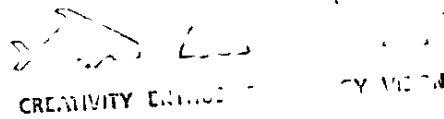


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ROBOBOND LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2007

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ROBOBOND LIMITED

COMPANY INFORMATION

Directors	S J Simons H I Simons B L Simons J M Simons Mrs L Simons
Secretary	H I Simons
Company number	1796748
Registered office	124-150 Hackney Road London E2 7QS
Business address	124-150 Hackney Road London E2 7QS
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	HSBC Bank plc 465 Bethnal Green Road London E2 9QW
Solicitors	Butcher Burns Beaumont House 47 Mount Pleasant London WC1X 0AE

ROBOBOND LIMITED

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ROBOBOND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2007

The directors present their report and accounts for the year ended 31 May 2007

Principal activities

The principal activity of the company continues to be that of manufacture of plastic picture frame extruded mouldings and building products

Review of business

Both the level of the business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity

The company made a pre-tax profit of £84,453 (2006 - a loss of £26,422) for the year on a turnover of £5,742,947 (2006 - £7,091,568)

At 31 May 2007 the company had net assets of £26,628,402 (2006 - £27,070,563)

The principal risks and uncertainties facing the company relate to competition from overseas and the strength of the UK market

In the opinion of the directors there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business

Dividends

Interim ordinary dividends were paid during the year amounting to £550,000 (2006 £420,000) The directors do not recommend payment of a final dividend

Directors

The directors who served during the year were

S J Simons
H I Simons
B L Simons
J M Simons
Mrs L Simons

H I Simons holds 100% of the shares in Gransims Properties (No 2) Limited, which holds 41,000 shares in Robobond Limited The shareholding is also disclosed in that company

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information

ROBOBOND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2007

Auditors

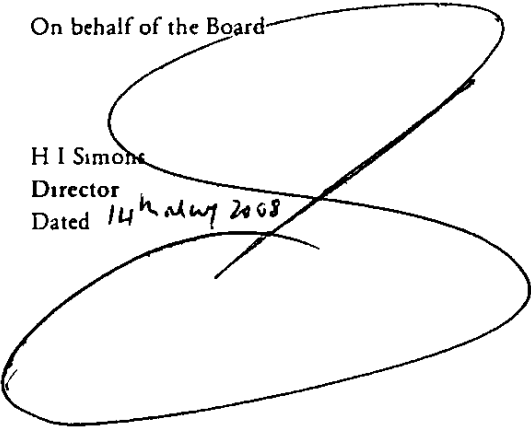
A resolution proposing the reappointment of H W Fisher & Company as auditors will be put to the members at the next Annual General Meeting

On behalf of the Board

H I Simons

Director

Dated 14th May 2008



ROBOBOND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 accounts, 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 accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

ROBOBOND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Robobond Limited for the year ended 31 May 2007 set out on pages 5 to 15. These accounts have been prepared under the accounting policies set out on pages 8 to 9.

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 an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are as described on page 3.

Our responsibility is to audit the accounts 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 accounts 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 Directors' Report is consistent with the accounts.

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 Directors' Report 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion:

- * the accounts 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 May 2007 and of its profit for the year then ended,
- * the accounts have been properly prepared in accordance with the Companies Act 1985, and
- * the information given in the Directors' Report is consistent with the accounts.

H W Fisher & Company

Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated

15 May 2008



ROBOBOND LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2007

	Notes	2007 £	2006 £
Turnover	2	5,742,947	7,091,568
Cost of sales		<u>(5,179,500)</u>	<u>(6,306,378)</u>
Gross profit		563,447	785,190
Administrative expenses		(1,777,744)	(1,761,575)
Other operating income		<u>2,000</u>	<u>2,000</u>
Operating loss	3	<u>(1,212,297)</u>	<u>(974,385)</u>
Other income	6	1,296,872	947,963
Interest payable and similar charges	7	<u>(122)</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		84,453	(26,422)
Tax on profit/(loss) on ordinary activities	8	<u>23,386</u>	<u>(25,942)</u>
Profit/(loss) on ordinary activities after taxation		107,839	(52,364)
Dividends	9	<u>(550,000)</u>	<u>(420,000)</u>
Net deficit for the financial year		<u>(442,161)</u>	<u>(472,364)</u>
Retained profit brought forward		<u>26,970,563</u>	<u>27,442,927</u>
Retained profit carried forward		<u><u>26,528,402</u></u>	<u><u>26,970,563</u></u>

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

ROBOBOND LIMITED

BALANCE SHEET AS AT 31 MAY 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	10		10,185,361		10,778,305
Investments	11		15,423,663		13,888,313
			<u>25,609,024</u>		<u>24,666,618</u>
Current assets					
Stocks	12	892,690		1,557,194	
Debtors	13	1,991,395		2,518,333	
Cash at bank and in hand		642,511		1,079,938	
		<u>3,526,596</u>		<u>5,155,465</u>	
Creditors amounts falling due within one year	14	(1,293,928)		(1,435,520)	
Net current assets			<u>2,232,668</u>		<u>3,719,945</u>
Total assets less current liabilities			<u>27,841,692</u>		<u>28,386,563</u>
Creditors amounts falling due after more than one year					
	15		(84,000)		(86,000)
Provisions for liabilities and charges	16		(1,129,290)		(1,230,000)
			<u>26,628,402</u>		<u>27,070,563</u>
Capital and reserves					
Called up share capital	17		100,000		100,000
Profit and loss account			26,528,402		26,970,563
Shareholders' funds - all equity interests	18		<u>26,628,402</u>		<u>27,070,563</u>

The accounts were approved by the Board on

14th May 2008

H I Simons
Director

S J Simons
Director

ROBOBOND LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	19	388,866	4,479,607
Returns on investments and servicing of finance			
Interest received	26,010	23,880	
Interest paid	(122)	-	
Rent received	1,270,862	924,083	
Net cash inflow from returns on investments and servicing of finance		1,296,750	947,963
Corporation tax		(25,942)	-
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(11,750)	(31,059)	
Payments to acquire investments	(1,535,350)	(4,327,036)	
Receipts from sales of tangible fixed assets	-	700	
Net cash outflow from capital expenditure and financial investment		(1,547,100)	(4,357,395)
Equity dividends paid		(550,000)	(420,000)
(Decrease)/increase in cash	20	<u>(437,427)</u>	<u>650,175</u>

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention subject to the revaluation of investment properties

The accounts have been prepared in accordance with applicable accounting standards

1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT

1.3 Tangible fixed assets and depreciation

Other than investment properties, tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold buildings	2% Straight line
Plant and machinery	10% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. As the properties are held for their investment potential, the directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be identified or quantified.

1.4 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.5 Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

The purchase cost of raw materials is calculated on a first in first out basis. The cost of work in progress includes an appropriate proportion of manufacturing overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.6 Pensions

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

1.7 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

18 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction

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

19 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

In the opinion of the directors it would be seriously prejudicial to disclose the turnover attributable to different geographical segments in the accounts.

3 Operating loss

	2007	2006
	£	£
Operating loss is stated after charging		
Depreciation of owned tangible fixed assets	604,695	670,977
Operating lease rentals		
- Other assets	78,388	110,433
Auditors' remuneration	17,500	17,500
	<u> </u>	<u> </u>

4 Directors' emoluments

	2007	2006
	£	£
Aggregate emoluments	24,073	37,015
	<u> </u>	<u> </u>

Retirement benefits are accruing to 1 (2006- 1) director under a defined contribution scheme

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

5 Employees

Number of employees

The average monthly number of employees during the year was

	2007 Number	2006 Number
Production	85	96
Sales	10	9
	<u>95</u>	<u>105</u>

Employment costs

	£	£
Wages and salaries	1,917,611	2,238,060
Social security costs	183,180	217,591
	<u>2,100,791</u>	<u>2,455,651</u>

6 Other income

	2007 £	2006 £
Rent receivable	1,270,862	924,083
Interest receivable and similar income	26,010	23,880
	<u>1,296,872</u>	<u>947,963</u>

7 Interest payable and similar charges

	2007 £	2006 £
Interest payable on Late payment of tax	<u>122</u>	<u>-</u>

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

8	Tax on profit/(loss) on ordinary activities	2007	2007	2006	2006
		£	£	£	£
	Current tax				
	<u>UK corporation tax</u>				
	Current tax on income for the period	77,324		25,942	
			77,324		25,942
	Deferred tax				
	Origination and reversal of timing differences	(100,710)		-	
			(100,710)		-
			(23,386)		25,942
	Factors affecting the tax charge for the year				
	Profit/(loss) on ordinary activities before taxation		84,453		(26,422)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006: 30.00%)		25,336		(7,927)
	Effects of				
	Expenses not deductible for tax purposes		775		2,656
	Depreciation for period in excess of capital allowances		51,213		33,233
	Small companies relief		-		(2,020)
	Current tax charge		77,324		25,942
9	Dividends			2007	2006
				£	£
	Ordinary interim paid			550,000	420,000

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

10 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 June 2006	6,229,406	12,981,543	1,408,110	82,763	20,701,822
Additions	-	-	-	11,750	11,750
At 31 May 2007	6,229,406	12,981,543	1,408,110	94,513	20,713,572
Depreciation					
At 1 June 2006	433,140	8,192,609	1,239,490	58,277	9,923,516
Charge for the year	74,588	478,893	42,155	9,059	604,695
At 31 May 2007	507,728	8,671,502	1,281,645	67,336	10,528,211
Net book value					
At 31 May 2007	5,721,678	4,310,041	126,465	27,177	10,185,361
At 31 May 2006	5,796,266	4,788,934	168,620	24,485	10,778,305

11 Fixed asset investments

	Investment Properties £
Cost and valuation	
At 1 June 2006	13,888,313
Additions	1,535,350
At 31 May 2007	15,423,663
At 31 May 2006	13,888,313

In the opinion of the directors, the open market value of the properties is not materially different from their cost

12 Stocks and work in progress

	2007 £	2006 £
Raw materials and consumables	235,326	673,270
Work in progress	48,790	67,398
Finished goods and goods for resale	608,574	816,526
	892,690	1,557,194

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

13 Debtors	2007 £	2006 £
Trade debtors	1,657,357	2,217,725
Amounts owed by companies under common control	309,478	259,670
Other debtors	13,000	13,000
Prepayments and accrued income	11,560	27,938
	<u>1,991,395</u>	<u>2,518,333</u>
14 Creditors amounts falling due within one year	2007 £	2006 £
Trade creditors	501,128	368,464
Amounts owed to companies under common control	190,315	606,382
Corporation tax	77,324	25,942
Other taxes and social security costs	86,546	50,121
Other creditors	247,326	237,339
Accruals and deferred income	191,289	147,272
	<u>1,293,928</u>	<u>1,435,520</u>
15 Creditors amounts falling due after more than one year	2007 £	2006 £
Accruals and deferred income	<u>84,000</u>	<u>86,000</u>

The company's overdraft is secured on the properties held in the fixed asset investments

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

16 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 June 2006	1,230,000
Profit and loss account	(100,710)
Balance at 31 May 2007	1,129,290

Deferred tax is provided at 30% (2006- 30%) analysed over the following timing differences

	2007 £	2006 £
Accelerated capital allowances	1,207,346	1,300,000
Tax losses available	(78,056)	(70,000)
	<u>1,129,290</u>	<u>1,230,000</u>

17 Share capital

	2007 £	2006 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

18 Reconciliation of movements in shareholders' funds

	£	£
Profit/(loss) for the financial year	107,839	(52,364)
Dividends	(550,000)	(420,000)
Net depletion in shareholders' funds	(442,161)	(472,364)
Opening shareholders' funds	<u>27,070,563</u>	<u>27,542,927</u>
Closing shareholders' funds	<u>26,628,402</u>	<u>27,070,563</u>

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

19	Net cash inflow from operating activities	2007	2006
		£	£
	Reconciliation to operating loss		
	Operating loss	(1,212,297)	(974,385)
	Depreciation of tangible fixed assets	604,695	670,977
	Loss on disposal of tangible fixed assets	-	7,728
	Decrease in stocks	664,504	1,023,479
	Decrease in debtors	526,938	4,455,033
	Decrease in creditors	(194,974)	(703,225)
		<u>388,866</u>	<u>4,479,607</u>

20	Reconciliation of net cash flow to movement in net debt	2007	2006
		£	£
	(Decrease)/increase in cash	(437,427)	650,175
	Net debt at 1 June 2006	1,079,938	429,763
	Net debt at 31 May 2007	<u>642,511</u>	<u>1,079,938</u>

21	Analysis of net debt	At 1 June 2006	Cash flow At 31 May 2007	
		£	£	£
	Cash at bank and in hand	1,079,938	(437,427)	642,511
		<u>1,079,938</u>	<u>(437,427)</u>	<u>642,511</u>

22 Contingent liabilities

The company's bankers hold a right of set-off for any amounts outstanding between Robobond Limited, D & J Simons and Sons Limited, Robam Importers Limited, D & J Simons Limited, Gransim Properties (No 5) Limited and D & J Simons (Properties) Limited. For the period covered by these financial statements, the companies had a net surplus at the bank.

23 Commitments under operating leases

At 31 May 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
In over five years	<u>80,000</u>	<u>80,000</u>

ROBOBOND LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

24 Related party transactions

D & J Simons & Sons Limited, Freston Pension Scheme, Gransim Properties (No 5) Limited, Gransim Properties (No 2) Limited and D & J Simons Limited are considered related parties as a result of the directors' interest in these entities

During the year under review, the company charged £48,470 (2006 £51,236) to D & J Simons & Sons Limited as contribution towards administrative expenses incurred on their behalf, and was charged £80,000 (2006 £80,000) rent by Freston Pension Scheme

At the balance sheet date Robobond Limited owed D & J Simons & Sons Limited £190,315 (2006 £571,085), Gransim Properties (No 2) Limited £49,808 (2006 £9,092) relating to dividends and deposits payable and owed Gransim Properties (No 4) Limited £nil (2006 £26,205) Gransim Properties (No 5) Limited owed Robobond Limited £236,170 (2006 £236,170) representing advances in 2002 and 2005 to finance property acquisitions, less amounts repaid to date and Frestons pension scheme owed £23,500 (2006 £23,500) for rent paid in advance

At the balance sheet date H I Simons was owed £110,225 (2006 £110,225) by the company