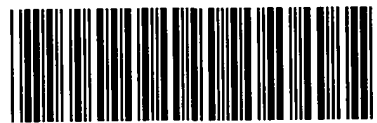


REGISTERED NUMBER: 03890074 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
GLOBALTEX LIMITED**

TUESDAY



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for the year ended 31 December 2014**

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GLOBALTEX LIMITED

COMPANY INFORMATION
for the year ended 31 December 2014

DIRECTORS:

L Clarke
Mrs E J Clarke
A S O'Farrell

SECRETARY:

Mrs E J Clarke

REGISTERED OFFICE:

St Andrews House
11 Dalton Court
Commercial Road, Blackburn Interchange
Darwen
Lancashire
BB3 0DG

REGISTERED NUMBER:

03890074 (England and Wales)

AUDITORS:

Hayes & Co
Chartered Accountants and Statutory Auditor
St Andrews House
11 Dalton Ct, Commercial Rd
Blackburn Interchange
Darwen
Lancashire
BB3 0DG

**STRATEGIC REPORT
for the year ended 31 December 2014**

The directors present their strategic report for the year ended 31 December 2014.

REVIEW OF BUSINESS

The company supplies fabrics, wallpapers and soft furnishings to the wholesale market.

The results for the company are set out on pages 7 to 16 shows an increase in profits before taxation from ordinary activities from £2,596,102 to £3,304,275.

This has been achieved through an increase in turnover from £16,255,275 to £17,860,058 together with an increase in gross profit margins as a result of less high volume low margin customers.

The main growth has been in non EU and UK sales which have increased by 17.2% and 7.6% respectively. The non EU exports have been as a result of continued focus on overseas markets, especially North America and the Far East. The company's online ordering system has facilitated this.

The company remains committed to developing these markets further and anticipates further growth in these markets.

The company continues to source and create new designs to ensure that product ranges remain fresh and on trend. During the year the company worked on developing its largest product launch and in January 2015 it launched 11 new collections, these have been very well received at exhibitions and in the industry. The company continues to exhibit at industry trade fairs to maintain a high profile within the industry and also the brand of Clarke and Clarke.

The company has developed a new range of ready made cushions and has started to develop a range suitable for contract customers.

The introduction of additional warehouse space last year has enabled the company to expand facilities, with the installation of packing machinery to improve despatch procedures and efficiencies.

PRINCIPAL RISKS AND UNCERTAINTIES

As with all businesses the company is subject to the general economic climate both in the UK and the rest of the world.

Each new range has associated economic risks and the company undertakes significant research to minimise such design risks.

The company is exposed to the usual credit and cash flow risks associated with selling on credit, they manage this carefully through its credit control procedures and insurance of major debtors.

ON BEHALF OF THE BOARD:



.....
L Clarke - Director

Date: 5 June 2015

REPORT OF THE DIRECTORS
for the year ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

DIVIDENDS

Interim dividends per share were paid as follows:

19800	- 14 March 2014
26000	- 15 April 2014
26000	- 15 July 2014
26000	- 15 October 2014
18866.5	- 15 December 2014
<hr/>	
116666.5	
<hr/>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2014 will be £223,333.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

L Clarke
Mrs E J Clarke

Other changes in directors holding office are as follows:

A S O'Farrell - appointed 3 February 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements 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.

REPORT OF THE DIRECTORS
for the year ended 31 December 2014

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



.....
L Clarke - Director

Date: 5 June 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GLOBALTEX LIMITED

We have audited the financial statements of Globaltex Limited for the year ended 31 December 2014 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GLOBALTEX LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Anthony Totham BSc FCA (Senior Statutory Auditor)
for and on behalf of Hayes & Co
Chartered Accountants and Statutory Auditor
St Andrews House
11 Dalton Ct, Commercial Rd
Blackburn Interchange
Darwen
Lancashire
BB3 0DG

Date: 5 June 2015

GLOBALTEX LIMITED (REGISTERED NUMBER: 03890074)**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014**

	Notes	2014 £	2013 £
TURNOVER	2	17,860,058	16,255,275
Cost of sales		10,614,704	10,025,632
GROSS PROFIT		7,245,354	6,229,643
Administrative expenses		3,950,348	3,664,040
		3,295,006	2,565,603
Other operating income		-	34,375
OPERATING PROFIT	4	3,295,006	2,599,978
Interest receivable and similar income		9,269	2,053
		3,304,275	2,602,031
Interest payable and similar charges	5	-	5,929
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,304,275	2,596,102
Tax on profit on ordinary activities	6	694,072	602,465
PROFIT FOR THE FINANCIAL YEAR		2,610,203	1,993,637

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

BALANCE SHEET
31 December 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	379,129	352,953
CURRENT ASSETS			
Stocks	9	3,961,856	2,477,925
Debtors	10	3,503,728	3,183,903
Cash at bank and in hand		1,743,535	1,567,749
		<u>9,209,119</u>	<u>7,229,577</u>
CREDITORS			
Amounts falling due within one year	11	<u>2,738,989</u>	<u>3,113,706</u>
NET CURRENT ASSETS		<u>6,470,130</u>	<u>4,115,871</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,849,259</u>	<u>4,468,824</u>
PROVISIONS FOR LIABILITIES	14	<u>33,624</u>	<u>40,059</u>
NET ASSETS		<u><u>6,815,635</u></u>	<u><u>4,428,765</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	2	2
Profit and loss account	16	<u>6,815,633</u>	<u>4,428,763</u>
SHAREHOLDERS' FUNDS	21	<u><u>6,815,635</u></u>	<u><u>4,428,765</u></u>

The financial statements were approved by the Board of Directors on 5 June 2015 and were signed on its behalf by:


L Clarke - Director

CASH FLOW STATEMENT
for the year ended 31 December 2014

	Notes	2014 £	£	2013 £	£
Net cash inflow from operating activities	1		2,198,907		1,724,241
Returns on investments and servicing of finance	2		9,269		(3,876)
Taxation			(572,756)		(158,533)
Capital expenditure	2		(128,734)		730,563
Equity dividends paid			(223,333)		(39,000)
			<u>1,283,353</u>		<u>2,253,395</u>
Financing	2		(1,107,567)		(665,429)
Increase in cash in the period			<u>175,786</u>		<u>1,587,966</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		175,786		1,587,966	
Cash outflow from decrease in debt and lease financing		<u>-</u>		<u>406,669</u>	
Change in net funds resulting from cash flows			<u>175,786</u>		<u>1,994,635</u>
Movement in net funds in the period			<u>175,786</u>		<u>1,994,635</u>
Net funds/(debt) at 1 January			<u>1,567,749</u>		<u>(426,886)</u>
Net funds at 31 December			<u>1,743,535</u>		<u>1,567,749</u>

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 December 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	3,295,006	2,599,978
Depreciation charges	91,817	50,876
Loss on disposal of fixed assets	10,741	-
Increase in stocks	(1,483,931)	(227,427)
Increase in debtors	(186,498)	(22,110)
Increase/(decrease) in creditors	471,772	(677,076)
Net cash inflow from operating activities	2,198,907	1,724,241

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	9,269	2,053
Interest paid	-	(5,929)
Net cash inflow/(outflow) for returns on investments and servicing of finance	9,269	(3,876)
Capital expenditure		
Purchase of tangible fixed assets	(128,734)	(168,852)
Sale of tangible fixed assets	-	899,415
Net cash (outflow)/inflow for capital expenditure	(128,734)	730,563
Financing		
Loan repayments in year	-	(404,702)
Capital repayments in year	-	(1,969)
Amount introduced by directors	-	479,000
Amount withdrawn by directors	(974,238)	(11,108)
Loan to group undertaking	(133,329)	(726,650)
Net cash outflow from financing	(1,107,567)	(665,429)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank and in hand	1,567,749	175,786	1,743,535
	<u>1,567,749</u>	<u>175,786</u>	<u>1,743,535</u>
Total	<u>1,567,749</u>	<u>175,786</u>	<u>1,743,535</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Revenue is recognised at the point of sale.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to leasehold property	- 10 years straight line
Plant and machinery	- 33% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer & office equipment	- 25% on cost and 20% on reducing balance

Fixed Assets are initially recorded at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2014

2. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2014	2013
	£	£
United Kingdom	11,546,831	10,729,143
Europe	2,443,638	2,226,854
United States of America	1,278,602	591,714
Non EU Sales	2,590,987	2,707,564
	<u>17,860,058</u>	<u>16,255,275</u>

3. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	1,871,971	1,640,880
Other pension costs	82,566	250,854
	<u>1,954,537</u>	<u>1,891,734</u>

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

	2014	2013
Employees	<u>52</u>	<u>47</u>

4. OPERATING PROFIT

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

	2014	2013
	£	£
Hire of plant and machinery	13,408	11,155
Depreciation - owned assets	91,817	50,874
Loss on disposal of fixed assets	10,741	-
Audit and accountancy	6,550	5,920
Foreign exchange differences	-	(34,375)
	<u></u>	<u></u>
Directors' remuneration	74,973	14,548
Directors' pension contributions to money purchase schemes	81,964	250,854
	<u></u>	<u></u>

The number of directors to whom retirement benefits were accruing was as follows:

	3	2
Money purchase schemes	<u></u>	<u></u>

The emoluments of the highest paid director, including pension contributions, was £55,964 (2013: £138,201).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2014

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	-	2,693
Mortgage	-	3,236
	<u>-</u>	<u>5,929</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	702,849	575,098
Overprovision in prior year	(2,342)	-
Total current tax	<u>700,507</u>	<u>575,098</u>
Deferred tax	<u>(6,435)</u>	<u>27,367</u>
Tax on profit on ordinary activities	<u>694,072</u>	<u>602,465</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	<u>3,304,275</u>	<u>2,596,102</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.493% (2013 - 23.250%)	710,188	603,594
Effects of:		
Expenses not deductible for tax purposes	4,441	4,006
Capital allowances in excess of depreciation	(11,780)	(32,502)
Adjustments to tax charge in respect of previous periods	(2,342)	-
Current tax charge	<u>700,507</u>	<u>575,098</u>

7. DIVIDENDS

	2014	2013
	£	£
Ordinary shares of £1 each		
Interim	<u>223,333</u>	<u>39,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2014

8. TANGIBLE FIXED ASSETS

	Improvements to leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer & office equipment £	Totals £
COST					
At 1 January 2014	70,067	255,775	257,790	226,574	810,206
Additions	-	112,908	3,645	12,181	128,734
Disposals	-	(20,910)	(36,045)	(148,747)	(205,702)
At 31 December 2014	70,067	347,773	225,390	90,008	733,238
DEPRECIATION					
At 1 January 2014	8,758	165,816	113,685	168,994	457,253
Charge for year	7,007	31,995	32,013	20,802	91,817
Eliminated on disposal	-	(20,316)	(28,629)	(146,016)	(194,961)
At 31 December 2014	15,765	177,495	117,069	43,780	354,109
NET BOOK VALUE					
At 31 December 2014	54,302	170,278	108,321	46,228	379,129
At 31 December 2013	61,309	89,959	144,105	57,580	352,953

9. STOCKS

	2014 £	2013 £
Stocks	3,961,856	2,477,925

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	2,524,187	2,358,336
Amounts owed by group undertakings	859,977	726,650
Other debtors	50,671	27,951
Prepayments	68,893	70,966
	3,503,728	3,183,903

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	1,863,502	1,367,646
Tax	702,849	575,098
Social security and other taxes	47,805	41,442
Directors' current accounts	494	974,734
Accrued expenses	124,339	154,786
	2,738,989	3,113,706

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2014

12. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	-	6,230	6,539
Between one and five years	-	-	39,890	31,397
In more than five years	25,000	25,000	-	-
	<u>25,000</u>	<u>25,000</u>	<u>46,120</u>	<u>37,936</u>

13. SECURED DEBTS

Any bank overdraft would be secured by a debenture dated 26 May 2000.

14. PROVISIONS FOR LIABILITIES

	2014	2013
	£	£
Deferred tax	<u>33,624</u>	<u>40,059</u>
		Deferred tax
		£
Balance at 1 January 2014		40,059
Credit to Profit and Loss Account during year		(6,435)
Balance at 31 December 2014		<u>33,624</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

16. RESERVES

	Profit and loss account
	£
At 1 January 2014	4,428,763
Profit for the year	2,610,203
Dividends	(223,333)
At 31 December 2014	<u>6,815,633</u>

17. ULTIMATE PARENT COMPANY

Globaltex Holdings Limited is regarded by the directors as being the company's ultimate parent company.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2014

18. CONTINGENT LIABILITIES

The company has a cross guarantee to Globaltex Holdings Ltd with a fixed and floating charge over the companies assets given to the bank. At the year end the indebtedness of Globaltex Holdings Ltd to the bank was £1,173,475 (2013: £1,359,330), that debt was secured on the property owned by Globaltex Holdings Ltd which cost £2,078,467.

19. RELATED PARTY DISCLOSURES

Clarke and Clarke LLC

A business controlled by the brother of L Clarke.

During the year the company sold goods to Clarke and Clarke LLC amounting to £1,278,602 (2013:£591,714).

	2014	2013
	£	£
Amount due from related party at the balance sheet date	<u>313,227</u>	<u>379,123</u>

L Clarke

During the year the services of L Clarke, other than his fiduciary duties, have been supplied to the company under a separate distinct contract, this amounted to £32,000 (2013: £192,000). There were no amounts outstanding at the year end.

Clarke & Clarke Retirement Benefit Scheme

A pension scheme where the directors are the beneficiaries

The company leases a property owned by the pension fund. The lease is for 10 years from 2012, at an annual rent of £25,000 pa. There were no amounts outstanding at the year end (2013:£Nil).

L & E Clarke

Directors and shareholders

	2014	2013
	£	£
Amount due to related party at the balance sheet date	<u>496</u>	<u>974,734</u>

20. ULTIMATE CONTROLLING PARTY

The controlling party is Mr L Clarke and Mrs E Clarke.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	2,610,203	1,993,637
Dividends	(223,333)	(39,000)
Net addition to shareholders' funds	<u>2,386,870</u>	<u>1,954,637</u>
Opening shareholders' funds	4,428,765	2,474,128
Closing shareholders' funds	<u>6,815,635</u>	<u>4,428,765</u>