

Registered number: 1413137

**CLOVERBROOK LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

THURSDAY



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COMPANIES HOUSE

**PM+M Solutions for Business LLP**  
**Chartered Accountants**  
**Statutory Auditors**  
**Greenbank Technology Park**  
**Challenge Way**  
**Blackburn**  
**Lancashire**  
**BB1 5QB**

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

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<b>DIRECTORS</b>	S Chippendale J Wilkinson
<b>COMPANY SECRETARY</b>	J Wilkinson
<b>REGISTERED NUMBER</b>	1413137
<b>REGISTERED OFFICE</b>	Sandringham Court Bentley Wood Way Burnley Lancashire BB11 5PY
<b>INDEPENDENT AUDITORS</b>	PM+M Solutions for Business LLP Chartered Accountants & Statutory Auditors Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
<b>BANKERS</b>	HSBC Bank Plc 12 Manchester Road Burnley Lancashire BB11 1JH

**CLOVERBROOK LIMITED**  
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**CLOVERBROOK LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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The directors present their report and the financial statements for the year ended 31 March 2015.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic report, 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;
- 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:

S Chippendale  
J Wilkinson

**DISCLOSURE 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 relevant audit information and to establish that the company's auditors are aware of that information.

**CLOVERBROOK LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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**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 10 December 2015 and signed on its behalf.



**S Chippendale**  
Director

**CLOVERBROOK LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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**BUSINESS REVIEW**

The company's principal activity is the design, manufacture and marketing of high-performance knitted fabrics for the fashion, sports, outdoor, industrial and automotive markets.

The company's operating profit continued to be close to break even position;

- a) As a UK supplier of product sourced, both, from its subsidiary company Cloverbrook Textiles Egypt SAE (CTE) and also commissioned from other UK suppliers.
- b) Providing technical, marketing and management support to its principal offshore supplier, Cloverbrook Textiles Egypt SAE (CTE).

The group are specialist manufacturers in the following sectors

- Performance sportswear fabrics
- Brushed leisurewear fabrics
- Fabrics for the automotive market

During the current year the group maintained our product portfolio and manufacturing capability and capacity, with the intention of further penetrating existing markets and entering new ones.

Our Trims business operating in Leicester had a successful and profitable year driven by its quick response capability in meeting the needs of niche fashion sectors.

Overall trading activity increased slightly for the year whilst maintaining margin in a competitive environment, although a rise in overheads resulted in an operating loss.

At the year end, a decision was taken within the group to write off long standing inter group balances with dormant subsidiaries. As a result of this, provision was required in this company against the investment carrying value of certain of these subsidiaries; these factors resulted in a net credit of £1,717,288 to the Profit and Loss Account. The company made a net profit for the financial year of £1,702,540.

At the year end the company remained in a sound position.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk continues to be the international political and economic uncertainties. We have, however, seen very little detrimental effect on our business at our primary production unit in Egypt and continue to receive important and valuable economic support from the government of Egypt.

In addition the Group, as with many other offshore producers and suppliers, faces the risks that derive from trading in international currencies. The group endeavours to mitigate this risk by rigorous exchange rate management processes.

**CLOVERBROOK LIMITED**

**STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2015**

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**FINANCIAL KEY PERFORMANCE INDICATORS**

Our key performance indicators include

- sales and profit before taxation of the company and group against budget.

as well as the following which are essential to maintaining cost effectiveness and long term business relationships with our global brand and OEM customer base.

- Manufacturing quality and performance data
- New product developments
- Customer quality and delivery performance feedback
- Continuing formal industry quality accreditation (ISO9001 and TS16149).

We recognise the importance of continuing to invest in the training and development of our people to achieve the above performance standards.

This report was approved by the board on 10 December 2015 and signed on its behalf.



**S Chippendale**  
Director

**CLOVERBROOK LIMITED**

**INDEPENDENT AUDITORS' REPORT TO CLOVERBROOK LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 8 to 17, together with the financial statements of Cloverbrook Limited for the year ended 31 March 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. 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 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 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 are properly prepared.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 8 to 17 have been properly prepared in accordance with the regulations made under that section.



Richard Ainscough (Senior statutory auditor)

for and on behalf of  
**PM+M Solutions for Business LLP**

Chartered Accountants  
Statutory Auditors

Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB

10 December 2015



## CLOVERBROOK LIMITED

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

	Note	2015 £	2014 £
<b>TURNOVER</b>	1	<b>1,295,105</b>	<b>1,259,341</b>
Other operating income and expenses		(852,964)	(805,712)
Staff costs		(396,954)	(376,123)
Depreciation and amortisation		(55,865)	(50,434)
<b>OPERATING (LOSS)/PROFIT</b>	2	<b>(10,678)</b>	<b>27,072</b>
Amounts written off investments		1,717,288	-
Interest payable and similar charges	5	(4,070)	(2,838)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,702,540</b>	<b>24,234</b>
Tax on profit on ordinary activities		-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13	<b>1,702,540</b>	<b>24,234</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 10 to 17 form part of these financial statements.

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

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	6		77,770		119,903
Investments	7		2,205,899		8,209,611
			<u>2,283,669</u>		<u>8,329,514</u>
<b>CURRENT ASSETS</b>					
Stocks	8	80,446		91,295	
Debtors	9	2,976,296		4,722,249	
Cash at bank and in hand		56,842		36,900	
			<u>3,113,584</u>	<u>4,850,444</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(1,110,190)		(1,083,577)	
<b>NET CURRENT ASSETS</b>			<u>2,003,394</u>		<u>3,766,867</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,287,063</u>		<u>12,096,381</u>
<b>CREDITORS:</b> amounts falling due after more than one year	11		(15,091)		(9,526,949)
<b>NET ASSETS</b>			<u>4,271,972</u>		<u>2,569,432</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		176,499		176,499
Share premium account	13		5,246,887		5,246,887
Other reserves	13		23,500		23,500
Profit and loss account	13		(1,174,914)		(2,877,454)
<b>SHAREHOLDERS' FUNDS</b>	14		<u>4,271,972</u>		<u>2,569,432</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 10 December 2015.

*S. Chippendale*

**S Chippendale**  
 Director

The notes on pages 10 to 17 form part of these financial statements.

**CLOVERBROOK LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015****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.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**1.3 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. Revenue is recognised when goods are dispatched.

**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:

Plant & machinery	-	14-33% straight line
Motor vehicles	-	20% straight line
Office equipment	-	10-33% straight line

**1.5 Investments**

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

**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.

**CLOVERBROOK LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**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.

**1.8 Stocks**

Stocks 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 Foreign currencies**

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

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

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

**1.10 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.

**1.11 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.

## CLOVERBROOK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**2. OPERATING (LOSS)/PROFIT**

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	40,235	40,235
- held under finance leases	16,280	10,399
Auditors' remuneration	20,250	9,000
Operating lease rentals:		
- other operating leases	16,451	20,407
Difference on foreign exchange	19,733	13,186
	<u>          </u>	<u>          </u>

The depreciation rate for office equipment has been changed for certain assets following a reassessment of expected useful lives. Rates have been changed from 10% straight line to between 10% and 33% straight line. The effect of the change in the year is to increase the depreciation charge by £13,402.

**3. STAFF COSTS**

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

	2015 £	2014 £
Wages and salaries	339,993	320,511
Social security costs	40,979	42,111
Other pension costs	15,982	13,501
	<u>          </u>	<u>          </u>
	<u>396,954</u>	<u>376,123</u>

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

	2015 No.	2014 No.
Production	1	1
Administration	6	6
Sales and marketing	3	3
Design	2	2
	<u>          </u>	<u>          </u>
	<u>12</u>	<u>12</u>

## CLOVERBROOK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

## 4. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	128,128	129,158

## 5. INTEREST PAYABLE

	2015 £	2014 £
On finance leases and hire purchase contracts	4,070	2,838

## 6. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2014	280,995	67,740	423,767	772,502
Additions	-	14,382	-	14,382
Disposals	(121,061)	(11,995)	(89,117)	(222,173)
Transfer between classes	(45,035)	-	45,035	-
At 31 March 2015	114,899	70,127	379,685	564,711
<b>Depreciation</b>				
At 1 April 2014	205,073	36,671	410,855	652,599
Charge for the year	13,512	14,028	28,975	56,515
On disposals	(121,061)	(11,995)	(89,117)	(222,173)
At 31 March 2015	97,524	38,704	350,713	486,941
<b>Net book value</b>				
At 31 March 2015	17,375	31,423	28,972	77,770
At 31 March 2014	75,922	31,069	12,912	119,903

## CLOVERBROOK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

## 6. TANGIBLE FIXED ASSETS (continued)

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

	2015 £	2014 £
Plant and machinery	6,681	11,691
Motor vehicles	31,437	28,319
	<u>38,118</u>	<u>40,010</u>

## 7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2014 and 31 March 2015	<u>8,209,611</u>
<b>Impairment</b>	
At 1 April 2014	-
Charge for the year	<u>6,003,712</u>
At 31 March 2015	<u>6,003,712</u>
<b>Net book value</b>	
At 31 March 2015	<u>2,205,899</u>
At 31 March 2014	<u>8,209,611</u>

## Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Springbrook Limited	Ordinary	100%
Riverside Knitting Co. Limited	Ordinary	100%
Brook Finishing Co. Limited	Ordinary	50%
Brook Knitting Co. Limited	Ordinary	100%
Cloverbrook Textiles Egypt S.A.E.	Ordinary	100%

## CLOVERBROOK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

## 7. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at 31 March 2015 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	54,623	(8,404,725)
Riverside Knitting Co. Limited	54,623	(6,622,817)
Brook Finishing Co. Limited	-	(1,098,183)
Brook Knitting Co. Limited	(385,507)	-
Cloverbrook Textiles Egypt S.A.E.	2,972,337	(288,382)

## 8. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	80,446	91,295

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

## 9. DEBTORS

	2015 £	2014 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	1,781,908
<b>Due within one year</b>		
Trade debtors	125,339	187,498
Amounts owed by group undertakings	2,780,233	2,703,397
Other debtors	17,667	17,667
Prepayments and accrued income	53,057	31,779
	2,976,296	4,722,249



## CLOVERBROOK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**10. CREDITORS:****Amounts falling due within one year**

	2015 £	2014 £
Other loans	860,000	860,000
Net obligations under finance leases and hire purchase contracts	20,107	12,622
Trade creditors	130,228	81,930
Other taxation and social security	15,399	25,997
Other creditors	10,000	50,000
Accruals and deferred income	74,456	53,028
	<u>1,110,190</u>	<u>1,083,577</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

**11. CREDITORS:****Amounts falling due after more than one year**

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	15,091	24,042
Amounts owed to group undertakings	-	9,502,907
	<u>15,091</u>	<u>9,526,949</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2015 £	2014 £
Repayable other than by instalments	-	9,502,907

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015 £	2014 £
Between one and five years	15,091	24,042

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

## CLOVERBROOK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

## 12. SHARE CAPITAL

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
176,499 Ordinary shares of 1 each	<u>176,499</u>	<u>176,499</u>

## 13. RESERVES

	Share premium account £	Other reserves £	Profit and loss account £
At 1 April 2014	5,246,887	23,500	(2,877,454)
Profit for the year	-	-	1,702,540
At 31 March 2015	<u>5,246,887</u>	<u>23,500</u>	<u>(1,174,914)</u>

## 14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	2,569,432	2,545,198
Profit for the financial year	<u>1,702,540</u>	<u>24,234</u>
Closing shareholders' funds	<u>4,271,972</u>	<u>2,569,432</u>

## 15. 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 £15,982 (2014 - £13,501). At the year end, there was £2,194 (2014 - £4,805) included within accruals.

## 16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's parent company is Cloverbrook Holdings Ltd, incorporated in the UK. Ultimate control is held by S. Chippendale.