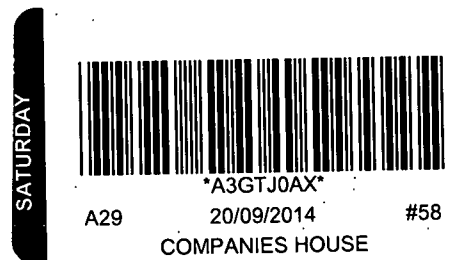


WEARWELL (UK) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013



WEARWELL (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

B Greasley
G Clayton
C Rooney

COMPANY SECRETARY

B Greasley

REGISTERED NUMBER

02993093

REGISTERED OFFICE

Gagarin, Lichfield Road
Tamworth
Staffordshire
B79 7TR

INDEPENDENT AUDITORS

Smith Cooper Limited
Chartered Accountants & Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE

WEARWELL (UK) LIMITED

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WEARWELL (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

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.

RESULTS

The profit for the year, after taxation, amounted to £170,697 (2012 - £373,597).

DIRECTORS

The directors who served during the year were:

B Greasley
G Clayton
C Rooney

FINANCIAL INSTRUMENTS

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk, interest rate risk and foreign exchange risk. The company has a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and related finance costs. The company has implemented policies that require appropriate credit checks before a sale is made. The company maintains a mixture of long term and short term debt, to ensure the company has sufficient funds for its operations. Currently, fluctuations in exchange rates do not have a significant impact upon the company's operations.

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.

WEARWELL (UK) LIMITED

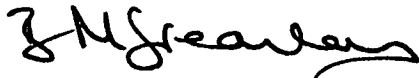
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

AUDITORS

With effect from 1 April 2014 Smith Cooper LLP, the company's auditor, transferred its business to Smith Cooper Limited. The directors consent to treating the appointment of Smith Cooper LLP as extending to Smith Cooper Limited with effect from 1 April 2014.

Under section 487 of the Companies Act 2006, Smith Cooper Limited will be deemed to have been reappointed as auditor(s) 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 17 September 2014 and signed on its behalf.



B Greasley
Secretary

WEARWELL (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

BUSINESS REVIEW

Within this report the directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the period end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

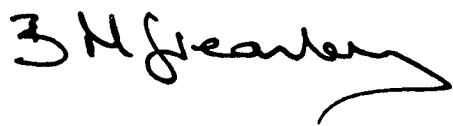
PRINCIPAL RISKS AND UNCERTAINTIES

Considering the risks and uncertainties the company has identified, we are aware that any plans for the future development of the business may be subject to unforeseen events outside our control.

FINANCIAL KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin, EBITDA, and cash flow.

This report was approved by the board on 17 September 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J. H. Greener', with a long, sweeping underline.

WEARWELL (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO WEARWELL (UK) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 15, together with the financial statements of Wearwell (UK) Limited for the year ended 31 December 2013 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 5 to 15 have been properly prepared in accordance with the regulations made under that section.

Janet Morgan (Senior statutory auditor)
for and on behalf of

Smith Cooper Limited

Chartered Accountants

Statutory Auditors

St Helen's House

King Street

Derby

DE1 3EE

Date: 17 September 2014

WEARWELL (UK) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1	5,604,931	5,431,432
GROSS PROFIT		833,188	1,080,087
Administrative expenses		(575,031)	(618,809)
OPERATING PROFIT	2	258,157	461,278
Interest payable and similar charges	4	(30,684)	(34,256)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		227,473	427,022
Tax on profit on ordinary activities	5	(56,776)	(53,425)
PROFIT FOR THE FINANCIAL YEAR	13	170,697	373,597

All amounts relate to continuing operations.

The notes on pages 8 to 15 form part of these financial statements.

WEARWELL (UK) LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
PROFIT FOR THE FINANCIAL YEAR	170,697	373,597
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	170,697	373,597
	<hr/> <hr/>	<hr/> <hr/>

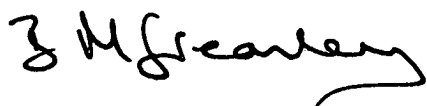
The notes on pages 8 to 15 form part of these financial statements.

WEARWELL (UK) LIMITED
REGISTERED NUMBER: 02993093

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	6		761,933		659,981
CURRENT ASSETS					
Stocks	7	1,218,029		1,313,863	
Debtors	8	3,375,541		3,438,157	
Cash at bank and in hand		510		78,523	
			<u>4,594,080</u>	<u>4,830,543</u>	
CREDITORS: amounts falling due within one year	9	<u>(1,507,857)</u>		<u>(1,780,716)</u>	
NET CURRENT ASSETS			<u>3,086,223</u>		<u>3,049,827</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,848,156</u>		<u>3,709,808</u>
CREDITORS: amounts falling due after more than one year	10		<u>(587,627)</u>		<u>(619,976)</u>
NET ASSETS			<u><u>3,260,529</u></u>		<u><u>3,089,832</u></u>
CAPITAL AND RESERVES					
Called up share capital	12		146,178		146,178
Share premium account	13		132,943		132,943
Capital redemption reserve	13		71,463		71,463
Other reserves	13		692,696		692,696
Profit and loss account	13		2,217,249		2,046,552
SHAREHOLDERS' FUNDS	14		<u><u>3,260,529</u></u>		<u><u>3,089,832</u></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 17 September 2014



B Greasley
Director

The notes on pages 8 to 15 form part of these financial statements.

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 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 despatched.

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 Buildings	-	4% straight line
Plant & Machinery	-	10-20% straight line
Motor Vehicles	-	25% straight line
Office Equipment	-	10-33% straight line

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

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.

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 not discounted.

WEARWELL (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

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 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.

1.10 Finance costs

Issue costs incurred in raising additional finance are deducted from the proceeds received from the loans and are amortised over the term of the capital instrument in accordance with FRS 4.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	58,890	59,595
Auditors' remuneration	10,000	9,500
(Profit)/Loss on foreign exchange	(14,783)	(15,219)

During the year, no director received any emoluments (2012 - £NIL).

WEARWELL (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

3. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	1,316,599	1,231,316
Social security costs	22,298	21,416
Other pension costs	1,209	1,206
	<u>1,340,106</u>	<u>1,253,938</u>

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

	2013 No.	2012 No.
Production and sales	44	43
Management and administration	14	14
	<u>58</u>	<u>57</u>

4. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	<u>30,684</u>	<u>34,256</u>

5. TAXATION

	2013 £	2012 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	50,500	1,077
Adjustments in respect of prior periods	-	(5,463)
Total current tax	<u>50,500</u>	<u>(4,386)</u>
Deferred tax		
Origination and reversal of timing differences	6,276	39,975
Change in opening rate	-	16,734
Other permanent differences	-	1,102
Total deferred tax (see note 11)	<u>6,276</u>	<u>57,811</u>
Tax on profit on ordinary activities	<u>56,776</u>	<u>53,425</u>

WEARWELL (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

5. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 20%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	227,473	427,022
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 20%)	52,887	85,404
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,116	5,377
Capital allowances for year in excess of depreciation	(28,276)	25
Adjustments to tax charge in respect of prior periods	-	(5,463)
Short term timing difference leading to an increase (decrease) in taxation	22,000	(40,000)
Group relief	-	(49,729)
Marginal relief	(2,227)	-
Current tax charge/(credit) for the year (see note above)	50,500	(4,386)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & Machinery £	Motor Vehicles £	Office Equipment £	Total £
Cost					
At 1 January 2013	876,257	263,261	41,519	217,626	1,398,663
Additions	-	133,952	25,417	1,473	160,842
At 31 December 2013	876,257	397,213	66,936	219,099	1,559,505
Depreciation					
At 1 January 2013	303,799	220,899	28,766	185,218	738,682
Charge for the year	28,442	10,449	7,674	12,325	58,890
At 31 December 2013	332,241	231,348	36,440	197,543	797,572
Net book value					
At 31 December 2013	544,016	165,865	30,496	21,556	761,933
At 31 December 2012	572,458	42,362	12,753	32,408	659,981

WEARWELL (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

7. STOCKS

	2013 £	2012 £
Raw materials	198,808	194,348
Work in progress	646,058	449,261
Finished goods and goods for resale	373,163	670,254
	<u>1,218,029</u>	<u>1,313,863</u>

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

8. DEBTORS

	2013 £	2012 £
Due after more than one year		
Amounts owed by group undertakings	1,398,466	1,935,592
Due within one year		
Trade debtors	1,830,915	1,457,184
Other debtors	1,353	-
Prepayments and accrued income	136,381	30,679
Deferred tax asset (see note 11)	8,426	14,702
	<u>3,375,541</u>	<u>3,438,157</u>

Included within amounts due from group undertakings is £569 which was a loan made by the company to Wearwell Group Limited to provide financial assistance to purchase the shares of the company.

9. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts (note 12)	109,503	40,271
Trade creditors	1,041,267	507,094
Corporation tax	46,090	1,077
Other taxation and social security	79,779	56,460
Proceeds of factored debts	-	1,030,085
Other creditors	57	46
Accruals and deferred income	231,161	145,683
	<u>1,507,857</u>	<u>1,780,716</u>

WEARWELL (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

10. CREDITORS: Amounts falling due after more than one year

	2013 £	2012 £
Bank loans	<u>587,627</u>	<u>619,976</u>

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

	2013 £	2012 £
Repayable by instalments	<u>396,636</u>	<u>451,381</u>

The bank loan is for a period of 19 years and 5 months and is repayable in equal monthly instalments. Interest on the loan is charged at a rate of 1.36% over bank base rate.

The bank loans are stated net of unamortised issue costs of £11,900 (2012: £12,750) These costs together with the interest expense are allocated to the profit and loss account over the term of the loans at a constant rate on the carrying amount.

The bank loan and overdraft are secured by a mortgage over the freehold property and by a fixed and floating charge over the assets of the company.

11. DEFERRED TAX ASSET

	2013 £	2012 £
At beginning of year	14,702	72,513
Charged for year (P&L)	(6,276)	(57,811)
At end of year	<u>8,426</u>	<u>14,702</u>

The deferred tax asset is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	(33,574)	(5,298)
Tax losses carried forward	42,000	20,000
	<u>8,426</u>	<u>14,702</u>

12. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
146,178 Ordinary shares shares of £1 each	<u>146,178</u>	<u>146,178</u>

WEARWELL (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

13. RESERVES

	Share premium account £	Capital redempt'n reserve £	Other reserves £	Profit and loss account £
At 1 January 2013	132,943	71,463	692,696	2,046,552
Profit for the financial year				170,697
At 31 December 2013	<u>132,943</u>	<u>71,463</u>	<u>692,696</u>	<u>2,217,249</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	3,089,832	3,036,235
Profit for the financial year	170,697	373,597
Dividends (Note 15)	-	(320,000)
Closing shareholders' funds	<u>3,260,529</u>	<u>3,089,832</u>

15. DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	-	320,000

16. CONTINGENT LIABILITIES

The company has given an unlimited guarantee to secure the banks borrowings of other companies in the group. At 31 December 2013 group borrowings amounted to £694,886 (2012: £1,597,047).

17. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,209 (2012 - £1,206). Contributions totalling £nil (2011 - £nil) were payable to the fund at the balance sheet date.

18. RELATED PARTY TRANSACTIONS

During the year the company purchased services with a value of £43,999 (2012: £38,942,) from Cuskit Limited, a company in which B M Greasley is a director and shareholder. At 31 December 2013 there was an amount of £881 (2012: £2,800) due from the company to Cuskit Limited.

The company is a wholly owned subsidiary of Wearwell Group Limited and has therefore taken advantage of the exemptions contained within FRS8 not to disclose related party transactions with the Group.

WEARWELL (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 December 2013, the immediate and ultimate parent undertaking was Wearwell Group Limited, a company registered in England.

At 31 December 2013, the ultimate controlling party was by Mrs B Greasley by virtue of her 50.25% interest in the equity capital of Wearwell Group Limited.