

Registered number 1413137

**CLOVERBROOK LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 2 APRIL 2009**



**PM+M Solutions for Business LLP**  
**Chartered Accountants**  
**Registered Auditors**  
**Oakmount**  
**6 East Park Road**  
**Blackburn**  
**Lancashire**  
**BB1 8BW**

**CLOVERBROOK LIMITED**  
**COMPANY INFORMATION**

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**DIRECTORS**

S Chippendale  
J E Chippendale  
J Wilkinson

**COMPANY SECRETARY**

J Wilkinson

**COMPANY NUMBER**

1413137

**REGISTERED OFFICE**

Sandringham Court  
Bentley Wood Way  
Network 65 Business Park  
Burnley  
Lancashire  
BB11 5PY

**AUDITORS**

PM+M Solutions for Business LLP  
Chartered Accountants & Registered Auditors  
Oakmount  
6 East Park Road  
Blackburn  
Lancashire  
BB1 8BW

**BANKERS**

HSBC Bank Plc  
12 Manchester Road  
Burnley  
Lancashire  
BB11 1JH

**CLOVERBROOK LIMITED**  
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The following pages do not form part of the statutory financial statements

**CLOVERBROOK LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 2 APRIL 2009**

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The directors present their report and the financial statements for the year ended 2 April 2009

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 proper accounting records that 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 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.

**PRINCIPAL ACTIVITY**

The company's principal activity is the design and production of textile products.

**BUSINESS REVIEW**

The results for the current year comprise the whole of the combined trades of Cloverbrook Ltd and the residual non-outsourced trades of Springbrook Ltd, and Riverside Knitting Co Ltd. Most of the knitting and finishing (previously undertaken by Riverside Knitting Co Ltd and Springbrook Ltd) is now sourced from the group subsidiary, Anglo Textiles SAE, in Egypt and suppliers in Sri Lanka.

During the year the company has continued the development of its strategy to move into markets with a longer, more stable product life cycle and in particular the automotive market. We have continued the process of establishing ourselves as a major supplier to a global Original Equipment Manufacturer and to build up links with others. The focus continues to be on retaining our position at the forefront of technological fabric development and production. The principal factor facing the company is, of course, the downturn in the global economy and the effect this is having upon turnover, margin and liquidity. Close attention is being given to minimise our exposure to these risks. The disappointing results for the year not only show the consequences of the global downturn in trade but also the continuing costs arising from the winding down of the UK manufacturing operation and transfer of its activities to the company's subsidiary in Egypt. In assessing the year end position it is more appropriate to consider the consolidated Balance Sheet of the parent company Aberford Investments Ltd.

**CLOVERBROOK LIMITED****DIRECTORS' REPORT  
FOR THE YEAR ENDED 2 APRIL 2009**

Our Key Performance Indicators in the current year are turnover, gross margin, net profit and working capital. As the group's production facilities are now primarily based overseas the Directors have continued the process of disposing of surplus plant and property in order that the funds can be more efficiently used to support the development and growth of the group's overseas activities. Towards the end of the year the company disposed of its freehold property and re-located to a more efficient lower cost property on the outskirts of Burnley. This now serves as the Group's U K headquarters.

At the time of writing this report the Group is seeing signs of increasing order levels and are anticipating a return to profitability on a basis of improved production efficiencies and a significantly reduced overhead base.

**RESULTS**

The loss for the year, after taxation, amounted to £985,635 (2008 - loss £422,672)

**DIRECTORS**

The directors who served during the year were

S Chippendale  
J E Chippendale  
J Wilkinson

**PROVISION OF INFORMATION TO AUDITORS**

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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, PM+M Solutions for Business LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 March 2010 and signed on its behalf



S. CHIPPENDALE

Director

**CLOVERBROOK LIMITED**

**INDEPENDENT AUDITORS' REPORT TO CLOVERBROOK LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of Cloverbrook Limited for the year ended 2 April 2009 set out on pages 6 to 13, together with the financial statements of the company for the year ended 2 April 2009 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

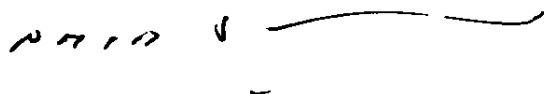
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 'The special auditors' report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 6 to 13 have been properly prepared in accordance with that provision.



**PM+M SOLUTIONS FOR BUSINESS LLP**

Chartered Accountants  
Registered Auditors

Oakmount  
6 East Park Road  
Blackburn  
Lancashire  
BB1 8BW

25 March 2010

**CLOVERBROOK LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 2 APRIL 2009**

	<b>Note</b>	<b>2009 £</b>	<b>2008 £</b>
<b>GROSS (LOSS)/PROFIT</b>		<b>(28,770)</b>	<b>1,860,808</b>
Staff costs		<b>(1,382,253)</b>	<b>(1,930,886)</b>
Depreciation and amortisation		<b>(253,069)</b>	<b>(384,344)</b>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(1,664,092)</b>	<b>(454,422)</b>
<b>EXCEPTIONAL ITEMS</b>			
Net profit on sale of tangible fixed assets	<b>6</b>	<b>683,759</b>	<b>-</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(980,333)</b>	<b>(454,422)</b>
Interest receivable		<b>-</b>	<b>31,750</b>
Interest payable	<b>5</b>	<b>(5,302)</b>	<b>-</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(985,635)</b>	<b>(422,672)</b>
Tax on loss on ordinary activities		<b>-</b>	<b>-</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(985,635)</b>	<b>(422,672)</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

**CLOVERBROOK LIMITED**  
**REGISTERED NUMBER: 1413137**

**ABBREVIATED BALANCE SHEET**  
**AS AT 2 APRIL 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	939,084	2,655,306
Fixed asset investments	8	6,241,111	6,241,111
		<u>7,180,195</u>	<u>8,896,417</u>
<b>CURRENT ASSETS</b>			
Stocks	9	2,190,724	2,401,145
Debtors		6,117,149	6,374,391
Cash at bank and in hand		152,617	522,935
		<u>8,460,490</u>	<u>9,298,471</u>
<b>CREDITORS</b> · amounts falling due within one year	10	(11,230,944)	(12,799,512)
<b>NET CURRENT LIABILITIES</b>		<u>(2,770,454)</u>	<u>(3,501,041)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,409,741</u>	<u>5,395,376</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	176,499	176,499
Share premium account	12	5,246,887	5,246,887
Other reserves	12	23,500	23,500
Profit and loss account	12	(1,037,145)	(51,510)
<b>SHAREHOLDERS' FUNDS</b>	13	<u>4,409,741</u>	<u>5,395,376</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 25 March 2010

Director *S CHIPPENDALE*

The notes on pages 8 to 13 form part of these financial statements



**CLOVERBROOK LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 2 APRIL 2009****1. ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

**1.2 Going concern**

The accounts have been prepared on the going concern basis. At 31 December 2009, the company incurred a loss of £985,635 and had net current liabilities of £2,770,454. The application of the going concern concept assumes the continuing financial support of a fellow group company and the renewal of the company's banking arrangements. The directors of the fellow group company have indicated they do not intend to seek repayment of the loan until the company can make the repayments. The bank has also recently agreed to renew the company's banking facilities. In addition the group financial forecasts for the period to 31 March 2011 indicate that the group should be able to operate within its existing financial resources. Accordingly the directors of Cloverbrook Limited believe it appropriate to prepare the accounts on the going concern basis.

**1.3 Turnover**

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

**1.4 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	-	14-33% straight line
Motor vehicles	-	20% straight line
Office equipment	-	10% straight line

**1.5 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

**1.6 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.

## CLOVERBROOK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 2 APRIL 2009**1 ACCOUNTING POLICIES (continued)****1.7 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 discounted

**1.8 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

**1.9 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred

**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 OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	389,560	453,038
Auditors' remuneration	32,775	33,000
Difference on foreign exchange	(529,362)	(493,951)

**CLOVERBROOK LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 2 APRIL 2009****3 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2009 £	2008 £
Wages and salaries	1,263,146	1,717,320
Social security costs	104,091	153,273
Other pension costs	15,016	60,293
	<u>1,382,253</u>	<u>1,930,886</u>

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

	2009 No.	2008 No
Production	31	55
Administration	5	5
	<u>36</u>	<u>60</u>

**4. DIRECTORS' REMUNERATION**

	2009 £	2008 £
Emoluments	<u>256,670</u>	<u>257,802</u>

The highest paid director received remuneration of £191,336 (2008 - £189,470)

**5 INTEREST PAYABLE**

	2009 £	2008 £
On bank loans and overdrafts	<u>5,302</u>	<u>-</u>

**6 EXCEPTIONAL ITEMS**

	2009 £	2008 £
Profit on sale of buildings	<u>683,759</u>	<u>-</u>

## CLOVERBROOK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 2 APRIL 2009

## 7 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
<b>Cost</b>					
At 3 April 2008	1,544,096	11,456,895	270,439	521,387	13,792,817
Additions	-	100,904	39,394	-	140,298
Disposals	(1,544,096)	(617,788)	(108,712)	-	(2,270,596)
At 2 April 2009	-	10,940,011	201,121	521,387	11,662,519
<b>Depreciation</b>					
At 3 April 2008	144,654	10,318,839	181,760	492,258	11,137,511
Charge for the year	20,308	324,333	27,138	17,781	389,560
On disposals	(164,962)	(580,676)	(57,998)	-	(803,636)
At 2 April 2009	-	10,062,496	150,900	510,039	10,723,435
<b>Net book value</b>					
At 2 April 2009	-	877,515	50,221	11,348	939,084
At 2 April 2008	1,399,442	1,138,056	88,679	29,129	2,655,306

## 8. FIXED ASSET INVESTMENTS

Shares in  
group under-  
takings  
£

## Cost or valuation

At 3 April 2008 and 2 April 2009

6,241,111

## Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Holding
Springbrook Limited (formerly Cloverbrook Limited)	100%
Riverside Knitting Co Limited	100%
Brook Finishing Co Limited	50%
Brook Knitting Co Limited	100%
Anglo Textiles SAE	100%

**CLOVERBROOK LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 2 APRIL 2009****8 FIXED ASSET INVESTMENTS (continued)**

The aggregate of the share capital and reserves as at 2 April 2009 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Springbrook Limited (formerly Cloverbrook Limited)	8,459,348	-
Riverside Knitting Co Limited	6,677,440	-
Brook Finishing Co Limited	1,098,183	-
Brook Knitting Co Limited	(385,507)	-
Anglo Textiles SAE	209,637	(587,127)
	<u>209,637</u>	<u>(587,127)</u>

**9 STOCKS**

	2009 £	2008 £
Raw materials	1,375,923	1,502,507
Work in progress	320,058	614,546
Finished goods and goods for resale	494,743	284,092
	<u>2,190,724</u>	<u>2,401,145</u>

The difference between the purchase price or production cost of stocks and their replacement cost is not material

**10 CREDITORS.  
Amounts falling due within one year**

	2009 £	2008 £
Bank overdraft	-	344,465
Other loans	860,000	860,000
Trade creditors	337,901	832,516
Amounts owed to group undertakings	9,502,907	9,502,907
Social security and other taxes	53,597	47,186
Accruals and deferred income	476,539	1,212,438
	<u>11,230,944</u>	<u>12,799,512</u>

The bank overdraft is guaranteed by other group companies

**CLOVERBROOK LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 2 APRIL 2009****11. SHARE CAPITAL**

	2009 £	2008 £
<b>Authorised, allotted, called up and fully paid</b>		
176,499 Ordinary shares of 1 each	<u>176,499</u>	<u>176,499</u>

**12. RESERVES**

	Share premium account £	Other reserves £	Profit and loss account £
At 3 April 2008	5,246,887	23,500	(51,510)
Loss for the year			(985,635)
At 2 April 2009	<u>5,246,887</u>	<u>23,500</u>	<u>(1,037,145)</u>

**13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Opening shareholders' funds	5,395,376	5,818,048
Loss for the year/period	(985,635)	(422,672)
Closing shareholders' funds	<u>4,409,741</u>	<u>5,395,376</u>

**14. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme and the pension scheme charge represents the amount payable by the company to the fund in respect of the year of £15,016 (2008 - £60,293) At the year end, there was £11,617 (2008 - £22,086) included within accruals

**15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The parent undertaking is Aberford Investments Limited, incorporated in Great Britain Consolidated accounts have been produced by Aberford Investments Limited, which incorporate the results of this company Aberford Investments Limited is controlled by S Chippendale