

Company Registration No. 06437348 (England and Wales)

BARNFATHER WIRE (MIDLANDS) LTD
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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BARNFATHER WIRE (MIDLANDS) LTD

COMPANY INFORMATION

Directors	Mr J.R.G Barnfather Mr M Fenney
Secretary	Mr J.R.G Barnfather
Company number	06437348
Registered office	Willenhall Road Darlaston Wednesbury WS10 8JG
Auditors	AGS Accountants & Business Advisors Limited Castle Court 2 Castle Gate Way Dudley DY1 4RH
Business address	Willenhall Road Darlaston Wednesbury WS10 8JG
Bankers	Lloyds TSB PO Box 46 The Bridge Walsall WS1 1LU

BARNFATHER WIRE (MIDLANDS) LTD

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BARNFATHER WIRE (MIDLANDS) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2014:

Mr J.R.G Barnfather

Mr M Fenney

Auditors

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

On behalf of the board



Mr J.R.G Barnfather

Director

26 August 2015

BARNFATHER WIRE (MIDLANDS) LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

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.

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 2014 and into 2015 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.

At the year ended 31 December 2014 we believe the business 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 business.

On behalf of the board



Mr J.R.G Barnfather

Director

26 August 2015

BARNFATHER WIRE (MIDLANDS) LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BARNFATHER WIRE (MIDLANDS) LTD

We have audited the financial statements of Barnfather Wire (Midlands) Ltd for the year ended 31 December 2014 set out on pages 5 to 15. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1, 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BARNFATHER WIRE (MIDLANDS) LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BARNFATHER WIRE (MIDLANDS) LTD

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

26 August 2015

Accountants

Statutory Auditor

Castle Court 2
Castle Gate Way
Dudley
DY1 4RH

BARNFATHER WIRE (MIDLANDS) LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	8,728,773	8,803,547
Cost of sales		(7,070,351)	(6,899,151)
Gross profit		<u>1,658,422</u>	<u>1,904,396</u>
Administrative expenses		(1,510,958)	(1,588,400)
Operating profit	3	<u>147,464</u>	<u>315,996</u>
Interest payable and similar charges	4	(5,581)	(1,613)
Profit on ordinary activities before taxation		<u>141,883</u>	<u>314,383</u>
Tax on profit on ordinary activities	5	-	(82,933)
Profit for the year	11	<u><u>141,883</u></u>	<u><u>231,450</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 WIRE (MIDLANDS) LTD

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	6		222,931		167,288
Current assets					
Stocks	7	1,258,153		1,938,672	
Debtors	8	994,797		1,960,413	
Cash at bank and in hand		3,134		160	
		<u>2,256,084</u>		<u>3,899,245</u>	
Creditors: amounts falling due within one year	9	<u>(1,599,795)</u>		<u>(3,329,196)</u>	
Net current assets			656,289		570,049
Total assets less current liabilities			<u>879,220</u>		<u>737,337</u>
Capital and reserves					
Called up share capital	10	500,000		500,000	
Profit and loss account	11	379,220		237,337	
Shareholders' funds	12		<u>879,220</u>		<u>737,337</u>

Approved by the Board and authorised for issue on 26 August 2015


Mr J.R.G Barnfather
Director

Company Registration No. 06437348

BARNFATHER WIRE (MIDLANDS) LTD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	£	2014 £	£	2013 £
Net cash outflow from operating activities			(299,610)		(37,869)
Returns on investments and servicing of finance					
Interest paid		(5,581)		(1,613)	
Net cash outflow for returns on investments and servicing of finance			(5,581)		(1,613)
Taxation			(82,933)		(11,296)
Capital expenditure					
Payments to acquire tangible assets		(277,293)		(123,571)	
Receipts from sales of tangible assets		143,063		46,000	
Net cash outflow for capital expenditure			(134,230)		(77,571)
Net cash outflow before management of liquid resources and financing			(522,354)		(128,349)
Financing					
Capital element of hire purchase contracts		-		(50,544)	
Net cash outflow from financing			-		(50,544)
Decrease in cash in the year			(522,354)		(178,893)

BARNFATHER WIRE (MIDLANDS) LTD

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	147,464		315,996	
Depreciation of tangible assets	73,176		53,277	
Loss on disposal of tangible assets	5,411		7,519	
Decrease/(increase) in stocks	680,519		(484,938)	
Decrease in debtors	965,616		113,418	
Decrease in creditors within one year	(2,171,796)		(43,141)	
Net cash outflow from operating activities	(299,610)		(37,869)	
2 Analysis of net debt	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	160	2,974	-	3,134
Bank overdrafts	(481,709)	(525,328)	-	(1,007,037)
	(481,549)	(522,354)	-	(1,003,903)
Bank deposits	-	-	-	-
Net debt	(481,549)	(522,354)	-	(1,003,903)
3 Reconciliation of net cash flow to movement in net debt	2014		2013	
	£		£	
Decrease in cash in the year	(522,354)		(178,893)	
Cash (inflow)/outflow from (increase)/decrease in debt	-		50,544	
Movement in net debt in the year	(522,354)		(128,349)	
Opening net debt	(481,549)		(353,200)	
Closing net debt	(1,003,903)		(481,549)	

BARNFATHER WIRE (MIDLANDS) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 Turnover

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

1.4 Tangible fixed assets and depreciation

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

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

1.5 Leasing

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

1.6 Stock

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

1.7 Pensions

The company 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.

1.8 Deferred taxation

Deferred taxation has not been provided in respect of timing differences, which in the opinion of the directors will not reverse in the future.

1.9 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.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Barnfather Holdings Limited, a company incorporated in England, and is included in the consolidated accounts of that company.

BARNFATHER WIRE (MIDLANDS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.11 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

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

3	Operating profit	2014 £	2013 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	73,176	53,277
	Loss on disposal of tangible assets	5,411	7,519
	Loss on foreign exchange transactions	247	-
	Operating lease rentals	120,000	96,427
	Auditors' remuneration (including expenses and benefits in kind)	5,250	5,250
	and after crediting:		
	Profit on foreign exchange transactions	-	(82)

Remuneration receivable by the auditors for other services has been disclosed on the group financial statements.

4	Interest payable	2014 £	2013 £
	On bank loans and overdrafts	5,581	1,613

BARNFATHER WIRE (MIDLANDS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	-	82,933
	Total current tax	-	82,933
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	141,883	314,383
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 23.00%)	28,377	72,308
	Effects of:		
	Non deductible expenses	3,859	2,983
	Depreciation add back	15,717	13,983
	Capital allowances	(41,498)	(7,078)
	Effect of change of rate of corporation tax	-	881
	Other tax adjustments	(6,455)	(144)
		(28,377)	10,625
	Current tax charge for the year	-	82,933

Deferred taxation has not been provided in respect of taxation deferred by timing differences, which in the opinion of the directors will not reverse in the future.

BARNFATHER WIRE (MIDLANDS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2014	96,360	83,495	163,187	343,042
Additions	180,412	4,881	92,000	277,293
Disposals	-	-	(200,605)	(200,605)
At 31 December 2014	276,772	88,376	54,582	419,730
Depreciation				
At 1 January 2014	76,844	40,425	58,485	175,754
On disposals	-	-	(52,131)	(52,131)
Charge for the year	32,830	13,332	27,014	73,176
At 31 December 2014	109,674	53,757	33,368	196,799
Net book value				
At 31 December 2014	167,098	34,619	21,214	222,931
At 31 December 2013	19,516	43,070	104,702	167,288

7 Stocks

	2014 £	2013 £
Finished goods and goods for resale	1,258,153	1,938,672

8 Debtors

	2014 £	2013 £
Trade debtors	956,638	945,840
Amounts owed by parent and fellow subsidiary undertakings	-	932,966
Other debtors	-	51,584
Prepayments and accrued income	38,159	30,023
	994,797	1,960,413

BARNFATHER WIRE (MIDLANDS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9	Creditors: amounts falling due within one year	2014 £	2013 £
	Bank loans and overdrafts	1,007,037	481,709
	Trade creditors	381,081	1,279,043
	Amounts owed to parent and fellow subsidiary undertakings	61,791	1,381,350
	Amounts owed to subsidiary undertakings	34,147	-
	Corporation tax	-	82,933
	Other taxes and social security costs	13,379	34,466
	Other creditors	25,564	(1,607)
	Accruals and deferred income	76,796	71,302
		<u>1,599,795</u>	<u>3,329,196</u>

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.

10	Share capital	2014 £	2013 £
	Allotted, called up and fully paid		
	500,000 Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>

11	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2014	237,337
	Profit for the year	141,883
	Balance at 31 December 2014	<u>379,220</u>

12	Reconciliation of movements in Shareholders' funds	2014 £	2013 £
	Profit for the financial year	141,883	231,450
	Opening Shareholders' funds	<u>737,337</u>	<u>505,887</u>
	Closing Shareholders' funds	<u>879,220</u>	<u>737,337</u>

BARNFATHER WIRE (MIDLANDS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

13 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	3,112	2,520
Between two and five years	-	-	-	7,114
In over five years	120,000	120,000	-	-
	<u>120,000</u>	<u>120,000</u>	<u>3,112</u>	<u>9,634</u>

14 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	<u>165,766</u>	<u>147,449</u>
Remuneration disclosed above include the following amounts paid to the highest paid director:		
Remuneration for qualifying services	<u>121,902</u>	<u>104,012</u>

BARNFATHER WIRE (MIDLANDS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

15 Employees

Number of employees

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

	2014 Number	2013 Number
Senior Management	2	2
Administrative Staff	11	10
Production Staff	19	18
	<u>32</u>	<u>30</u>

Employment costs

	2014 £	2013 £
Wages and salaries	900,919	856,936
Social security costs	99,052	97,324
Other pension costs	13,302	11,389
	<u>1,013,273</u>	<u>965,649</u>

16 Control

The ultimate parent company is Barnfather Holdings Limited, a company registered in England and Wales.

Copies of the ultimate company's accounts can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.