

# **Cold Drawn Products Limited**

**Annual report and financial statements  
for the year ended 31 December 2015**

Registered number: 95908

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# **Cold Drawn Products Limited**

## **Annual report and financial statements 2015**

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# **Cold Drawn Products Limited**

## **Annual report and financial statements 2015**

### **Officers and professional advisers**

#### **Directors**

P Van Riet  
L K Vankemmelbeke  
K A J Deraeve

#### **Company Secretary**

D C Smith

#### **Registered office**

Park House Road  
Low Moor  
Bradford  
West Yorkshire  
BD12 0PX

#### **Bankers**

HSBC plc  
14 Bradford Road  
Cleckheaton  
West Yorkshire  
BD19 3JR

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds  
United Kingdom

# **Cold Drawn Products Limited**

## **Strategic report**

The directors present their Strategic Report and Directors' Report on the affairs of the company together with the audited financial statements and auditors report for the year ended 31 December 2015.

### **Principal activities and review of the business**

The principal activity of the company was the manufacture of profile wire.

The loss for the year after taxation was £1,834,916 (2014: profit of £704,181). The fall in the price of oil during the year, caused by a combination of a slowdown in demand and a reluctance of oil producing nations to suppress supply, has limited demand for flexible oil pipes. This has impacted directly on volumes and revenues in the year, coupled with pressure on margins due to a tougher competitive environment.

The company did not pay a dividend during the year (2014: £nil).

The investment in Flexpipe manufacturing is ongoing and is expected to carry on into 2017.

Whilst trading conditions are difficult at present, and are expected to continue through 2016 and 2017, expectation are that an upturn will be seen in 2018. As evidence of confidence in this upturn the company signed a new 10-year lease in June 2016.

The balance sheet shows that the company's net assets have reduced to £10,746,286 (2014: £12,581,202), due to the loss for the year.

### **Key performance indicators**

The company looks to improve its Overall Equipment Effectiveness with a target of being world class in the medium to long term. OEE is the multiplied effect of machine utilisation % x production efficiency % x scrap %. The rate of OEE achieved in the year was 53% (2014: 55%).

The company looks to maximise its on-time deliveries to customers. In the year the company achieved an on-time delivery success rate of 99% (2014: 90%).

The company endeavours to minimise its working capital. At the end of the year net working capital requirement was £1,208,968 (2014: £1,657,940). Working capital is defined as stock plus trade debtors less trade creditors.

### **Risks and uncertainties**

#### **General Outlook**

The long-term outlook for the business is good. The current investment programme will produce a much more efficient, low cost production process, incorporating a high H&S ethic and a methodology which is much more environmentally friendly.

In the short-term, the low oil price and high level of oil supplies to the global market are suppressing demand for new pipes, which will affect at least the next year's results.

#### **Cash flow risk**

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company has access to, and has utilised, foreign exchange forward contracts to hedge this exposure. As at 31 December 2015 the company did not have open foreign exchange forward contracts (2014: the same).

#### **Credit risk**

The company's principal financial assets are bank balances and cash, and trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The company obtains credit insurance cover for all its customers.

#### **Liquidity risk**

The company has recourse to the group treasury function in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments.

# **Cold Drawn Products Limited**

## **Strategic report (continued)**

### **Treasury**

The company's treasury function operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The company's principal financial instruments comprise borrowings, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The company has access to forward foreign currency contracts to manage the currency rate risks arising from the company's operations. The company does not use interest rate swaps to manage the interest rate risks arising from the company's operations.

Approved by the Board of Directors and signed on behalf of the Board



P Van Riet  
Director

12 September 2016

# **Cold Drawn Products Limited**

## **Directors' report**

The company's principal activities, results and dividends and principal risk and uncertainties are presented in the Strategic Report.

### **Employees**

#### **Disabled employees**

Applications for employment by disabled employees are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of staff becoming disabled every effort is made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy of the company that the training career development and promotion of disabled persons should, as far as possible be identical to that of other employees.

#### **Employee consultation**

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees by holding regular briefing meetings on the various factors affecting the performance of the company.

#### **Going concern**

In forming their going concern judgement the directors have considered the trading uncertainties arising in the current economic environment, budgets and forecasts for the 12 month period from approval of these financial statements, as well as the adequacy of its resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details are given in note 1 to the financial statements.

#### **Payment to suppliers**

It is company policy to agree terms and conditions for its business transaction with suppliers. Payment is made on these terms subject to the terms and conditions being met by the supplier. The company's creditor days outstanding at 31 December 2015 were equivalent to 54 days (2014: 59 days), on a FIFO measure based on amounts invoiced by suppliers.

#### **Directors and their interests**

The directors who served during the year and to date, except where stated otherwise were as follows:

P Van Riet	
L K Vankemmelbeke	(appointed 6 March 2015)
K A J Deraeve	(appointed 6 March 2015)

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term, and appropriate arrangements have been put in place for them to be deemed to be reappointed as auditors in the absence of an Annual General Meeting.

## **Cold Drawn Products Limited**

### **Directors' report (continued)**

#### **Approval of reduced disclosures**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder/s have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by NV Bekaert SA, as the immediate parent of the entity.

Approved by the Board of Directors and signed on behalf of the Board



P Van Riet  
Director

12 September 2016

# **Cold Drawn Products Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable Financial Reporting Standards 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **Independent auditor's report to the members of Cold Drawn Products Limited**

We have audited the financial statements of Cold Drawn Products Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23. 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 FRS102 "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 directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 (APB'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 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

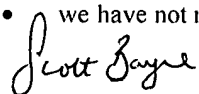
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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.

  
Scott Bayne FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, United Kingdom

12 September 2016

## Cold Drawn Products Limited

### Profit and loss account For the year ended 31 December 2015

	Note	2015 £	2014 £
<b>Turnover</b>	3	18,814,673	26,573,144
Cost of sales (including restructuring costs of £322,332 (2014: £126,898))	4	(18,384,742)	(23,001,417)
<b>Gross profit</b>		429,931	3,571,727
Distribution costs		(424,464)	(536,337)
Administrative expenses		(1,875,363)	(1,783,058)
<b>Operating (loss)/profit</b>	5	(1,869,896)	1,252,332
Fundamental reorganisation	5	(38,867)	(49,025)
		(1,908,763)	1,203,307
Interest receivable	8	1,457	13
Interest payable	7	(1,674)	(591)
<b>(Loss)/profit on ordinary activities before taxation</b>		(1,908,980)	1,202,729
Taxation	9	74,064	(498,548)
<b>(Loss)/profit for the financial year, attributable to the owners of the company</b>		(1,834,916)	704,181

The results above arise from continuing operations.

There were no recognised gains or losses for the current year or prior year other than those included in the profit and loss account. Therefore no statement of comprehensive income has been presented.

The accompanying notes form an integral part of this profit and loss account.

# Cold Drawn Products Limited

## Balance sheet

As at 31 December 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Goodwill	10	-	1,225,697
Fixed assets	11	5,185,591	4,120,976
Investments	12	-	3
		<u>5,185,591</u>	<u>5,346,676</u>
<b>Current assets</b>			
Stocks	13	844,503	1,558,205
Debtors	14	2,877,406	3,646,666
Cash at bank and in hand		5,365,409	6,990,470
		<u>9,087,318</u>	<u>12,195,341</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(2,726,057)</u>	<u>(4,099,250)</u>
<b>Net current assets</b>		<u>6,361,261</u>	<u>8,096,091</u>
<b>Total assets less current liabilities</b>		11,546,852	13,442,767
<b>Provision for liabilities</b>	16	<u>(800,566)</u>	<u>(861,565)</u>
<b>Net assets</b>		<u>10,746,286</u>	<u>12,581,202</u>
<b>Capital and reserves</b>			
Called up share capital	17	2,095,271	2,095,271
Profit and loss account		8,651,015	10,485,931
<b>Total shareholder's funds</b>		<u>10,746,286</u>	<u>12,581,202</u>

The financial statements of Cold Drawn Products Limited, registered number 95908 were approved by the Board of Directors and authorised for issue on 12 September 2016.

Signed on behalf of the Board of Directors

  
P Van Riet  
Director

The accompanying notes are an integral part of this balance sheet.

## Cold Drawn Products Limited

### Statement of changes in equity As at 31 December 2015

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 31 December 2013 as previously stated</b>	2,095,271	9,781,750	11,877,021
Changes on transition to FRS 102 (see note 25)	-	-	-
<b>At 1 January 2014 as restated</b>	2,095,271	9,781,750	11,877,021
Profit for the financial year	-	704,181	704,181
<b>At 31 December 2014</b>	2,095,271	10,485,931	12,581,202
Profit for the financial year	-	(1,834,916)	(1,834,916)
<b>At 31 December 2015</b>	<u>2,095,271</u>	<u>8,651,015</u>	<u>10,746,286</u>

# **Cold Drawn Products Limited**

## **Notes to the financial statements For the year ended 31 December 2015**

### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### **General Information and basis of accounting**

Cold Drawn Products Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Cold Drawn Products Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Cold Drawn Products Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Cold Drawn Products Limited is consolidated in the financial statements of its parent, NV Bekaert SA, which may be obtained at NV Bekaert SA, Bekaertstraat 2, 8550 Zwevegem, Belgium. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related parties transactions.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report further describes the financial position of the Company; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

After considering all relevant uncertainties, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Turnover**

Turnover represents amounts receivable for goods net of VAT and trade discounts as delivered to customers in the normal course of business. Revenue is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	Over the remaining period of the lease
Plant and machinery	8 – 25%
Motor vehicles	20%

Assets under construction are not depreciated until they are in working condition for intended use.

#### **Investments**

Investments are stated at cost less provisions for any impairment.

# **Cold Drawn Products Limited**

## **Notes to the financial statements For the year ended 31 December 2015**

### **1. Accounting policies (continued)**

#### **Finance and operating leases**

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Rental under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of first in, first out cost, including production overheads, and net realisable value. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal. Where necessary, provision is made for obsolete or slow moving stock.

#### **Taxation**

Current tax including UK corporation tax and foreign tax, is provided on amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Accordingly deferred tax balances have been revalued to the lower rate of 18% in these financial statements.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currency are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **Pension costs**

For defined contribution scheme the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Intangible fixed assets**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life, initially estimated at twenty years. Provision is made for any impairment as necessary.

In 2012 the remaining useful economic life of the goodwill was reviewed, with the decision taken to accelerate the amortisation of the remaining goodwill on a straight line basis over a 4 year period. The balance of goodwill was fully written off by the end of 2015.

# **Cold Drawn Products Limited**

## **Notes to the financial statements For the year ended 31 December 2015**

### **1. Accounting policies (continued)**

#### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### **Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### ***Key source of estimation uncertainty –provision for debtors and stock***

Determining whether debtor balances and stock values are recoverable requires an estimation based on up to date trading information. The directors use their knowledge of the business, the trading environment and future projections to assess whether provision is necessary in these areas.

# Cold Drawn Products Limited

## Notes to the financial statements For the year ended 31 December 2015

### 3. Turnover

Turnover is attributable to one class of business being shaped wire. Turnover arose entirely from the principal activities of the company. All turnover originates from the United Kingdom. The geographical analysis of turnover by destination is as follows:

	2015 £	2014 £
United Kingdom	12,318,089	13,511,260
Rest of Europe	1,457,461	4,035,201
Asia	112,919	996,167
North America	-	1,389
Rest of world	4,926,204	8,029,127
	<u>18,814,673</u>	<u>26,573,144</u>

### 4. Cost of sales

Included in Cost of Sales is an amount of £322,332 (2014: £126,898). These amounts relate to the redundancy costs incurred or estimated to be incurred during the restructuring of the business, plus machinery moving costs.

### 5. (Loss)/profit on ordinary activities before taxation

	2015 £	2014 £
<b>(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):</b>		
Depreciation of tangible fixed assets		
Owned assets	686,986	692,106
Assets held under finance leases and hire purchase contracts	-	878
Operating lease rentals		
- plant and machinery	132,635	85,864
- land and buildings	422,836	377,213
Foreign exchange loss/(gain)	21,533	(19,093)
Loss on disposal of fixed assets	143,944	18,751
Impairment of stocks recognised as an expense	47,720	-
Amortisation of goodwill	1,225,696	1,225,696
	<u>1,225,696</u>	<u>1,225,696</u>

### Analysis of auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements	16,800	16,000
Total audit fees	<u>16,800</u>	<u>16,000</u>
Tax services	1,100	515
Total non audit fees	<u>1,100</u>	<u>515</u>

Included within non-operating exceptionals at the year-end is £38,867 (2014: £49,025) in relation to the costs of closure of the flat and shaped wire division including redundancy costs, additional stock provision and impairment of fixed assets.



# Cold Drawn Products Limited

## Notes to the financial statements For the year ended 31 December 2015

### 6. Information regarding directors and employees

No emoluments were received by the directors (2014: £nil) who held office during the year in respect of their services as directors of the company.

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,046,285	4,849,473
Redundancy costs	322,332	167,555
Social security costs	458,183	561,364
Other pension costs	136,821	99,888
	<u>4,963,621</u>	<u>5,678,280</u>

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

	2015 £	2014 £
Production	108	133
Selling and distribution	1	1
Administration	11	12
	<u>120</u>	<u>146</u>

### 7. Interest payable

	2015 £	2014 £
Interest payable to group companies	-	115
Other interest	1,674	476
	<u>1,674</u>	<u>591</u>

### 8. Interest receivable

	2015 £	2014 £
Interest receivable to group companies	-	13
Other interest	1,457	-
	<u>1,457</u>	<u>13</u>

# Cold Drawn Products Limited

## Notes to the financial statements For the year ended 31 December 2015

### 9. Taxation

Analysis of charge in year

	2015 £	2014 £
<b>UK corporation tax</b>		
Current tax on income for the year	-	482,186
Adjustments in respect of prior years	(86,017)	(3,432)
Total current tax	(86,017)	478,754
Deferred taxation	11,953	19,794
Total tax (credit)/charge	(74,064)	498,548

### Factors affecting the tax

The tax assessed for the year is higher (2014: higher) than that resulting from applying the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(1,908,980)	1,202,729
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax of 20.25% (2014: 21.5%)	(386,568)	258,504
Effects of:		
Expenses not deductible for tax purposes	92,348	8,131
Amortisation of intangible asset not deductible	248,204	263,441
Effect of tax rate change	(41,338)	(16,270)
Adjustments in respect of prior years	-	(3,432)
Other	13,290	(11,826)
Tax charge	(74,064)	498,548

On 17 July 2013 legislation was enacted that reduced the rate of corporation tax from 23% to 21% as of 1 April 2014, with a further reduction to 20% from 1 April 2015. In the July 2015 Budget, it was announced that the main rate of corporation tax will reduce to 19% with effect from 1 April 2017 and to 18% from 1 April 2020.

# Cold Drawn Products Limited

## Notes to the financial statements For the year ended 31 December 2015

### 10. Goodwill

	£
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	6,647,850
<b>Amortisation</b>	
At 1 January 2015	5,422,153
Provided during the year	1,225,697
At 31 December 2015	6,647,850
<b>Net book amount</b>	
At 31 December 2015	-
At 31 December 2014	1,225,697

### 11. Fixed assets

	Short leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
<b>Cost</b>					
At 1 January 2015	904,110	7,075,126	16,382	882,848	8,878,466
Additions	-	1,899,167	-	-	1,899,167
Transfer	-	691,135	-	(691,135)	-
Disposals	-	(3,314,195)	(11,100)	-	(3,325,295)
At 31 December 2015	904,110	6,351,233	5,282	191,713	7,452,338
<b>Accumulated depreciation</b>					
At 1 January 2015	688,282	4,052,826	16,382	-	4,757,490
Charge for the year	40,441	646,545	-	-	686,986
Disposals	-	(3,166,629)	(11,100)	-	(3,177,729)
At 31 December 2015	728,723	1,532,742	5,282	-	2,266,747
<b>Net book amount</b>					
At 31 December 2015	175,387	4,818,491	-	191,713	5,185,591
At 31 December 2014	215,828	3,022,300	-	882,848	4,120,976

Included within tangible fixed assets are leased plant and machinery with a net book value of £nil (2014: £nil).

# Cold Drawn Products Limited

## Notes to the financial statements For the year ended 31 December 2015

### 12. Investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2015	265,205
Additions	-
At 31 December 2015	<u>265,205</u>
<b>Provision for impairment</b>	
At 1 January 2015	265,202
Provided in the year	3
At 31 December 2015	<u>265,205</u>
<b>Net book amount</b>	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>3</u>

The Company has investments in the following subsidiary undertakings, associates and other significant investments.

	Class of share capital held	Proportion of share capital held	Nature of business
Netlon Sentinel Limited	Ordinary £1 shares	50%	Dormant
Rylands-Whitecross Limited	Ordinary £1 shares	100%	Dormant
Twil Company	Ordinary £1 shares	100%	Dormant

The investment in Rylands-Whitecross Limited was fully written-off as at 31 December 2015.

All above mentioned entities are incorporated in England and Wales and held directly by Cold Drawn Products Limited.

### 13. Stocks

	2015 £	2014 £
Raw materials	105,214	453,534
Work-in-progress	356,591	224,766
Finished goods	382,698	879,905
	<u>844,503</u>	<u>1,558,205</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

# Cold Drawn Products Limited

## Notes to the financial statements For the year ended 31 December 2015

### 14. Debtors

	2015 £	2014 £
<b>Due within one year</b>		
Trade debtors	2,433,789	3,352,495
Amounts owed by group companies	-	15,274
Corporate tax	187,850	7,690
Other debtors	255,767	271,207
	<u>2,877,406</u>	<u>3,646,666</u>

### 15. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	2,069,324	3,252,760
Amount owed to group undertakings	204,479	459,293
Other taxes and social security	168,663	173,215
Other creditors and accruals	283,591	213,982
	<u>2,726,057</u>	<u>4,099,250</u>

### 16. Provision for liabilities

	Restructuring costs £	Deferred taxation £	Total £
At 1 January 2015	506,170	355,395	861,565
Charged/(Credited) to the profit and loss account	322,332	11,953	334,285
Utilisation of provision	(395,284)	-	(395,284)
At 31 December 2015	<u>433,218</u>	<u>367,348</u>	<u>800,566</u>

The deferred taxation relates to accelerated capital allowances. At the end of the current and previous year the company had no unprovided deferred tax liabilities. At the year end the company had capital losses available for carry forward of £9,772,428 (2014: £9,772,428), a deferred tax asset has not been recognised.

The restructuring provision relates to lay-off costs which are estimated to occur over the next 18 months as a result of the restructuring of the business

### 17. Called up share capital

	Allotted, called up and fully paid Ordinary shares £1 shares	
	No.	£
At 1 January 2015 and 31 December 2015	<u>2,095,271</u>	<u>2,095,271</u>

# Cold Drawn Products Limited

## Notes to the financial statements For the year ended 31 December 2015

### 18. Financial commitments

The company had capital commitments relating to the restructuring project amounting to £nil as at 31 December 2015 (2014: £206,020).

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015 £	2014 £
Operating leases which expire:		
Assets other than land and buildings		
Within 1 year	44,904	51,361
Within 2 to 5 years	47,358	48,161
	<hr/> 92,262	<hr/> 99,522
Land and buildings		
Within 1 year	426,279	130,583
Within 2 to 5 years	1,525,988	-
	<hr/> 1,952,267	<hr/> 130,583
	<hr/> 2,044,529	<hr/> 230,105

### 19. Related party transactions

In accordance with paragraph 1.12 of FRS 102 "Related Party Disclosures" transactions with other group undertakings within, and investee related parties of, the NV Bekaert SA Group have not been disclosed in these financial statements. There have been no transactions with directors.

### 20. Employee benefits

#### *Defined contribution schemes:*

The company contributes to a number of defined contribution schemes. The assets of these schemes are held separately from those of the company in independently administered funds. Contributions paid to the scheme amounted to £136,821 (2014: £99,888).

Unpaid contributions included within other creditors at the balance sheet were £17,693 (2014: £14,594).

### 21. Parent undertaking and controlling parties

The immediate and ultimate parent company, and ultimate controlling party of the group of undertakings for which largest and smallest group financial statements are drawn up and of which the company is a member, is NV Bekaert SA, a company incorporated in Belgium. Copies of NV Bekaert SA financial statements can be obtained from NV Bekaert SA, Corporate Communications, President Kennedy Park 18, BE-8500 Kortrijk, Belgium.

### 22. Subsequent events

There have been no subsequent events requiring disclosure in these financial statements.

### 23. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company has decided not to present transition reconciliations as the transition to FRS102 has impacted neither equity at the respective dates nor total comprehensive income for the respective period.