

Garnett Wire Limited

Registered number: 02624315

Directors' report and financial statements

For the year ended 31 March 2016

GARNETT WIRE LIMITED

COMPANY INFORMATION

Directors

R J Goodall
M K Trivedi
S L Shah
M Carline
A Dahotre
I Broadbent

Company secretary

R J Goodall

Registered number

02624315

Registered office

Mazars House
Gelderd Road
Gildersome
Leeds
West Yorkshire
LS27 7JN

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

GARNETT WIRE LIMITED

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GARNETT WIRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016.

The profit for the current year includes an exceptional pre tax gain on the disposal of a property of £1,072,976.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

Directors

The directors who served during the year were:

R J Goodall
M K Trivedi
S L Shah
M Carline
A Dahotre
I Broadbent

Going concern

The use of the going concern basis of accounting is appropriate because there are no material uncertainties to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. 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.

GARNETT WIRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on 18 May 2016 and signed on its behalf.



R J Goodall
Director

GARNETT WIRE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARNETT WIRE LIMITED

We have audited the financial statements of Garnett Wire Limited for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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. 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 an Auditor's 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

GARNETT WIRE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARNETT WIRE LIMITED

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a Strategic report.



Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date: 27 JUNE 2016

GARNETT WIRE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Turnover	1,2	1,233,011	1,245,333
Cost of sales		(930,707)	(940,062)
Gross profit		302,304	305,271
Distribution costs		(32,040)	(30,688)
Administrative expenses		(267,247)	(246,116)
Other operating income	3	22,000	24,000
Operating profit	4	25,017	52,467
Exceptional items			
Profit on sale of tangible fixed assets	8	1,072,976	-
Profit on ordinary activities before interest		1,097,993	52,467
Interest payable and similar charges	7	(8,560)	(6,360)
Profit on ordinary activities before taxation		1,089,433	46,107
Tax on profit on ordinary activities	9	(163,566)	(14,150)
Profit for the financial year	17	925,867	31,957

The notes on pages 7 to 15 form part of these financial statements.

GARNETT WIRE LIMITED

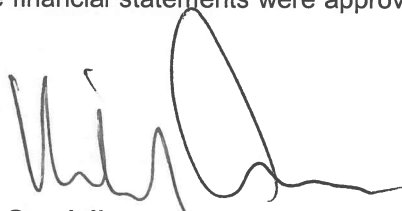
Registered number: 02624315

BALANCE SHEET AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	10		94,213		348,082
Current assets					
Stocks	11	303,351		356,335	
Debtors	12	429,987		282,556	
Cash at bank		1,380,575		-	
		<u>2,113,913</u>		<u>638,891</u>	
Creditors: amounts falling due within one year	13	(659,280)		(331,335)	
Net current assets			1,454,633		307,556
Total assets less current liabilities			<u>1,548,846</u>		<u>655,638</u>
Creditors: amounts falling due after more than one year	14		(7,321)		(37,562)
Provisions for liabilities					
Deferred tax	15		(16,877)		(19,295)
Net assets			<u>1,524,648</u>		<u>598,781</u>
Capital and reserves					
Called up share capital	16		350,000		350,000
Profit and loss account	17		1,174,648		248,781
Shareholders' funds	18		<u>1,524,648</u>		<u>598,781</u>

The financial statements have been prepared in accordance with the special 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 January 2015).

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



R J Goodall
Director

18 May 2016

The notes on pages 7 to 15 form part of these financial statements.

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

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

The company has historically met its day to day working capital requirements through a bank facility although following the property sale during the year this has now been repaid. The company continues to trade within available 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 January 2015).

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 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

1.7 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.

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

1.9 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.

1.10 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.

1.11 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

53.5% of the company's turnover (2015 - 62.7%) is attributable to geographical markets outside the United Kingdom.

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. Other operating income

	2016 £	2015 £
Rents receivable	22,000	24,000

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	20,594	20,313
- held under finance leases	3,744	998
Auditor's remuneration	8,000	7,500
Auditor's remuneration - non-audit	1,600	1,750
Pension costs	11,480	8,326
Operating lease rentals	13,854	16,040

5. Staff costs

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

	2016 £	2015 £
Wages and salaries	366,879	330,800
Social security costs	35,838	32,714
Other pension costs	11,480	8,326
	414,197	371,840

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

	2016 No.	2015 No.
Management	2	2
Production	12	12
	14	14

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. Directors' remuneration

	2016 £	2015 £
Aggregate remuneration	95,488	89,432

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

7. Interest payable

	2016 £	2015 £
On bank loan and overdraft	7,841	6,240
On finance leases and hire purchase contracts	719	120
	8,560	6,360

8. Exceptional items

	2016 £	2015 £
Profit on sale of tangible fixed assets	1,072,976	-

During the year the freehold property was sold although the business continues to operate from the premises on a short term basis. Alternative premises are under consideration to move to.

9. Taxation

	2016 £	2015 £
Analysis of tax (credit)/charge in the year		
Current tax		
UK corporation tax charge on profit for the year	167,040	3,500
Adjustments in respect of prior periods	(1,056)	-
Total current tax	165,984	3,500
Deferred tax (see note 15)		
Origination and reversal of timing differences	(2,418)	10,650
Tax on profit on ordinary activities	163,566	14,150

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2015	317,186	454,083	31,117	802,386
Additions	-	4,958	-	4,958
Disposals	(317,186)	-	-	(317,186)
At 31 March 2016	-	459,041	31,117	490,158
Depreciation				
At 1 April 2015	76,882	362,432	14,990	454,304
Charge for the year	5,815	14,491	4,032	24,338
On disposals	(82,697)	-	-	(82,697)
At 31 March 2016	-	376,923	19,022	395,945
Net book value				
At 31 March 2016	-	82,118	12,095	94,213
At 31 March 2015	240,304	91,651	16,127	348,082

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

	2016 £	2015 £
Motor vehicles	11,232	14,976

11. Stocks

	2016 £	2015 £
Raw materials	160,987	191,918
Work in progress	6,252	5,145
Finished goods and goods for resale	80,507	79,125
Stock held on consignment	55,605	80,147
	303,351	356,335

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

12. Debtors

	2016 £	2015 £
Trade debtors	290,068	236,907
Amounts owed by group companies	37,937	32,127
Other debtors	101,982	13,522
	<u>429,987</u>	<u>282,556</u>

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loan and overdraft	-	141,598
Net obligations under hire purchase contracts	3,994	3,994
Trade creditors	98,558	62,680
Amounts owed to group companies	1,473	-
Corporation tax	167,040	3,500
Other taxation and social security	267,568	11,596
Other creditors and deferred income	120,647	107,967
	<u>659,280</u>	<u>331,335</u>

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

14. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loan	-	26,247
Net obligations under finance leases and hire purchase contracts	7,321	11,315
	<u>7,321</u>	<u>37,562</u>

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 2016

15. Deferred taxation

	2016 £	2015 £
At beginning of year	19,295	8,645
(Released during)/charge for year (P&L)	(2,418)	10,650
	<hr/>	<hr/>
At end of year	16,877	19,295
	<hr/>	<hr/>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	16,877	19,295
	<hr/>	<hr/>

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
140,000 A Ordinary shares of £1 each	140,000	140,000
210,000 B Ordinary shares of £1 each	210,000	210,000
	<hr/>	<hr/>
	350,000	350,000
	<hr/>	<hr/>

The company has A Ordinary and B Ordinary shares which carry voting rights but no rights to fixed income.

17. Reserves

	Profit and loss account £
At 1 April 2015	248,781
Profit for the financial year	925,867
	<hr/>
At 31 March 2016	1,174,648
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18. Reconciliation of movement in shareholders' funds

	2016 £	2015 £
Opening shareholders' funds	598,781	566,824
Profit for the financial year	925,867	31,957
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Closing shareholders' funds	1,524,648	598,781
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19. 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 £11,480 (2015 - £8,236). Contributions totalling £1,842 (2015 - £1,307) 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 2016

20. Operating lease commitments

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Expiry date:		
Within 1 year	2,608	406
Between 2 and 5 years	5,949	11,165
	<hr/>	<hr/>

21. 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.

22. 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 £378,839 (2015 - £419,013). The company also made sales of goods and services amounting to £89,703 (2015 - £100,030).

During the year, the company purchased goods and services from Joseph Sellers & Son Limited amounting to £37,682 (2015 - £35,735). The company also made sales of goods, services and rent during the year amounting to £566 (2015 - £23,235).

During the year, the company purchased goods and services from The Indian Card Clothing Company Limited amounting to £14,940 (2015 - £3,996). The company also made sales of goods and services during the year amounting to £76,835 (2015 - £62,333).

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

	2016 £	2015 £
Shaped Wires Limited	6,228	(44,042)
Joseph Sellers & Son Limited	(1,473)	-
The Indian Card Clothing Company Limited	37,936	32,127
	<hr/>	<hr/>

23. Post balance sheet events

After the year end dividends totalling £850,000 were declared and paid on Ordinary A and Ordinary B Shares.

Garnett Wire Limited

Management information

For the year ended 31 March 2016

GARNETT WIRE LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Turnover	1,233,011	1,245,333
Cost of sales	(930,707)	(940,062)
	<hr/>	<hr/>
Gross profit	302,304	305,271
Gross profit %	24.5 %	24.5 %
Other operating income	22,000	24,000
	<hr/>	<hr/>
	324,304	329,271
Less: Overheads		
Selling and distribution expenses	(32,040)	(30,688)
Administration expenses	(267,247)	(246,116)
	<hr/>	<hr/>
Operating profit	25,017	52,467
Interest payable	(8,560)	(6,360)
Exceptional items	1,072,976	-
	<hr/>	<hr/>
Profit for the year	<u>1,089,433</u>	<u>46,107</u>

GARNETT WIRE LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Turnover		
Sales	1,233,011	1,245,333
	2016 £	2015 £
Cost of sales		
Opening stocks	356,335	391,541
Closing stocks	(303,351)	(356,335)
Purchases	444,225	503,516
Packaging	9,845	19,940
Wages and salaries	287,601	256,114
National insurance	25,212	24,603
Rent and rates	19,184	18,649
Light, heat and power	14,243	18,390
Plant maintenance	13,340	5,599
Depreciation of plant and equipment	14,491	13,585
Process costs	16,169	18,449
Consumables and tooling	27,598	19,667
Depreciation on freehold property	5,815	6,344
	930,707	940,062
	2016 £	2015 £
Other operating income		
Net rents receivable	22,000	24,000
	2016 £	2015 £
Selling and distribution expenses		
Motor vehicle depreciation	4,032	1,382
Motor running costs	15,370	18,629
Motor vehicle leasing	12,638	10,677
	32,040	30,688

GARNETT WIRE LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Administration expenses		
Directors salaries	79,277	74,686
Directors pension costs	2,265	2,241
National insurance contributions	10,626	8,111
Staff pension costs	9,215	6,085
Entertainment	229	572
Printing, postage and stationery	5,148	3,148
Telephone and fax	4,839	4,037
Advertising and promotion	450	-
Audit fees	8,000	7,500
Accountancy	1,600	1,750
Bank charges	4,213	2,330
Bad debts	13,217	12,961
Sundry expenses	21,313	8,952
Rent	4,583	-
Insurances	25,713	23,333
Management charges	14,400	14,400
Secretarial charges	6,800	6,800
Commission	49,742	45,029
Exhibition expenses	(2,983)	15,581
Management accounts	8,600	8,600
	<u>267,247</u>	<u>246,116</u>
	2016 £	2015 £
Interest payable		
Bank overdraft interest payable	7,224	5,168
Bank loan interest payable	617	1,072
Hire purchase interest payable	719	120
	<u>8,560</u>	<u>6,360</u>
	2016 £	2015 £
Exceptional items		
Profit on disposal of fixed assets	<u>1,072,976</u>	<u>-</u>