| | <u>2,491</u> | <u>3,942</u> |
| Net obligations repayable | | |
| Within one year | 12,025 | 13,701 |
| Between one and five years | 11,658 | 23,683 |
| | <u>23,683</u> | <u>37,384</u> |

15 SECURED DEBTS

The following secured debts are included within creditors

| | 31.10.11 | 31 10 10 |
|-------------------------|------------------|-----------------|
| | £ | £ |
| Bank overdrafts | 488,101 | 610,941 |
| Bank loans | 153,139 | 197,031 |
| Hire purchase contracts | 23,683 | 37,384 |
| Director's Loans | 1,245,297 | - |
| | <u>1,910,220</u> | <u>845,356</u> |

Bank loans and overdrafts are secured by a fixed charge on the debts, goodwill and other intangible property, a charge on the freehold property, and a floating charge on the other assets of the company dated 18 January 2001. There is a First legal charge over Director's Loans dated 4 December 2000. Hire purchase liabilities are secured on the assets to which they relate.

16 PROVISIONS FOR LIABILITIES

| | 31.10.11 | 31 10 10 |
|----------------------------|-----------------|---------------------|
| | £ | £ |
| Deferred tax | 27,101 | 24,708 |
| | <u>27,101</u> | <u>24,708</u> |
| | | Deferred tax |
| | | £ |
| Balance at 1 November 2010 | | 24,708 |
| Charge for year | | 2,393 |
| | | <u>27,101</u> |
| Balance at 31 October 2011 | | <u>27,101</u> |

Typhoon International Limited

Notes to the Financial Statements - continued
for the Year Ended 31 October 2011

17 **CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid Number | Class | Nominal value £1 | 31.10.11 £ | 31 10 10 £ |
|---|----------|------------------------|---------------|---------------|
| 3,700 | Ordinary | | <u>3,700</u> | <u>3,700</u> |

18 **RESERVES**

| | Profit and loss account £ | Revaluation reserve £ | Other reserves £ | Totals £ |
|---------------------|------------------------------------|-----------------------------|------------------------|------------------|
| At 1 November 2010 | 1,112,553 | 109,460 | 1,300 | 1,223,313 |
| Profit for the year | 103,381 | | | 103,381 |
| Revaluation | - | 123,480 | - | 123,480 |
| Adjustment | 33,380 | (33,380) | - | - |
| At 31 October 2011 | <u>1,249,314</u> | <u>199,560</u> | <u>1,300</u> | <u>1,450,174</u> |

19 **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

20 **RELATED PARTY DISCLOSURES**

During the year ended 31 October 2011 the company sold goods and services to the value of £472,946 (2010 £462,690) to Pryde UK Limited, a group undertaking. As at 31 October 2011 the company was owed £315,543 (2010 £241,153) by Pryde UK Limited.

During the year ended 31 October 2011 the company received goods and services to the value of £73,995 (2010 £61,600) from and was charged loan interest of £15,600 (2010 £nil) by Bibby Ventures Limited, a company controlled by P J Bibby. As at 31 October 2011 the company owed Bibby Ventures Limited £520,000 (2010 £41,400).

Included in Creditors Amounts falling due after more than one year at 31 October 2011 is an amount of £170,919 (2010 £170,919) due to Typhoon Holdings Limited, the parent company.

Included in Creditors Amounts falling due after more than one year at 31 October 2011 is a loan of £411,000 (2010 £403,836) from the Bibby Family Trust. During the year ended 31 October 2011 interest of £11,000 (2010 £11,000) was charged on this loan.

Included in Creditors Amounts falling due after more than one year at 31 October 2011 is a loan of £314,297 (2010 £775,297) from P J Bibby. During the year ended 31 October 2011 interest of £9,000 (2010 £5,297) was charged on this loan.

• Typhoon International Limited

Notes to the Financial Statements - continued
for the Year Ended 31 October 2011

21 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

| | 31.10.11 | 31 10 10 |
|--|------------------|------------------|
| | £ | £ |
| Profit for the financial year | 103,381 | 147,259 |
| Other recognised gains and losses relating to the year (net) | 123,480 | - |
| Net addition to shareholders' funds | 226,861 | 147,259 |
| Opening shareholders' funds | 1,227,013 | 1,079,754 |
| Closing shareholders' funds | 1,453,874 | 1,227,013 |

Typhoon International Limited

Trading and Profit and Loss Account
for the Year Ended 31 October 2011

| | 31.10.11 | | 31 10 10 |
|----------------------------------|------------------|------------------|------------------|
| | £ | £ | £ |
| Sales | | 6,905,920 | 7,331,454 |
| Cost of sales | | | |
| Opening stock | 2,262,531 | | 1,859,341 |
| Purchases | 3,556,506 | | 4,651,474 |
| Wages | 610,533 | | 577,374 |
| Social security | 39,722 | | 38,167 |
| | <u>6,469,292</u> | | <u>7,126,356</u> |
| Closing stock | (1,894,658) | | (2,262,531) |
| | | <u>4,574,634</u> | <u>4,863,825</u> |
| GROSS PROFIT | | 2,331,286 | 2,467,629 |
| Other income | | | |
| Sundry receipts | | <u>65,807</u> | <u>50,494</u> |
| | | 2,397,093 | 2,518,123 |
| Expenditure | | | |
| Carriage & packaging | 156,648 | | 192,919 |
| Sales samples | 25,351 | | 33,187 |
| Premises costs | 153,402 | | 151,562 |
| Insurance | 36,850 | | 43,717 |
| Management charges | 54,000 | | 61,600 |
| Directors' salaries | 66,381 | | 80,391 |
| Directors' social security | 7,890 | | 9,559 |
| Directors' pension contributions | 3,075 | | 3,075 |
| Wages | 930,220 | | 912,643 |
| Social security | 89,915 | | 99,255 |
| Pensions | 10,901 | | 10,840 |
| Telephone | 7,668 | | 10,216 |
| Post and stationery | 15,045 | | 15,638 |
| Travelling | 272,892 | | 279,713 |
| Cash discount | 6,812 | | 6,838 |
| Repairs and renewals | 50,779 | | 42,397 |
| Sundry expenses | 41,715 | | 46,024 |
| Legal fees | 6,051 | | 2,010 |
| Auditors' remuneration | 8,750 | | 6,950 |
| Advertising | 87,367 | | 102,227 |
| Bad debts | 6,966 | | 1,250 |
| Exhibitions | 26,167 | | 45,724 |
| Research & development | 36,225 | | 43,439 |
| Quality assurance | 14,049 | | 1,247 |
| | <u>2,115,119</u> | | <u>2,202,421</u> |
| Carried forward | | 281,974 | 315,702 |

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Typhoon International Limited

Trading and Profit and Loss Account
for the Year Ended 31 October 2011

| | 31.10.11 | | 31 10 10 | |
|---|----------|---------|----------|---------|
| | £ | £ | £ | £ |
| Brought forward | | 281,974 | | 315,702 |
| Finance costs | | | | |
| Bank charges | 20,237 | | 19,700 | |
| Bank interest | 18,215 | | 24,758 | |
| Loan | 37,102 | | 31,275 | |
| Bank loan interest | 5,679 | | 5,110 | |
| Hire purchase | 2,204 | | 2,424 | |
| | | 83,437 | | 83,267 |
| | | 198,537 | | 232,435 |
| Depreciation | | | | |
| Patents and licences | 14,056 | | 11,856 | |
| Freehold property | - | | 3,030 | |
| Plant and machinery | 11,315 | | 13,253 | |
| Fixtures and fittings | 36,042 | | 27,351 | |
| Motor vehicles | 33,150 | | 26,754 | |
| | | 94,563 | | 82,244 |
| | | 103,974 | | 150,191 |
| Profit on disposal of fixed assets | | | | |
| Plant and machinery | 300 | | - | |
| Motor vehicles | 1,500 | | - | |
| | | 1,800 | | - |
| NET PROFIT | | 105,774 | | 150,191 |

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