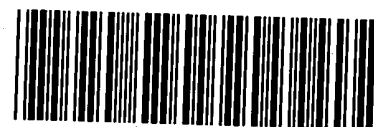


Company Registration No. 06437348 (England and Wales)

**BARNFATHER WIRE (MIDLANDS) LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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COMPANIES HOUSE

# **BARNFATHER WIRE (MIDLANDS) LTD**

## **COMPANY INFORMATION**

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<b>Director</b>	Mr J.R.G Barnfather
<b>Secretary</b>	Mr J.R.G Barnfather
<b>Company number</b>	06437348
<b>Registered office</b>	Willenhall Road Darlaston Wednesbury WS10 8JG
<b>Auditor</b>	AGS Accountants & Business Advisors Limited Castle Court 2 Castle Gate Way Dudley DY1 4RH
<b>Business address</b>	Willenhall Road Darlaston Wednesbury WS10 8JG

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# **BARNFATHER WIRE (MIDLANDS) LTD**

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# **BARNFATHER WIRE (MIDLANDS) LTD**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The director presents the strategic report for the year ended 31 December 2015.

### **Fair review of the business**

The directors of Barnfather Wire (Midlands) Limited aim to provide a balanced overview of the performance and condition of our business 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 business 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 business to remain financially sound whilst growing at a steady rate for a number of years.

### **Principal risks and uncertainties**

We believe that the principle risk that has faced our business 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 business whilst remaining competitive with our European competitors. Competition from Europe has intensified towards the end of 2015 and into 2016 as a result of the value of the Euro. Steel can be imported cheaply from Europe putting pressure on selling prices. Careful stock management is enabling the directors to manage the competition and buy effectively.

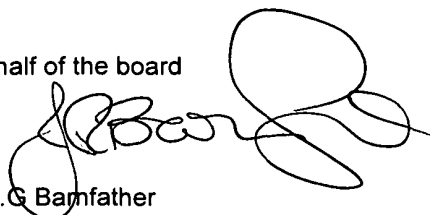
### **Other performance indicators**

At the year ended 31 December 2015 we believe the business to be financially and operationally sound.

### **Other information and explanations**

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 business.

On behalf of the board



Mr J.R.G. Barnfather  
**Director**

27 September 2016

# **BARNFATHER WIRE (MIDLANDS) LTD**

## **DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The director presents his annual report and financial statements for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the company continued to be that of wire drawing.

### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr J.R.G Barnfather

Mr M Fenney

(Resigned 7 April 2015)

### **Statement of director's responsibilities**

The director is responsible for preparing the annual 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 profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr J.R.G Barnfather

**Director**

27 September 2016

# **BARNFATHER WIRE (MIDLANDS) LTD**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BARNFATHER WIRE (MIDLANDS) LTD**

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We have audited the financial statements of Barnfather Wire (Midlands) Ltd for the year ended 31 December 2015 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's 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 auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 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 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 company's affairs as at 31 December 2015 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 matters prescribed by the Companies Act 2006**

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

# **BARNFATHER WIRE (MIDLANDS) LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BARNFATHER WIRE (MIDLANDS) LTD**

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#### **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.



**Mr Peter Squire (Senior Statutory Auditor)**  
**for and on behalf of AGS Accountants & Business Advisors**  
**Limited**

27 September 2016

**Accountants**  
**Statutory Auditor**

Castle Court 2  
Castle Gate Way  
Dudley  
DY1 4RH

# BARNFATHER WIRE (MIDLANDS) LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	8,594,649	8,728,773
Cost of sales		(6,535,950)	(7,070,351)
<b>Gross profit</b>		<b>2,058,699</b>	<b>1,658,422</b>
Administrative expenses		(1,448,721)	(1,510,958)
<b>Operating profit</b>	3	<b>609,978</b>	<b>147,464</b>
Interest payable and similar charges	6	(7,816)	(5,581)
<b>Profit before taxation</b>		<b>602,162</b>	<b>141,883</b>
Taxation	7	(101,622)	(18,594)
<b>Profit for the financial year</b>	18	<b>500,540</b>	<b>123,289</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>500,540</b>	<b>123,289</b>

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



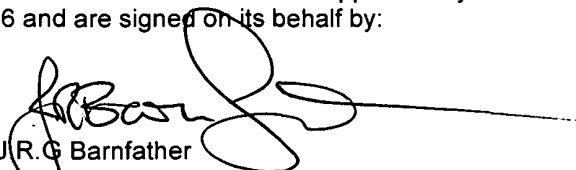
# BARNFATHER WIRE (MIDLANDS) LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	8		206,987		222,931
<b>Current assets</b>					
Stocks	10	962,549		1,258,153	
Debtors	11	2,688,179		994,797	
Cash at bank and in hand		12,965		3,134	
		<u>3,663,693</u>		<u>2,256,084</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,490,202)</u>		<u>(1,599,795)</u>	
<b>Net current assets</b>			1,173,491		656,289
<b>Total assets less current liabilities</b>			<u>1,380,478</u>		<u>879,220</u>
<b>Provisions for liabilities</b>	15		<u>(19,312)</u>		<u>(18,594)</u>
<b>Net assets</b>			<u><u>1,361,166</u></u>		<u><u>860,626</u></u>
<b>Capital and reserves</b>					
Called up share capital	17	500,000		500,000	
Profit and loss reserves	18	861,166		360,626	
<b>Total equity</b>			<u><u>1,361,166</u></u>		<u><u>860,626</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2016 and are signed on its behalf by:

  
 Mr J.R.G. Barnfather  
 Director

Company Registration No. 06437348

# **BARNFATHER WIRE (MIDLANDS) LTD**

## **STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2014</b>		500,000	237,337	737,337
<b>Year ended 31 December 2014:</b>				
Profit and total comprehensive income for the year		-	123,289	123,289
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2014</b>		500,000	360,626	860,626
<b>Year ended 31 December 2015:</b>				
Profit and total comprehensive income for the year		-	500,540	500,540
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2015</b>		<u>500,000</u>	<u>861,166</u>	<u>1,361,166</u>

# BARNFATHER WIRE (MIDLANDS) LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	21		519,311		(299,610)
Interest paid			(7,816)		(5,581)
Income taxes refunded/(paid)			1		(82,933)
<b>Net cash inflow/(outflow) from operating activities</b>			511,496		(388,124)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(68,398)		(277,293)	
Proceeds on disposal of tangible fixed assets		1,000		143,063	
<b>Net cash used in investing activities</b>			(67,398)		(134,230)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			444,098		(522,354)
Cash and cash equivalents at beginning of year			(1,003,903)		(481,549)
<b>Cash and cash equivalents at end of year</b>			(559,805)		(1,003,903)
<b>Relating to:</b>					
Cash at bank and in hand			12,965		3,134
Bank overdrafts included in creditors payable within one year			(572,770)		(1,007,037)

# **BARNFATHER WIRE (MIDLANDS) LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

---

#### **1 Accounting policies**

##### **Company information**

Barnfather Wire (Midlands) Ltd is a company limited by shares incorporated in England and Wales. The registered office is Willenhall Road, Darlaston, Wednesbury, WS10 8JG.

##### **1.1 Accounting convention**

These financial statements for the year ended 31 December 2015 are the first financial statements of Barnfather Wire (Midlands) Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Barnfather Wire (Midlands) Ltd is a wholly owned subsidiary of Barnfather Holdings Limited and the results of Barnfather Wire (Midlands) Ltd are included in the consolidated financial statements of Barnfather Holdings Limited.

##### **1.2 Going concern**

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% / 33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

---

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.



# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### 1.15 Related Party Transactions

As a wholly owned subsidiary of Barnfather Holdings Limited, advantage has been taken of the exemptions conferred by paragraph 3(c) of the Financial Reporting Standard Number 8 - 'Related Party Disclosures', from the requirement to disclose transactions with other companies within the group.

#### 1.16 Employer-Financed Retirement Benefit Scheme (EFRBS)

The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

### 2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
<b>Turnover</b>		
Turnover	8,594,649	8,728,773
<b>Turnover analysed by geographical market</b>		
	2015 £	2014 £
United Kingdom	8,594,649	8,728,773

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains/(losses)	(1,577)	247
Fees payable to the company's auditor for the audit of the company's financial statements	5,750	5,250
Depreciation of owned tangible fixed assets	82,452	73,176
Loss on disposal of tangible fixed assets	889	5,411
Cost of stocks recognised as an expense	5,009,398	5,725,908
Operating lease charges	203,250	120,000

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Senior Management	2	2
Administrative Staff	13	11
Production Staff	23	19
	<u>38</u>	<u>32</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	926,233	900,919
Social security costs	89,000	99,052
Pension costs	12,340	13,302
	<u>1,027,573</u>	<u>1,013,273</u>

### 5 Director's remuneration

	2015 £	2014 £
Remuneration for qualifying services	<u>48,376</u>	<u>165,766</u>

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 6 Interest payable and similar charges

	2015 £	2014 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	7,816	5,581

### 7 Taxation

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	100,904	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	718	18,594
<b>Total tax charge</b>	<b>101,622</b>	<b>18,594</b>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	602,162	141,883
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	120,432	28,377
Tax effect of expenses that are not deductible in determining taxable profit	3,435	3,859
Effect of change in corporation tax rate	1,228	-
Depreciation on assets not qualifying for tax allowances	16,490	15,717
Research and development tax credit	(23,473)	-
Other non-reversing timing differences	-	(6,455)
Capital allowances claimed	(17,386)	(41,498)
Deferred tax	718	18,594
Loss on fixed asset disposal	178	-
<b>Tax expense for the year</b>	<b>101,622</b>	<b>18,594</b>

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2015	276,772	88,376	54,582	419,730
Additions	68,398	-	-	68,398
Disposals	(530)	(7,862)	(12,614)	(21,006)
At 31 December 2015	344,640	80,514	41,968	467,122
<b>Depreciation and impairment</b>				
At 1 January 2015	109,674	53,757	33,369	196,800
Depreciation charged in the year	57,003	13,117	12,332	82,452
Eliminated in respect of disposals	(299)	(7,862)	(10,956)	(19,117)
At 31 December 2015	166,378	59,012	34,745	260,135
<b>Carrying amount</b>				
At 31 December 2015	178,262	21,502	7,223	206,987
At 31 December 2014	167,098	34,619	21,214	222,931

### 9 Financial instruments

	2015 £	2014 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	2,618,980	956,638
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	2,360,543	1,586,416

### 10 Stocks

	2015 £	2014 £
Finished goods and goods for resale	962,549	1,258,153

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 11 Debtors

	2015 £	2014 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,332,098	956,638
Amounts due from fellow group undertakings	1,286,882	-
Other debtors	25,427	-
Prepayments and accrued income	43,772	38,159
	<u>2,688,179</u>	<u>994,797</u>

### 12 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Bank loans and overdrafts	13	572,770	1,007,037
Trade creditors		1,255,049	381,081
Amounts due to group undertakings		421,212	95,938
Corporation tax		100,904	-
Other taxation and social security		28,755	13,379
Other creditors		8,124	25,564
Accruals and deferred income		103,388	76,796
		<u>2,490,202</u>	<u>1,599,795</u>

The bank loans and overdrafts are secured by way of a fixed and floating charge over the assets of the company held by Lloyds Bank PLC delivered on 17 January 2008.

### 13 Loans and overdrafts

	2015 £	2014 £
Bank overdrafts	<u>572,770</u>	<u>1,007,037</u>
Payable within one year	<u>572,770</u>	<u>1,007,037</u>

The bank loans and overdrafts are secured by way of a fixed and floating charge over the assets of the company held by Lloyds Bank PLC delivered on 17 January 2008.

### 14 Provisions for liabilities

	2015 £	2014 £
Deferred tax liabilities	<u>19,312</u>	<u>18,594</u>
	<u>19,312</u>	<u>18,594</u>

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
<b>Balances:</b>		
Accelerated capital allowances	19,312	18,594
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		2015 £
Liability at 1 January 2015		18,594
Charge to profit or loss		718
		<u>          </u>
Liability at 31 December 2015		19,312
		<u>          </u>

### 16 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £12,340 (2014 - £13,302).

### 17 Share capital

	2015 £	2014 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
500,000 Ordinary Shares of £1 each	500,000	500,000
	<u>          </u>	<u>          </u>
<b>Issued and fully paid</b>		
500,000 Ordinary Shares of £1 each	500,000	500,000
	<u>          </u>	<u>          </u>

### 18 Profit and loss reserves

	2015 £	2014 £
At the beginning of the year	360,626	237,337
Profit for the year	500,540	123,289
	<u>          </u>	<u>          </u>
At the end of the year	861,166	360,626
	<u>          </u>	<u>          </u>

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 19 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	222,619	123,112
Between two and five years	10,094	-
	<u>232,713</u>	<u>123,112</u>

### 20 Controlling party

The ultimate parent company is Barnfather Holdings Limited by way of its 100% shareholding.

The ultimate controlling party is James Richard Barnfather by way of his 100% shareholding in Barnfather Holdings Limited, the ultimate parent company.

### 21 Cash generated from operations

	2015 £	2014 £
Profit for the year after tax	500,540	123,289
<b>Adjustments for:</b>		
Taxation charged	101,622	18,594
Finance costs	7,816	5,581
Loss on disposal of tangible fixed assets	889	5,411
Depreciation and impairment of tangible fixed assets	82,452	73,176
<b>Movements in working capital:</b>		
Decrease in stocks	295,604	680,519
(Increase)/decrease in debtors	(1,693,382)	965,616
Increase/(decrease) in creditors	1,223,770	(2,171,796)
<b>Cash generated from/(absorbed by) operations</b>	<u>519,311</u>	<u>(299,610)</u>

# BARNFATHER WIRE (MIDLANDS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 22 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	Notes	1 January 2014 £	31 December 2014 £
Equity as reported under previous UK GAAP		737,337	879,220
Adjustments arising from transition to FRS 102:			
Deferred tax provision	1	-	(18,594)
Equity reported under FRS 102		<u>737,337</u>	<u>860,626</u>

#### Reconciliation of profit or loss

	Notes	2014 £
Profit or loss as reported under previous UK GAAP		141,883
Adjustments arising from transition to FRS 102:		
Deferred tax provision	1	(18,594)
Profit or loss reported under FRS 102		<u>123,289</u>

#### Notes to reconciliations on adoption of FRS 102

##### Deferred tax provision

FRS102 requires that deferred tax be provided for in respect of temporary timing differences which will become taxable in future accounting periods. No provision was made in respect of deferred tax in the previous financial period and therefore a transitional adjustment has been made.