

# GARNETT WIRE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

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	Note	2015 £	2014 £
Turnover	1,2	1,245,333	1,090,480
Cost of sales		(940,062)	(893,415)
		<hr/>	<hr/>
Gross profit		305,271	197,065
Distribution costs		(30,688)	(37,491)
Administrative expenses		(246,116)	(208,361)
Other operating income	3	24,000	24,000
		<hr/>	<hr/>
Operating profit/(loss)	4	52,467	(24,787)
Interest payable and similar charges	7	(6,360)	(7,956)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		46,107	(32,743)
Tax on profit/(loss) on ordinary activities	8	(14,150)	6,948
		<hr/>	<hr/>
Profit/(loss) for the financial year	16	31,957	(25,795)
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The notes on pages 7 to 14 form part of these financial statements.

**GARNETT WIRE LIMITED**

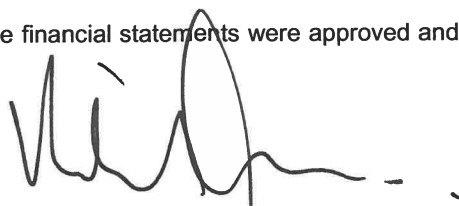
Registered number: 02624315

**BALANCE SHEET  
AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	9		348,082		334,968
<b>Current assets</b>					
Stocks	10	356,335		391,541	
Debtors	11	282,556		182,812	
		638,891		574,353	
<b>Creditors: amounts falling due within one year</b>	12	(331,335)		(291,911)	
<b>Net current assets</b>			307,556		282,442
<b>Total assets less current liabilities</b>			655,638		617,410
<b>Creditors: amounts falling due after more than one year</b>	13		(37,562)		(41,941)
<b>Provisions for liabilities</b>					
Deferred tax	14		(19,295)		(8,645)
<b>Net assets</b>			598,781		566,824
<b>Capital and reserves</b>					
Called up share capital	15		350,000		350,000
Profit and loss account	16		248,781		216,824
<b>Shareholders' funds</b>			598,781		566,824

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**R J Goodall**  
Director

8 May 2015

The notes on pages 7 to 14 form part of these financial statements.

# GARNETT WIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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### 1. Accounting Policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, the going concern principle and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through a bank facility. The company continues to trade within its facilities and the bank remains supportive of the business.

The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the company will continue to operate within its current facilities.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 1.3 Cash flow

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### 1.5 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant & machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance

#### 1.6 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 1.7 Stocks and work in progress

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 stocks.

# GARNETT WIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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### 1. Accounting Policies (continued)

#### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

#### 1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### 2. Turnover

62.7% of the company's turnover (2014 - 62.9%) is attributable to geographical markets outside the United Kingdom.

### 3. Other operating income

	2015 £	2014 £
Rents receivable	24,000	24,000

# GARNETT WIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 4. Operating profit/(loss)

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	20,313	22,171
- held under finance leases	998	-
Auditors' remuneration	7,500	7,500
Auditors' remuneration - non-audit	1,750	1,750
Pension costs	8,326	6,159
Operating lease rentals	16,040	16,040
	<u>          </u>	<u>          </u>

### 5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	330,800	336,681
Social security costs	32,714	32,377
Other pension costs	8,326	6,159
	<u>          </u>	<u>          </u>
	371,840	375,217
	<u>          </u>	<u>          </u>

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

	2015 No.	2014 No.
Management	2	2
Production	12	12
	<u>          </u>	<u>          </u>
	14	14
	<u>          </u>	<u>          </u>

### 6. Directors' remuneration

	2015 £	2014 £
Aggregate remuneration	78,653	75,185
	<u>          </u>	<u>          </u>

During the year retirement benefits were accruing to 2 directors (2014 - 2) in respect of defined contribution pension schemes.

# GARNETT WIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 7. Interest payable

	2015 £	2014 £
On bank loan and overdraft	6,240	7,956
On finance leases and hire purchase contracts	120	-
	<u>6,360</u>	<u>7,956</u>

### 8. Taxation

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit/loss for the year	3,500	-
<b>Deferred tax</b> (see note 14)		
Origination and reversal of timing differences	10,650	(6,948)
<b>Tax on profit/loss on ordinary activities</b>	<u>14,150</u>	<u>(6,948)</u>

### 9. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2014	317,186	435,632	15,143	767,961
Additions	-	18,451	15,974	34,425
At 31 March 2015	<u>317,186</u>	<u>454,083</u>	<u>31,117</u>	<u>802,386</u>
<b>Depreciation</b>				
At 1 April 2014	70,538	348,847	13,608	432,993
Charge for the year	6,344	13,585	1,382	21,311
At 31 March 2015	<u>76,882</u>	<u>362,432</u>	<u>14,990</u>	<u>454,304</u>
<b>Net book value</b>				
At 31 March 2015	<u>240,304</u>	<u>91,651</u>	<u>16,127</u>	<u>348,082</u>
At 31 March 2014	<u>246,648</u>	<u>86,785</u>	<u>1,535</u>	<u>334,968</u>

# GARNETT WIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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### 9. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Motor vehicles	14,976	-

### 10. Stocks

	2015 £	2014 £
Raw materials	191,918	194,803
Work in progress	5,145	9,474
Finished goods and goods for resale	79,125	97,646
Stock held on consignment	80,147	89,618
	356,335	391,541

### 11. Debtors

	2015 £	2014 £
Trade debtors	236,907	167,638
Amounts owed by group companies	32,127	1,880
Other debtors	13,522	13,294
	282,556	182,812

# GARNETT WIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 12. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank loan and overdraft	141,598	143,533
Net obligations under hire purchase contracts	3,994	-
Trade creditors	62,680	48,442
Amounts owed to associated company	-	6,722
Corporation tax	3,500	-
Other taxation and social security	11,596	5,987
Other creditors and deferred income	107,967	87,227
	<u>331,335</u>	<u>291,911</u>

The bank loan and overdraft are secured by a mortgage and a debenture incorporating a fixed, floating and legal charge over the whole of the company's assets, dated 30 October 2007 and 24 October 2007.

Hire purchase liabilities are secured upon the assets to which they relate.

### 13. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Bank loan	26,247	41,941
Net obligations under finance leases and hire purchase contracts	11,315	-
	<u>37,562</u>	<u>41,941</u>

Included within the above are amounts falling due as follows:

	2015 £	2014 £
<b>Between one and two years</b>		
Bank loans	<u>15,709</u>	<u>14,699</u>
<b>Between two and five years</b>		
Bank loans	<u>10,538</u>	<u>27,242</u>

The bank loan is secured by a mortgage and a debenture incorporating a fixed, floating and legal charge over the whole of the company's assets, dated 30 October 2007 and 24 October 2007.

Hire purchase liabilities are secured upon the assets to which they relate.



# GARNETT WIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 14. Deferred taxation

	2015 £	2014 £
At beginning of year	8,645	15,593
Charge for/(released during) year (P&L)	10,650	(6,948)
	<u>19,295</u>	<u>8,645</u>
At end of year	<u>19,295</u>	<u>8,645</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	19,295	14,701
Tax losses carried forward	-	(6,056)
	<u>19,295</u>	<u>8,645</u>

### 15. Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
140,000 A Ordinary shares of £1 each	140,000	140,000
210,000 B Ordinary shares of £1 each	210,000	210,000
	<u>350,000</u>	<u>350,000</u>

### 16. Reserves

	Profit and loss account £
At 1 April 2014	216,824
Profit for the financial year	31,957
	<u>248,781</u>
At 31 March 2015	<u>248,781</u>

### 17. Pension commitments

The company operates a defined contributions 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 and amounted to £8,326 (2014 - £6,159). Contributions totalling £1,307 (2014 - £2,734) were payable to the fund at the balance sheet date and are included in creditors.

# GARNETT WIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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### 18. Operating lease commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b>Expiry date:</b>		
Within 1 year	406	5,521
Between 2 and 5 years	11,165	11,378
	<u>11,571</u>	<u>16,899</u>

### 19. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling company is The Indian Card Clothing Company Limited, a company registered in India.

### 20. Related party transactions

During the year, the company traded with two other UK companies, Joseph Sellers & Son Limited and Shaped Wires Limited, which are under the common control of one of the directors of the company, Mr R J Goodall. The company also traded with The Indian Card Clothing Company Limited, the company with ultimate control due to holding more than 50% of the voting rights in Garnett Wire Limited.

During the year, the company purchased goods and services from Shaped Wires Limited amounting to £419,013 (2014 - £418,919). The company also made sales of goods and services amounting to £100,030 (2014 - £65,781).

During the year, the company purchased goods and services from Joseph Sellers & Son Limited amounting to £35,735 (2014 - £34,792). The company also made sales of goods, services and rent during the year amounting to £23,235 (2014 - £22,512).

During the year, the company purchased goods and services from The Indian Card Clothing Company Limited amounting to £3,996 (2014 - £15,214). The company also made sales of goods and services during the year amounting to £62,333 (2014 - £31,148).

**Amounts due from/(owed to) related parties at the year end were as follows:**

	2015 £	2014 £
Shaped Wires Limited	(44,042)	(15,351)
Joseph Sellers & Son Limited	-	580
The Indian Card Clothing Company Limited	32,127	(5,422)
	<u>11,571</u>	<u>16,899</u>