

COMPANY REGISTRATION NUMBER 00002364

Keighley Fleece Mills Company Limited

Financial Statements

30 June 2010

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Keighley Fleece Mills Company Limited

Financial Statements

Year ended 30 June 2010

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Keighley Fleece Mills Company Limited

Officers and Professional Advisers

The Director P J P V Gyllenhammar

Company Secretary Cybrus Limited

Registered Office 5th Floor
16 Eastcheap
London
EC3M 1BD

Auditor MacIntyre Hudson LLP
Chartered Accountants
& Statutory Auditor
Peterbridge House
The Lakes
Northampton
NN4 7HB

Bankers Bank of Scotland
The Mound
Edinburgh
Midlothian
EH1 1YZ

Solicitors Gordons LLP
14 Piccadilly
Bradford
BD1 3LX

Keighley Fleece Mills Company Limited

The Directors' Report *(continued)*

Year ended 30 June 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2010

Principal activities

The principal activity of the company during the year was the ownership and letting of commercial property

Director

The director who served the company during the year were as follows

Browallia Corporate Director Limited

P J P V Gyllenhammar was appointed as a director on 7 July 2010

Browallia Corporate Director Limited resigned as a director on 8 July 2010

Directors' responsibilities

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 those financial statements, the directors are required to

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

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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Keighley Fleece Mills Company Limited

Profit and Loss Account

Year ended 30 June 2010

	Note	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Turnover	1	98,895	54,838
Administrative expenses		(19,689)	75,653
Operating profit/(loss)	2	118,584	(20,815)
Profit on disposal of fixed assets	4	—	5,000
		118,584	(15,815)
Interest receivable	5	4,291	15,986
Interest payable and similar charges	6	(41,910)	(28,050)
Profit/(loss) on ordinary activities before taxation		80,965	(27,879)
Tax on profit/(loss) on ordinary activities	7	—	—
Profit/(loss) on ordinary activities after taxation, being profit/(loss) for the financial year		<u>£80,965</u>	<u>£(27,879)</u>

All of the activities of the company are classed as continuing

The accounting policies and notes on pages 9 to 15 form part of these financial statements

Keighley Fleece Mills Company Limited

Statement of Total Recognised Gains and Losses

Year ended 30 June 2010

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Profit/(Loss) for the financial year attributable to the shareholders	80,965	(27,879)
Unrealised loss on revaluation of certain fixed assets	—	(205,000)
Total gains and losses recognised since the last annual report	<u>£80,965</u>	<u>£(232,879)</u>

The accounting policies and notes on pages 9 to 15 form part of these financial statements

Keighley Fleece Mills Company Limited

The Directors' Report *(continued)*

Year ended 30 June 2010

Auditor

MacIntyre Hudson LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
5th Floor
16 Eastcheap
London
EC3M 1BD

Signed on behalf of the directors



P J P V Gyllenhammar
Director

Approved by the directors on

18 October 2010

Keighley Fleece Mills Company Limited

Independent Auditor's Report to the Shareholders of Keighley Fleece Mills Company Limited

Year ended 30 June 2010

We have audited the financial statements of Keighley Fleece Mills Company Limited for the year ended 30 June 2010 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Accounting Policies and the related notes. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, 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 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 (APB'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 directors, and the overall presentation of the financial statements.

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 30 June 2010 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 matters 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.

Keighley Fleece Mills Company Limited

Independent Auditor's Report to the Shareholders of Keighley Fleece Mills Company Limited *(continued)*

Year ended 30 June 2010

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 and the directors' report in accordance with the small companies regime



ELAINE OLSON-WILLIAMS FCCA
(Senior Statutory Auditor)
For and on behalf of
MACINTYRE HUDSON LLP
Chartered Accountants
& Statutory Auditor

Peterbridge House
The Lakes
Northampton
NN4 7HB

13 July 2011

Keighley Fleece Mills Company Limited
Company Registration Number 00002364

Balance Sheet

30 June 2010

	Note	2010 £	£	2009 £
Fixed assets				
Tangible assets	8		<u>1,095,000</u>	<u>1,095,000</u>
Current assets				
Debtors	9	5,668,554		5,292,892
Cash at bank		<u>182,988</u>		<u>646,814</u>
		5,851,542		5,939,706
Creditors amounts falling due within one year	10	<u>372,438</u>		<u>541,567</u>
Net current assets			<u>5,479,104</u>	<u>5,398,139</u>
Total assets less current liabilities			<u>6,574,104</u>	<u>6,493,139</u>
Creditors amounts falling due after more than one year	11		<u>765,000</u>	<u>765,000</u>
			<u>£5,809,104</u>	<u>£5,728,139</u>
Capital and reserves				
Called-up equity share capital	14		36,000	36,000
Revaluation reserve	15		547,017	547,017
Other reserves	16		11,775	11,775
Profit and loss account	17		<u>5,214,312</u>	<u>5,133,347</u>
Shareholders' funds	18		<u>£5,809,104</u>	<u>£5,728,139</u>

These financial statements were approved by the directors and authorised for issue on ¹⁸~~15~~ October 2010, and are signed on their behalf by



P J P V Gyllenhammar
Director

The accounting policies and notes on pages 9 to 15 form part of these financial statements

Keighley Fleece Mills Company Limited

Accounting Policies *(continued)*

Year ended 30 June 2010

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) from including a cash flow statement on the grounds that the company is a wholly owned subsidiary of Bronsstadet AB and its cash flows are included in the consolidated cash flow statement of that company

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year. No depreciation is provided on investment properties

This is in accordance with Statement of Standard Accounting Practice 19 which, unlike the Large and Medium-Sized Companies and Groups (Accounts and Directors' Report) Regulations 2008 (statutory instrument 2008/410), does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Keighley Fleece Mills Company Limited

Notes to the Financial Statements

Year ended 30 June 2010

1. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
United Kingdom	<u>98,895</u>	<u>54,838</u>

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Provision against amounts due (to)/from group undertakings	(52,674)	16,377
Auditor's remuneration - audit of the financial statements	<u>5,500</u>	<u>7,500</u>
Auditor's remuneration - other fees	<u>17,700</u>	<u>10,588</u>
	2010	2009
	£	£
Auditor's remuneration - audit of the financial statements	<u>5,500</u>	<u>7,500</u>
Auditor's remuneration - other fees		
- Taxation services	12,200	10,588
- Accounting services	<u>5,500</u>	<u>-</u>
	<u>£17,700</u>	<u>£10,588</u>

3. Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year

4. Profit on disposal of fixed assets

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Profit on disposal of fixed assets	<u>-</u>	<u>5,000</u>

Keighley Fleece Mills Company Limited

Notes to the Financial Statements

Year ended 30 June 2010

5. Interest receivable

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Bank interest receivable	1,894	3,948
Other loan interest receivable	2,397	9,121
Interest from group undertakings	—	2,917
	<u>£4,291</u>	<u>£15,986</u>

6. Interest payable and similar charges

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Interest to group undertakings	22,603	19,541
Interest on other loans	19,307	8,509
	<u>£41,910</u>	<u>£28,050</u>

7. Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Profit/(loss) on ordinary activities before taxation	<u>80,965</u>	<u>(27,879)</u>
Profit/(loss) on ordinary activities by rate of tax	22,670	(7,806)
Disallowable expenses	—	856
Capital allowances in the period in excess of depreciation	(2,417)	(3,913)
Group relief	(5,482)	—
Loss relief	(22)	7,677
Non-taxable income	(14,749)	—
Permanently disallowable trade amounts	—	4,586
Profit on disposal of assets	—	(1,400)
Total current tax	<u>—</u>	<u>—</u>

Keighley Fleece Mills Company Limited

Notes to the Financial Statements

Year ended 30 June 2010

8 Tangible fixed assets

	Investment Property £
Cost or valuation At 1 July 2009 and 30 June 2010	<u>1,095,000</u>
Net book value At 30 June 2010	<u>£1,095,000</u>
At 30 June 2009	<u>£1,095,000</u>

On 28 November 2008, Lambert Smith Hampton, a firm of independent Chartered Surveyors, undertook the valuation of the property in accordance with the Practice Statements in the Valuation Standards published by the Royal Institution of Chartered Surveyors. The valuation was prepared on a market value basis.

The director performed a review of the valuation of the company's property as at 30 June 2010. In the opinion of the director there has been no material change in this valuation.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2010 £	2009 £
Net book value at end of year	<u>1,095,000</u>	<u>1,095,000</u>
Historical cost: At 1 July 2009	651,462	651,762
Disposals in year	-	(300)
At 30 June 2010	<u>£651,462</u>	<u>£651,462</u>

9 Debtors

	2010 £	2009 £
Amounts owed by group undertakings	5,601,560	5,261,280
VAT recoverable	-	3,710
Other debtors	90	90
Prepayments and accrued income	66,904	27,812
	<u>£5,668,554</u>	<u>£5,292,892</u>

Keighley Fleece Mills Company Limited

Notes to the Financial Statements

Year ended 30 June 2010

9. Debtors (continued)

The debtors above include the following amounts falling due after more than one year

	2010 £	2009 £
Amounts owed by group undertakings	<u>—</u>	<u>1,728,525</u>

10. Creditors, amounts falling due within one year

	2010 £	2009 £
Trade creditors	—	41
Amounts owed to group undertakings	366,885	536,147
Accruals and deferred income	5,553	5,379
	<u>£372,438</u>	<u>£541,567</u>

11. Creditors amounts falling due after more than one year

	2010 £	2009 £
Bank loans and overdrafts	<u>765,000</u>	<u>765,000</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2010 £	2009 £
Bank loans and overdrafts	<u>765,000</u>	<u>765,000</u>

The bank loan is secured by a first priority legal charge over the company's property. The company is not liable for capital repayments until December 2011, until then only quarterly interest payments are required. The loan will mature in December 2023. Interest is charged at a rate of 1.75% above LIBOR.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2010 £	2009 £
Bank loans and overdrafts	<u>573,750</u>	<u>637,500</u>

Keighley Fleece Mills Company Limited

Notes to the Financial Statements

Year ended 30 June 2010

12. Deferred taxation

Due to the level of tax losses available across the group, future tax charges will be reduced significantly below the standard UK tax rate. A potential deferred tax asset of £5,892 (2009 £7,365) has not been provided in these financial statements in respect of short term timing differences in view of the uncertainty over when these differences might reverse.

13. Related party transactions

The company is a wholly owned subsidiary and has taken advantage of the exemption permitted by Financial Reporting Standard 8 not to disclose transactions with other group members. The company's results are included in the consolidated accounts of Bronsstadet AB which are publicly available. There are no other related party transactions.

There were no other related party transactions such as required to be disclosed in accordance with Financial Reporting Standard 8.

14. Share capital

Allotted, called up and fully paid.

	2010		2009	
	No	£	No	£
Unclassified shares of £100 each	<u>360</u>	<u>36,000</u>	<u>360</u>	<u>36,000</u>

15. Revaluation reserve

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Balance brought forward	547,017	821,717
Revaluation of fixed assets	-	(205,000)
Transfer to the Profit and Loss Account on realisation	-	(69,700)
Balance carried forward	<u>£547,017</u>	<u>£547,017</u>

16. Other reserves

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Other reserves	<u>11,775</u>	<u>11,775</u>

Keighley Fleece Mills Company Limited

Notes to the Financial Statements

Year ended 30 June 2010

17. Profit and loss account

	Year to 30 Jun 10 £	Period from 1 May 08 to 30 Jun 09 £
Balance brought forward	5,133,347	5,091,526
Profit/(loss) for the financial year	80,965	(27,879)
Transfer from revaluation reserve	–	69,700
Balance carried forward	<u>£5,214,312</u>	<u>£5,133,347</u>

18. Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit/(Loss) for the financial year	80,965	(27,879)
Revaluation of fixed assets	–	(205,000)
Net addition/(reduction) to shareholders' funds	<u>£80,965</u>	<u>£(232,879)</u>
Opening shareholders' funds	5,728,139	5,961,018
Closing shareholders' funds	<u>5,809,104</u>	<u>5,728,139</u>

19. Ultimate parent company

Browallia Holdings Limited, a company incorporated and registered in the England and Wales, is the immediate parent company. This company does not prepare consolidated financial statements.

Peter Gyllenhammar AB, which is incorporated and registered in Sweden, is the ultimate holding company. However Bronsstadet AB, a company incorporated and registered in Sweden, is the largest group for which group accounts are prepared. Copies of consolidated financial statements for Bronsstadet AB may be obtained from Bolagsverket, 851 81 Sundsvall, Sweden. P J P V Gyllenhammar is the ultimate controlling party of all companies noted above at the date of signing the financial statements.