

**BARNARDS UNLIMITED**

**(formerly Cold Dawn Products Limited)**

**Report and Financial Statements**

**31 December 2006**

**Deloitte & Touche LLP  
Leeds**

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**BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)**

**REPORT AND FINANCIAL STATEMENTS 2006**

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**BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)**

**REPORT AND FINANCIAL STATEMENTS 2006**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

B R M A Cluydts  
N D Purhouse

**SECRETARY**

D C Smith

**REGISTERED OFFICE**

Old Popplewell Lane  
Scholes  
Cleckheaton  
West Yorkshire  
BD19 6DE

**SOLICITORS**

Cobbetts LLP  
No.1 Whitehall Riverside  
Leeds  
LS1 4BN

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Leeds

# **BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2006.

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the company was the manufacture of profile wire up until 3 October 2006. Since that date the company's then parent, Lane Brothers Engineering Industries Limited, was acquired by Barnards Limited, a wholly-owned subsidiary of NV Bekaert SA, a company registered in Belgium.

On 2 October 2006, Barnards Limited bought the share capital of the company from Lane Brothers Engineering Limited. On 3 October 2006, Barnards Limited bought the assets and liabilities of the company, and on the same day Barnards Limited changed its name to Cold Drawn Products Limited, and Cold Drawn Products Limited changed its name to Barnards Limited.

On 12 March 2007 the company registered as unlimited, and changed its name from Barnards Limited to Barnards Unlimited.

The profit for the year, after taxation amounted to £8,234,855 (2005: £1,210,404).

The company is not expected to trade for the foreseeable future.

### **KEY PERFORMANCE INDICATORS**

During the period that the company traded:

The company looks to maximise its on-time deliveries to customers. In the year the company achieved an on-time delivery success rate of 93% (2005: 96%).

The company looks to maximise its utilisation of plant and equipment by minimising machine downtime. In the year the level of downtime and machine set-up time was measured at 79% (2005: 80%).

The company endeavours to minimise its borrowings. At the end of the year these were nil (2005: £1,080,309).

### **RISKS AND UNCERTAINTIES**

As the only asset of the company is an amount owing from group companies, the risks of not realising this amount are minimal.

### **TREASURY**

The company's treasury operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The company's principal financial instrument comprises an inter-group debtor. The company does not use forward foreign currency contracts to manage the currency rate risks arising from the company's operations. The company does not use interest rate swaps to manage the interest rate risks arising from the company's operations.

### **DIRECTORS**

The directors who served during the year were as follows:

M J R Lane	(resigned 28 April 2006)
I P Lane	(resigned 28 April 2006)
N M Lane	(resigned 28 April 2006)
P O Hopkins	(resigned 28 April 2006)
D C Smith	(resigned 28 April 2006)
S E Booth	(resigned 28 April 2006)
T Winnett	(resigned 28 April 2006)
H J Velge	(appointed 28 April 2006, resigned 11 December 2006)
C R A Loncke	(appointed 28 April 2006, resigned 11 December 2006)
B R M A Cluydts	(appointed 28 April 2006, resigned 11 December 2006, appointed 31 July 2007)
N D Purshouse	(appointed 19 May 2006)

# **BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)**

## **DIRECTORS' REPORT (continued)**

### **CHARITABLE DONATIONS**

The company made charitable donations of £Nil (2005 - £Nil) during the period.

### **DISCLOSURE OF RELEVANT INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

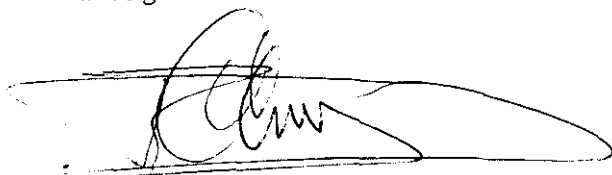
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

### **AUDITORS**

During the year PKF (UK) LLP resigned as auditors of the company. Deloitte & Touche LLP were appointed as auditors of the company to fill the casual vacancy arising. A resolution for the reappointment of Deloitte & Touche LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Bruno Cluydts  
29/10/ 2007

## **BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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;
- state whether applicable accounting standards have been followed; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)**

We have audited the financial statements of Barnards Unlimited (formerly Cold Drawn Products Limited) for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

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 Annual Report and the financial statements in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements 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 financial statements.

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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 financial statements 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 financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BARNARDS UNLIMITED (formerly Cold Drawn Products Limited) (continued)**

**Opinion**

In our opinion:

- the financial statements 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 December 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

**Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements, which explain that the accounts have been prepared on a basis other than that of a going concern.

*Debit & Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Leeds

31 October 2007



# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2006

	Note	2006 £	2005 £
<b>TURNOVER</b>	2,3	15,843,434	18,813,902
Cost of sales	3	(11,774,079)	(14,863,308)
<b>Gross profit</b>		<u>4,069,355</u>	<u>3,950,594</u>
Distribution costs	3	(580,907)	(710,252)
Administrative expenses	3	(994,445)	(1,482,753)
<b>OPERATING PROFIT</b>	3,5	2,494,003	1,757,589
Loss on sale of tangible fixed assets	4	(69,480)	-
Profit on sale of discontinued operations	4	6,572,902	-
<b>PROFIT BEFORE INTEREST AND TAXATION</b>		<u>8,997,425</u>	<u>1,757,689</u>
Interest receivable and similar income	7	22,434	-
Interest payable and similar charges	8	(49,704)	(110,370)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>8,970,155</u>	<u>1,647,219</u>
Taxation	9	(735,300)	(436,815)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	20	<u><u>8,234,855</u></u>	<u><u>1,210,404</u></u>

All of the above results arise from discontinued activities.

There were no recognised gains or losses for the year other than those included in the profit and loss account. Therefore, no statement of total recognised gains and losses has been present.

There was no material difference between the reported results and the results calculated on an unmodified historical cost basis.

The accompanying notes form an integral part of this profit and loss account.

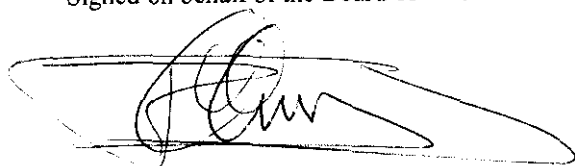
# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## BALANCE SHEET 31 December 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible	11	-	7,237,794
<b>CURRENT ASSETS</b>			
Stocks	12	-	1,778,888
Debtors	13	1,477,845	2,672,767
Cash at bank and in hand		-	132,521
		<u>1,477,845</u>	<u>4,584,176</u>
<b>CREDITORS: amounts falling due within one year</b>	14	-	(4,795,957)
<b>NET CURRENT/(LIABILITIES) ASSETS</b>		<u>1,477,845</u>	<u>(211,781)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,477,845</u>	<u>7,026,013</u>
<b>CREDITORS : amounts falling due after more than one year</b>	15	-	(699,835)
<b>PROVISION FOR LIABILITES</b>	18	-	(560,712)
<b>NET ASSETS</b>		<u>1,477,845</u>	<u>5,765,466</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,000,000	1,000,000
Share premium account		324,967	324,967
Revaluation reserve		-	918,023
Profit and loss account	20	152,878	3,522,476
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	21	<u>1,477,845</u>	<u>5,765,466</u>

These financial statements were approved by the Board of Directors on 29/10/2007.

Signed on behalf of the Board of Directors



Bruno Cluydts

The accompanying notes are an integral part of this balance sheet.

# **BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2006**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. The particular accounting policies adopted are described below and have been applied consistently in both the current and preceding financial years.

No cash flow statement has been presented, as the company has taken advantage of the dispensation allowed by FRS 1 'Cash flow statements (Revised 1996)'. The financial statements of the company's ultimate parent undertaking, NV Bekaert SA, contain a consolidated cash flow statement which deals with the company's cash flows and is publicly available.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention. As explained in note 3, the company ceased trading on 3 October 2006. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow subsidiary company at their book value.

#### **Turnover**

Turnover represents amounts receivable for goods net of VAT and trade discounts. Revenue is recognised at the point of despatch of goods.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis.

Freehold buildings	5%
Plant and machinery	8 – 20%
Fork lift trucks	20%
Motor vehicles	20% - 33%

Freehold land is not depreciated.

The company adopted a revaluation policy in 2003 on land and buildings. Previously land and buildings were valued on a historic cost basis.

#### **Finance and operating leases**

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

#### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of average cost, including production overheads and net realisable value. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

#### **Taxation**

Current tax including UK corporation tax and foreign tax, is provided on amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

### 1. ACCOUNTING POLICIES (continued)

#### Taxation (continued)

Deferred taxation is provided in full on timing differences that 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 financial statements. 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is not discounted.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currency are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Pension costs

For defined contribution scheme the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### 2. TURNOVER

Turnover is attributable to one class of business.

The analysis of turnover by geographical market, required by paragraph 55 of schedule 4 of the Companies Act 1985 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the company.

### 3. COST OF SALES, GROSS PROFIT AND OTHER OPERATING EXPENSES

	2006			2005		
	Continuing operations £	Discontinued operations £	Total £	Continuing operations £	Discontinued operations £	Total £
Turnover	-	15,843,434	15,843,434	-	18,813,902	18,813,902
Cost of sales	-	(11,774,079)	(11,774,079)	-	(14,863,308)	(14,863,308)
Gross profit	-	4,069,355	4,069,355	-	3,950,594	3,950,594
Distributions costs	-	(580,907)	(580,907)	-	(710,252)	(710,252)
Administrative expenses	-	(994,445)	(994,445)	-	(1,482,753)	(1,482,753)
Operating profit	-	2,494,003	2,494,003	-	1,757,589	1,757,589

# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

### 4. EXCEPTIONAL ITEMS REPORTED AND OPERATING PROFIT

The profit on sale of discontinued operations of £6,572,902 relates to the disposal of the trade and assets hived-up for consideration of £10,462,117 in respect of the discontinued operations.

The loss on sale of fixed assets of £69,480 relates to the disposal of land and buildings at Scholes for £3,700,000 to Lane Properties Yorkshire LLP a company in which the former directors N M Lane and I P Lane are the sole partners.

The effect of the exceptional items reported after operating profit on the amounts charged to the profit and loss account for taxation was £nil.

### 5. OPERATING PROFIT

	2006 £	2005 £
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets		
Owned assets	731,494	1,057,856
Assets held under finance leases and hire purchase contracts	5,730	4,974
	<u>5,000</u>	<u>9,000</u>
Fees payable to the company's auditors for the audit of the company's annual accounts		
	<u>5,000</u>	<u>5,000</u>
Total audit fees		
	<u>4,950</u>	<u>3,600</u>
Taxation advice fees	5,000	-
Corporate finance services		
	<u>9,950</u>	<u>3,600</u>
Total non-audit fees		

### 6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emolument disclosed relate to remuneration received by United Kingdom directors. Group directors of the company received no remuneration in respect of their services to the company. All remuneration is borne by NV Bekaert SA and it is not practicable to ascertain the proportion of the director's emoluments that specifically relate to the company.

	2006 £	2005 £
Directors' emoluments	<u>82,745</u>	<u>374,116</u>

The highest paid director received emoluments and benefits as follows:

	2006 £	2005 £
Emoluments and benefits under long-term incentive schemes	<u>27,153</u>	<u>84,695</u>

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

	2006 £	2005 £
Wages and salaries	3,397,266	4,028,601
Social security costs	257,884	403,786
Other pension costs	77,717	98,654
	<u>3,732,867</u>	<u>4,531,041</u>

# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES(continued)

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

	2006 £	2005 £
Production	161	151
Selling and distribution	3	4
Administration	13	11
	<u>177</u>	<u>166</u>

### 7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £	2005 £
Bank interest receivable	6,706	-
Interest receivable from group companies	15,728	-
	<u>22,434</u>	<u>-</u>

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank loans and overdrafts	49,704	72,796
Interest payable to group companies	-	37,574
	<u>49,704</u>	<u>110,370</u>

### 9. TAXATION

Analysis of charge in year

	2006 £	2005 £
<b>UK corporation tax</b>		
Current tax on income for the year	735,300	455,511
Adjustments in respect of prior periods	-	(551)
Total UK taxation	<u>735,300</u>	<u>454,960</u>
<b>Deferred taxation</b>		
Changes in deferred tax balances arising from	-	(18,145)
Total tax charge	<u>735,300</u>	<u>436,815</u>

# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 9. TAXATION (continued)

#### Factors affecting the tax

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before tax	8,970,155	1,647,219
Profit on ordinary activities multiplied by the standard rate of corporation tax of 30%	2,691,047	494,166
Effects of:		
Expenses not deductible for tax purposes	14,751	19,357
Depreciation in excess of capital allowances	245,926	26,260
Profit on sale of fixed assets	(1,937,860)	-
Group relief	(278,564)	(76,661)
Short term timing differences		(7,611)
Prior year adjustment	-	(551)
Current tax charge for year	735,300	454,960

A change in the corporation tax rate for future accounting periods from 30% to 28% was announced after the balance sheet date. This change in tax legislation has now been substantially enacted and will come into effect from 1 April 2008.

### 10. DIVIDENDS

	2006 £	2005 £
Dividends paid not previously accrued £12.5p/share (2005: 19.8p/share)	12,522,476	198,000
Proposed dividends not accrued in these accounts	-	-

# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 11. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2006	3,984,931	12,017,775	167,592	16,170,298
Additions	537,956	877,391	16,672	1,432,019
Disposals	(4,522,887)	(12,895,166)	(184,264)	(17,602,317)
At 31 December 2006	-	-	-	-
<b>Accumulated depreciation</b>				
At 1 January 2006	753,410	8,036,766	142,328	8,932,504
Charge for the year	26,519	702,758	7,947	737,224
On disposal	(779,929)	(8,739,524)	(150,275)	(9,669,728)
At 31 December 2006	-	-	-	-
<b>Net book amount</b>				
At 31 December 2006	-	-	-	-
At 31 December 2005	3,231,521	3,981,009	25,264	7,237,794

Included in freehold land and buildings is land amounting to £nil (2005: £1,200,103) which is not depreciated.

Included in land and buildings is £nil (2005: £133,235) and in plant and machinery is £nil (2005: £289,268) in respect of assets.

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	2006 £	2005 £
Plant and machinery	-	49,276



# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

### 12. STOCKS

	2006 £	2005 £
Raw materials	-	689,893
Work-in-progress	-	682,821
Finished goods	-	406,174
	<u>-</u>	<u>1,778,888</u>

### 13. DEBTORS

	2006 £	2005 £
<b>Due within one year</b>		
Trade debtors	-	2,490,581
Amounts due from group companies	1,477,845	31,020
Other debtors	-	151,166
	<u>1,477,845</u>	<u>2,672,767</u>

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts (note 16)	-	415,479
Trade creditors	-	2,718,339
Amount owed to group undertakings	-	500,732
Corporation tax	-	455,510
Other taxes and social security	-	206,626
Net obligations under finance leases and hire purchase contracts	-	13,820
Other creditors	-	485,451
	<u>-</u>	<u>4,795,957</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts (note 16)	-	664,830
Net obligations under finance leases and hire purchase contracts	-	35,005
	<u>-</u>	<u>699,835</u>

# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 16. LOANS

Loans fall due for payment as follows:

	2006 £	2005 £
<b>Bank loans</b>		
Within one year	-	415,479
Between one and two years	-	112,325
Between two and five years	-	552,505
	<u>-</u>	<u>1,080,309</u>

### 17. FINANCE LEASES

Net obligations under finance leases and hire purchase agreements

	2006 £	2005 £
Within one year	-	13,820
Between one and five years	-	35,005
	<u>-</u>	<u>48,825</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

### 18. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 2006	560,712
Released on acquisition	(560,712)
At 31 December 2006	<u>-</u>

At the end of the current and previous year the company had no unprovided deferred tax liabilities. At the year end the company had £133,508 of capital losses available for carry forward.

### 19. CALLED UP SHARE CAPITAL

	Authorised Ordinary £1 shares £	Allotted, called up and fully paid Ordinary shares £1 shares No.	£
At 1 January 2006 and 31 December 2006	<u>1,100,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

# BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 20. RESERVES

	Profit and loss account £
At 1 January 2006	3,522,476
Profit for the year after taxation	8,234,855
Dividends	(12,522,476)
Transferred from revaluation reserve	918,023
	<u>152,878</u>
At 31 December 2006	
	Revaluation reserve £
At 1 January 2006	918,023
Reversed on sale of land and buildings	(918,023)
	<u>-</u>

### 21. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2006 £	2005 £
Shareholders' funds at 1 January 2006	5,765,466	4,753,062
Profit on ordinary activities for the year	8,234,855	1,210,404
Dividends	(12,522,476)	(198,000)
	<u>1,477,845</u>	<u>5,765,466</u>
Closing equity shareholders' funds		

### 22. TRANSACTIONS WITH RELATED PARTIES

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures;" not to disclose transactions with member of the group headed by NV Bekaert SA on the grounds that at least 90% of the voting rights in the company are controlled within that group, and the company is included in consolidated financial statements.

On 28 April 2006, Lane Brothers Engineering Industries Limited, then the parent of Cold Drawn Products Limited was sold to Barnards Limited. N M Lane and I P Lane, up to that time directors of Cold Drawn Products Limited, were beneficiaries of that sale as shareholders.

Land and building at Scholes, Cleckheaton and Low Moor, Bradford were sold to Lane Properties Yorkshire LLP, of which N M Lane and I P Lane are the sole partners, for £3,700,000. Rent payable by the company to Lane Properties LLP, in the period from 28 April to 3 October and charged in the accounts, was £88,670.

### 23. PENSION COSTS

The company contributes to a number of defined contribution schemes. The assets of these schemes are held separately from those of the company in independently administered funds. Contributions paid to the scheme amounted to £77,717 (2005- nil). At the year end, contributions included within creditors totalled £nil (2005: £nil).

## **BARNARDS UNLIMITED (formerly Cold Drawn Products Limited)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2006**

#### **24. PARENT UNDERTAKING AND CONTROLLING PARTIES**

The directors regard Cold Drawn Products Limited, a company incorporated in England and Wales, as the intermediate parent company. The ultimate parent company and *ultimate controlling party of the group* of undertakings for which group accounts are drawn up, and of which the company is a member, is N V Bekaert SA, a company incorporated in Belgium. Copies of N V Bekaert SA accounts can be obtained from NV Bekaert SA, Corporate Communications, President Kennedy Park 18, BE8500 Kortrijk, Belgium.