

Company Registration No. 04336474 (England and Wales)

BARNFATHER HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

BARNFATHER HOLDINGS LIMITED

DIRECTOR AND ADVISERS

| | |
|----------------------------|---|
| Director | Mr J.R.G Barnfather |
| Company number | 04336474 |
| Registered office | Wire Mills Willenhall Road Darlaston WS10 8JG |
| Registered auditors | AGS Accountants & Business Advisors Limited Castle Court 2 Castle Gate Way Dudley DY1 4RH |
| Business address | Wire Mills, Willenhall Road Darlaston WS10 8JG |
| Bankers | Lloyds TSB PO Box 46 The Bridge Walsall WS1 1LU |

BARNFATHER HOLDINGS LIMITED

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BARNFATHER HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The director presents the strategic report and financial statements for the year ended 31 December 2013.

Review of the business

The directors of Barnfather Holdings Limited aim to provide a balanced overview of the performance and condition of our group during the past 12 months and as of the year end. Our report is consistent with the financial statements that have been produced and addresses any risks and uncertainties that our business may be subjected to.

Our group benefits from the vast expertise and knowledge that we directors have accumulated during our years trading within the UK steel industry. Such knowledge has allowed the group to remain financially sound whilst growing at a steady rate for a number of years.

We believe that the principle risk that has faced our group for a number of years is the health of the UK economy. Many businesses within our industry have failed and many more are still suffering despite what appears to be an improvement in the economy as a whole during the period and since the balance sheet date. Careful planning and knowledge of the industry has enabled us to buy at the correct times and to trade with the correct businesses to ensure the stability of our group whilst remaining competitive with our European competitors.

Steel prices were high throughout 2012 which had a negative impact on our gross margin. Careful stock management and purchasing in 2013 has enabled us to bring our margin back up to a level consistent with prior years.

At the year ended 31 December 2013 we believe the group to be financially and operationally sound.

Plans are in place to target customers where greater profit margins can be achieved whilst minimising the risk of exposure to bad debts. The end result of such plans is anticipated to be further growth within the UK steel industry whilst maintaining the financial stability of the group.

On behalf of the board



Mr J.R.G Barnfather
Director

4 September 2014

BARNFATHER HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The director presents his report and financial statements for the year ended 31 December 2013.

Principal activities

The principal activity of the company continued to be that of a holding company.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

Director

The following director has held office since 1 January 2013:

Mr J.R.G Barnfather

Auditors

The auditors, AGS Accountants & Business Advisors Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

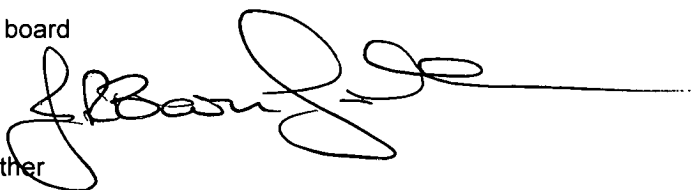
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



Mr J.R.G Barnfather
Director

4 September 2014

BARNFATHER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BARNFATHER HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Barnfather Holdings Limited for the year ended 31 December 2013 set out on pages 5 to 21. 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 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 2, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report 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 group's and parent company's affairs as at 31 December 2013 and of the group's 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BARNFATHER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BARNFATHER HOLDINGS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Mr Kevin Corey (Senior Statutory Auditor)

**for and on behalf of AGS Accountants & Business Advisors
Limited**

4 September 2014

**Accountants
Statutory Auditor**

Castle Court 2
Castle Gate Way
Dudley
DY1 4RH

BARNFATHER HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|-----------------------|-----------------------|
| Turnover | 2 | 8,928,647 | 8,628,384 |
| Cost of sales | | (6,809,739) | (6,796,143) |
| Gross profit | | <u>2,118,908</u> | <u>1,832,241</u> |
| Administrative expenses | | (1,397,195) | (1,812,476) |
| Operating profit | 3 | <u>721,713</u> | <u>19,765</u> |
| Interest payable and similar charges | 4 | (9,389) | (1,627) |
| Profit on ordinary activities before taxation | | <u>712,324</u> | <u>18,138</u> |
| Tax on profit on ordinary activities | 5 | (125,952) | (22,252) |
| Profit/(loss) on ordinary activities after taxation | | <u><u>586,372</u></u> | <u><u>(4,114)</u></u> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.


BARNFATHER HOLDINGS LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2013

| | Notes | Group 2013 £ | 2012 £ | Company 2013 £ | 2012 £ |
|--|-------|--------------------|------------------|----------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | 1,680,180 | 470,181 | 526,628 | 319,668 |
| Investments | 9 | - | - | 1,450,272 | 500,005 |
| | | <u>1,680,180</u> | <u>470,181</u> | <u>1,976,900</u> | <u>819,673</u> |
| Current assets | | | | | |
| Stocks | 10 | 1,938,672 | 1,453,734 | - | - |
| Debtors | 11 | 2,028,511 | 2,086,214 | 1,427,472 | 869,253 |
| Cash at bank and in hand | | 873,701 | 1,397,175 | 644,200 | 1,273,957 |
| | | <u>4,840,884</u> | <u>4,937,123</u> | <u>2,071,672</u> | <u>2,143,210</u> |
| Creditors: amounts falling due within one year | 12 | (4,483,430) | (4,538,841) | (2,409,599) | (2,149,343) |
| Net current assets | | <u>357,454</u> | <u>398,282</u> | <u>(337,927)</u> | <u>(6,133)</u> |
| Total assets less current liabilities | | <u>2,037,634</u> | <u>868,463</u> | <u>1,638,973</u> | <u>813,540</u> |
| Creditors: amounts falling due after more than one year | 13 | (577,795) | (33,900) | (577,795) | - |
| | | <u>1,459,839</u> | <u>834,563</u> | <u>1,061,178</u> | <u>813,540</u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | 60,000 | 60,000 | 60,000 | 60,000 |
| Share premium account | 17 | 100,812 | 100,812 | 100,812 | 100,812 |
| Other reserves | 17 | 28,004 | 28,004 | 20,000 | 20,000 |
| Profit and loss account | 17 | 1,271,023 | 645,747 | 880,366 | 632,728 |
| Shareholders' funds | 18 | <u>1,459,839</u> | <u>834,563</u> | <u>1,061,178</u> | <u>813,540</u> |

Approved by the Board and authorised for issue on 4 September 2014


 Mr J.R.G Barnfather
 Director

Company Registration No. 04336474

BARNFATHER HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

| | £ | 2013 £ | £ | 2012 £ |
|--|-----------|-------------|-----------|-----------|
| Net cash inflow from operating activities | | 79,303 | | 1,397,330 |
| Returns on investments and servicing of finance | | | | |
| Interest paid | (9,389) | | (1,627) | |
| Net cash outflow for returns on investments and servicing of finance | | (9,389) | | (1,627) |
| Taxation | | (36,362) | | (2,618) |
| Capital expenditure | | | | |
| Payments to acquire tangible assets | (444,878) | | (152,950) | |
| Receipts from sales of tangible assets | 46,000 | | 123,500 | |
| Net cash outflow for capital expenditure | | (398,878) | | (29,450) |
| Acquisitions and disposals | | | | |
| Purchase of subsidiary undertakings (net of cash acquired) | (950,267) | | - | |
| Net cash outflow for acquisitions and disposals | | (950,267) | | - |
| Net cash (outflow)/inflow before management of liquid resources and financing | | (1,315,593) | | 1,363,635 |
| Financing | | | | |
| New long term bank loan | 577,795 | | - | |
| Other new short term loans | 34,766 | | - | |
| Capital element of hire purchase contracts | (50,544) | | 50,544 | |
| Net cash inflow from financing | | 562,017 | | 50,544 |
| (Decrease)/increase in cash in the year | | (753,576) | | 1,414,179 |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

| | | | |
|---|--|---------------|------------------|
| 1 | Reconciliation of operating profit to net cash inflow from operating activities | 2013 | 2012 |
| | | £ | £ |
| | Operating profit | 721,713 | 19,765 |
| | Depreciation of tangible assets | 129,943 | 138,082 |
| | Loss on disposal of tangible assets | 14,676 | 15,748 |
| | (Increase)/decrease in stocks | (484,938) | 979,358 |
| | Decrease in debtors | 45,904 | 1,669,174 |
| | Decrease in creditors within one year | (347,995) | (1,424,797) |
| | Net cash inflow from operating activities | 79,303 | 1,397,330 |

| | | | | | |
|---|-------------------------------------|-----------------------|--------------------|-------------------------------|-------------------------|
| 2 | Analysis of net (debt)/funds | 1 January 2013 | Cash flow | Other non-cash changes | 31 December 2013 |
| | | £ | £ | £ | £ |
| | Net cash: | | | | |
| | Cash at bank and in hand | 1,397,175 | (575,462) | - | 821,713 |
| | Bank overdrafts | (303,616) | (178,114) | - | (481,730) |
| | | <u>1,093,559</u> | <u>(753,576)</u> | <u>-</u> | <u>339,983</u> |
| | Finance leases | (50,544) | 50,544 | - | - |
| | Debts falling due within one year | - | (34,766) | - | (34,766) |
| | Debts falling due after one year | - | (577,795) | - | (577,795) |
| | | <u>(50,544)</u> | <u>(562,017)</u> | <u>-</u> | <u>(612,561)</u> |
| | Net funds/(debt) | 1,043,015 | (1,315,593) | - | (272,578) |

| | | | |
|---|--|--------------------|------------------|
| 3 | Reconciliation of net cash flow to movement in net (debt)/funds | 2013 | 2012 |
| | | £ | £ |
| | (Decrease)/increase in cash in the year | (753,576) | 1,414,181 |
| | Cash inflow from increase in debt | (562,017) | (50,544) |
| | Movement in net (debt)/funds in the year | (1,315,593) | 1,363,637 |
| | Opening net funds/(debt) | 1,043,015 | (320,622) |
| | Closing net (debt)/funds | (272,578) | 1,043,015 |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2013. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

The acquisition during the year of Tipple Rowe (Holdings) Limited and its 100% subsidiary Tipple Rowe Limited are an exception to this policy and the goodwill acquired has been written off in full during the period. This is due to the fact that the only trade carried on by Tipple Rowe (Holdings) Limited and Tipple Rowe Limited is within the Barnfather group of companies and as such any goodwill is thought to be internal to the group alone.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|-----------------------|
| Land and buildings Freehold | Not depreciated |
| Plant and machinery | 10%-25% straight line |
| Fixtures, fittings & equipment | 10%-33% straight line |
| Motor vehicles | 25% reducing balance |

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock

Stock is valued at the lower of cost and net realisable value.

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

(Continued)

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

| | 2013 £ | 2012 £ |
|---|-------------------|-------------------|
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 129,943 | 138,082 |
| Loss on disposal of tangible assets | 14,676 | 15,748 |
| Loss on foreign exchange transactions | 7 | 8 |
| Operating lease rentals | 46,427 | 79,589 |
| Fees payable to the group's auditor for the audit of the group's annual accounts (company £1,155.00; 2012: £1,100.00) | 8,560 | 7,200 |
| Fees payable to the group's auditor for non-audit related work performed and after crediting: | 14,979 | 9,723 |
| Profit on foreign exchange transactions | (82) | - |
| | <u> </u> | <u> </u> |

4 Interest payable

| | 2013 £ | 2012 £ |
|---|-------------------|-------------------|
| On bank loans and overdrafts | 1,618 | 1,627 |
| On other loans wholly repayable within five years | 7,764 | - |
| On overdue tax | 7 | - |
| | <u> </u> | <u> </u> |
| | 9,389 | 1,627 |
| | <u> </u> | <u> </u> |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

| 5 | Taxation | 2013 £ | 2012 £ |
|---|---|-----------------|---------------|
| | Domestic current year tax | | |
| | U.K. corporation tax | 125,952 | 22,252 |
| | Total current tax | <u>125,952</u> | <u>22,252</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | <u>712,324</u> | <u>18,138</u> |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23% (2012 - 20%) | <u>163,835</u> | <u>3,628</u> |
| | Effects of: | | |
| | Non deductible expenses | 3,773 | 7,448 |
| | Depreciation add back | 33,262 | 30,767 |
| | Capital allowances | (70,331) | (16,088) |
| | Tax losses utilised | - | (3,503) |
| | Other tax adjustments | (4,587) | - |
| | | <u>(37,883)</u> | <u>18,624</u> |
| | Current tax charge for the year | <u>125,952</u> | <u>22,252</u> |

6 Profit/(loss) for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the financial year is made up as follows:

| | 2013 £ | 2012 £ |
|--|----------------|----------------|
| Holding company's profit/(loss) for the financial year | <u>247,638</u> | <u>(8,460)</u> |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7 Intangible fixed assets Group

| | Goodwill £ |
|------------------------------|---------------|
| Cost | |
| At 1 January 2013 | - |
| Additions | (38,904) |
| Written off against reserves | 38,904 |
| | <hr/> |
| At 31 December 2013 | - |
| | <hr/> |
| Net book value | |
| At 31 December 2013 | - |
| | <hr/> <hr/> |
| At 31 December 2012 | - |
| | <hr/> <hr/> |

Goodwill arising on the acquisition of Tipple Rowe (Holdings) Limited and its 100% subsidiary Tipple Rowe Limited was written of in full during the year. This is due to the fact that the only trade carried on by Tipple Rowe (Holdings) Limited and Tipple Rowe Limited is within the Barnfather group of companies and as such any goodwill is thought to be internal to the group alone.

8 Tangible fixed assets

Group

| | Land and buildings Freehold £ | Land and buildings Leasehold £ | Plant and machinery £ | Fixtures, fittings & equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--|---|-----------------------------|---|------------------------|-------------|
| Cost | | | | | | |
| At 1 January 2013 | - | 7,354 | 583,657 | 50,686 | 175,241 | 816,938 |
| Additions | 955,640 | - | 294,959 | 83,029 | 66,990 | 1,400,618 |
| Disposals | - | - | (9,650) | - | (79,044) | (88,694) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2013 | 955,640 | 7,354 | 868,966 | 133,715 | 163,187 | 2,128,862 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | | | |
| At 1 January 2013 | - | 7,354 | 248,825 | 37,744 | 52,834 | 346,757 |
| On disposals | - | - | (2,493) | - | (25,525) | (28,018) |
| Charge for the year | - | - | 83,887 | 14,880 | 31,176 | 129,943 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2013 | - | 7,354 | 330,219 | 52,624 | 58,485 | 448,682 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | | | |
| At 31 December 2013 | 955,640 | - | 538,747 | 81,091 | 104,702 | 1,680,180 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 December 2012 | - | - | 334,833 | 12,942 | 122,406 | 470,181 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

8 Tangible fixed assets

(Continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

| | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|---|------------------------|--------------------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Net book values | | | | |
| At 31 December 2013 | - | - | - | - |
| At 31 December 2012 | - | - | 64,223 | 64,223 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Depreciation charge for the year | | | | |
| 31 December 2013 | - | - | - | - |
| 31 December 2012 | - | - | 14,821 | 14,821 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Tangible fixed assets

Company

| | Plant and machinery | Fixtures, fittings & equipment | Total |
|-----------------------|------------------------|--------------------------------------|----------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2013 | 496,298 | 14,771 | 511,069 |
| Additions | 285,958 | 4,825 | 290,783 |
| Disposals | (9,650) | - | (9,650) |
| At 31 December 2013 | <u>772,606</u> | <u>19,596</u> | <u>792,202</u> |
| Depreciation | | | |
| At 1 January 2013 | 184,081 | 7,320 | 191,401 |
| On disposals | (2,493) | - | (2,493) |
| Charge for the year | <u>71,787</u> | <u>4,879</u> | <u>76,666</u> |
| At 31 December 2013 | <u>253,375</u> | <u>12,199</u> | <u>265,574</u> |
| Net book value | | | |
| At 31 December 2013 | <u>519,231</u> | <u>7,397</u> | <u>526,628</u> |
| At 31 December 2012 | <u>312,217</u> | <u>7,451</u> | <u>319,668</u> |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9 Fixed asset investments Company

| | Unlisted investments £ |
|-----------------------|------------------------------|
| Cost | |
| At 1 January 2013 | 500,005 |
| Additions | 950,267 |
| | <hr/> |
| At 31 December 2013 | 1,450,272 |
| | <hr/> |
| Net book value | |
| At 31 December 2013 | 1,450,272 |
| | <hr/> |
| At 31 December 2012 | 500,005 |
| | <hr/> |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9 Fixed asset investments

(Continued)

| Company | Country of registration or incorporation | Shares held | |
|------------------------------------|--|-------------|--------|
| | | Class | % |
| Subsidiary undertakings | | | |
| AGS Dormant 1 Limited | England & Wales | Ordinary | 100.00 |
| Barnfather Wire (Midlands) Limited | England & Wales | Ordinary | 100.00 |
| Gibson Trading Limited | England & Wales | Ordinary | 100.00 |
| Barnfather Wire Limited | England & Wales | Ordinary | 100.00 |
| Tipple Rowe (Holdings) Limited | England & Wales | Ordinary | 100.00 |
| Eurowire Manufacturing Limited | England & Wales | Ordinary | 100.00 |

Participating interests

Other significant interests

The principal activity of these undertakings for the last relevant financial year was as follows:

| | Principal activity |
|------------------------------------|---------------------------|
| AGS Dormant 1 Limited | Dormant subsidiary |
| Barnfather Wire (Midlands) Limited | Wire drawers |
| Gibson Trading Limited | Suppliers of drawn wire |
| Barnfather Wire Limited | Dormant subsidiary |
| Tipple Rowe (Holdings) Limited | Holding Company |
| Eurowire Manufacturing Limited | Dormant subsidiary |

On 9th July 2013 Barnfather Holdings Limited acquired 100% of the ordinary share capital of Tipple Rowe (Holdings) Limited and its 100% subsidiary Tipple Rowe Limited. Tipple Rowe Limited owns the property from which the group trades and will continue to rent the property to group companies on an arms length basis.

10 Stocks

| | Group | | Company | |
|-------------------------------------|-----------|-----------|---------|------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Finished goods and goods for resale | 1,938,672 | 1,453,734 | - | - |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

11 Debtors

| | Group 2013 £ | 2012 £ | Company 2013 £ | 2012 £ |
|------------------------------------|--------------------|------------------|----------------------|----------------|
| Trade debtors | 1,914,101 | 2,056,852 | - | - |
| Amounts owed by group undertakings | - | - | 1,395,049 | 869,253 |
| Other debtors | 51,722 | - | - | - |
| Prepayments and accrued income | 62,446 | 29,362 | 32,423 | - |
| Deferred tax asset (see note 14) | 242 | - | - | - |
| | <u>2,028,511</u> | <u>2,086,214</u> | <u>1,427,472</u> | <u>869,253</u> |

12 Creditors : amounts falling due within one year

| | Group 2013 £ | 2012 £ | Company 2013 £ | 2012 £ |
|---|--------------------|------------------|----------------------|------------------|
| Bank loans and overdrafts | 516,496 | 303,616 | 34,787 | 84 |
| Net obligations under finance lease and hire purchase contracts | - | 16,644 | - | - |
| Trade creditors | 1,279,043 | 1,266,136 | - | - |
| Amounts owed to group undertakings | - | - | 8,121 | 8,021 |
| Corporation tax | 134,194 | 22,252 | 15,536 | 10,482 |
| Taxes and social security costs | 130,692 | 174,647 | - | - |
| Directors current accounts | 2,350,000 | 2,129,656 | 2,350,000 | 2,129,656 |
| Other creditors | (1,607) | 4,973 | - | - |
| Accruals and deferred income | 74,612 | 620,917 | 1,155 | 1,100 |
| | <u>4,483,430</u> | <u>4,538,841</u> | <u>2,409,599</u> | <u>2,149,343</u> |

Included within the creditors shown above are a bank overdraft and a bank loan.

The bank overdraft is secured by way of a debenture (created 15 January 2008) and an unlimited guarantee (created 5 October 2009). These are secured as a fixed and floating charges over all present and future assets of Barnfather Wire (Midlands) Limited. Additional security is provided by way of an omnibus guarantee and set off agreement in favour of Lloyds TSB Bank Plc securing all monies due or to become due to the company on any account. This was created on 30th March 2011.

The bank loan of £34,766 (£577,795 after 1 year) was acquired to support the acquisition of Tipple Rowe (Holdings) Limited. It is secured by way of an unlimited guarantee which is made up of a fixed and floating charge over all present and future assets of Barnfather Holdings Limited.

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

13 Creditors : amounts falling due after more than one year

| | Group 2013 £ | 2012 £ | Company 2013 £ | 2012 £ |
|---|--------------------|---------------|----------------------|-----------|
| Bank loans | 577,795 | - | 577,795 | - |
| Net obligations under finance leases and hire purchase agreements | - | 33,900 | - | - |
| | <u>577,795</u> | <u>33,900</u> | <u>577,795</u> | <u>-</u> |
| Analysis of loans | | | | |
| Wholly repayable within five years | 612,561 | - | 612,561 | - |
| Included in current liabilities | (34,766) | - | (34,766) | - |
| | <u>577,795</u> | <u>-</u> | <u>577,795</u> | <u>-</u> |
| Loan maturity analysis | | | | |
| In more than one year but not more than two years | 34,766 | - | - | - |
| In more than two years but not more than five years | 104,298 | - | - | - |
| In more than five years | 438,731 | - | - | - |
| | <u></u> | <u></u> | <u></u> | <u></u> |
| Net obligations under finance leases and hire purchase contracts | | | | |
| Repayable between one and five years | - | 50,544 | - | - |
| | <u>-</u> | <u>50,544</u> | <u>-</u> | <u>-</u> |
| Included in liabilities falling due within one year | - | (16,644) | - | - |
| | <u>-</u> | <u>33,900</u> | <u>-</u> | <u>-</u> |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

14 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows:

| | Group 2013 £ | | Company 2013 £ | |
|---|--------------------|-----------|----------------------|-----------|
| Balance at 1 January 2013 & at 31 December 2013 | (242) | | - | |
| | | | | |
| | Group 2013 £ | 2012 £ | Company 2013 £ | 2012 £ |
| (Decelerated)/accelerated capital allowances | (242) | - | - | - |

15 Pension and other post-retirement benefit commitments

Defined contribution

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| Contributions payable by the group for the year | 11,389 | 11,091 |

16 Share capital

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid 60,000 Ordinary Shares of £1 each | 60,000 | 60,000 |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

17 Statement of movements on reserves Group

| | Share premium account £ | Other reserves (see below) £ | Profit and loss account £ |
|-----------------------------|----------------------------------|---------------------------------------|------------------------------------|
| Balance at 1 January 2013 | 100,812 | 28,004 | 645,747 |
| Profit for the year | - | - | 586,372 |
| Goodwill written off | - | - | 38,904 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2013 | 100,812 | 28,004 | 1,271,023 |
| | <hr/> | <hr/> | <hr/> |

Other reserves

Capital redemption reserve

| | |
|---|--------|
| Balance at 1 January 2013 & at 31 December 2013 | 28,004 |
| | <hr/> |

Company

| | Share premium account £ | Other reserves (see below) £ | Profit and loss account £ |
|-----------------------------|----------------------------------|---------------------------------------|------------------------------------|
| Balance at 1 January 2013 | 100,812 | 20,000 | 632,728 |
| Profit for the year | - | - | 247,638 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2013 | 100,812 | 20,000 | 880,366 |
| | <hr/> | <hr/> | <hr/> |

Other reserves

Capital redemption reserve

| | |
|---|--------|
| Balance at 1 January 2013 & at 31 December 2013 | 20,000 |
| | <hr/> |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

| 18 Reconciliation of movements in shareholders' funds | 2013 | 2012 |
|--|-------------|-------------|
| Group | £ | £ |
| Profit/(loss) for the financial year | 586,372 | (4,114) |
| Goodwill written-off | 38,904 | - |
| | <hr/> | <hr/> |
| Net addition to/(depletion in) shareholders' funds | 625,276 | (4,114) |
| Opening shareholders' funds | 834,563 | 838,677 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 1,459,839 | 834,563 |
| | <hr/> | <hr/> |
| | 2013 | 2012 |
| Company | £ | £ |
| Profit/(Loss) for the financial year | 247,638 | (8,460) |
| Opening shareholders' funds | 813,540 | 822,000 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 1,061,178 | 813,540 |
| | <hr/> | <hr/> |

19 Financial commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

| | Other | |
|----------------------------|--------------|-------------|
| | 2013 | 2012 |
| | £ | £ |
| Expiry date: | | |
| Between two and five years | - | 6,467 |
| | <hr/> | <hr/> |

BARNFATHER HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2013 Number | 2012 Number |
|----------------------|----------------|----------------|
| Senior Management | 2 | 3 |
| Administrative Staff | 10 | 9 |
| Production Staff | 18 | 16 |
| | <u>30</u> | <u>28</u> |

Employment costs

| | 2013 £ | 2012 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 860,936 | 860,048 |
| Social security costs | 97,618 | 108,524 |
| Other pension costs | 11,389 | 11,091 |
| | <u>969,943</u> | <u>979,663</u> |