

Report of the Director and
Consolidated Financial Statements for the Year Ended 31 December 2011
for
English Braids Limited

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for the Year Ended 31 December 2011

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Company Information
for the Year Ended 31 December 2011

DIRECTOR	PR Earp
SECRETARY:	M Earp
REGISTERED OFFICE:	Spring Lane Malvern Link Malvern Worcestershire WR14 1AL
REGISTERED NUMBER	00932500 (England and Wales)
AUDITOR:	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

Report of the Director
for the Year Ended 31 December 2011

The director presents his annual report and the audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The business of the group is the manufacture of braided cord and ladder string, the wholesaling of venetian blind and marine components and webbing and the manufacture of restraint systems

REVIEW OF BUSINESS

The group has continued to strengthen its asset base and is well placed for the future. The profit for the year is shown in the profit and loss account on page 5

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011

DIRECTOR

The directors who held office during the year were as follows

PR Earp

HR Earp (appointed 12 April 2012)

RL Atkinson (appointed 2 April 2012)

PRINCIPAL RISKS AND UNCERTAINTIES

The business continues to perform well in a number of competitive marketplaces and the emphasis placed on increasing overall profitability has continued to produce positive results

The work continues to make further improvements and the business has again demonstrated an ability to produce profitable results and strong cash generation

The cost base of the business continues to be carefully monitored whilst we continue to seek more investment vehicles that will allow the company to further grow its profitability in the future

The company has identified a number of business and market opportunities where we believe these profits can be achieved and these will be actively pursued during 2012

KEY FINANCIAL KPI'S

In addition to the traditional focus on sales and profitability, the company is increasing the attention paid to cash flow (EBITDA) through improved debtor and stock controls and procedures

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director 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 group and parent company 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Report of the Director
for the Year Ended 31 December 2011

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

Pursuant to Section 487 of the Company Act 2006, the auditor, KPMG LLP, will be deemed to be reappointed and will therefore continue in office

ON BEHALF OF THE BOARD:



P Earp - Director

Date 25/9/12



KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of English Braids Limited

We have audited the financial statements of English Braids Limited for the year ended 31 December 2011 on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 Statement of Directors' Responsibilities set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

G Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

25 September 2012

**Consolidated Profit and Loss Account
for the Year Ended 31 December 2011**

	Notes	2011 £	2010 £
TURNOVER: Group and share of Joint Venture		10,390,070	8,711,410
Less Share of Joint Venture's turnover		<u>(1,309,424)</u>	<u>(1,278,023)</u>
GROUP TURNOVER	2	9,080,646	7,433,387
Cost of sales		<u>(5,241,707)</u>	<u>(4,140,090)</u>
GROSS PROFIT		3,838,939	3,293,297
Distribution costs		(281,347)	(235,820)
Administrative expenses		<u>(2,348,194)</u>	<u>(2,344,811)</u>
GROUP OPERATING PROFIT	5	1,209,398	712,666
Share of operating profit in Joint ventures	6	<u>350,714</u>	<u>235,820</u>
TOTAL OPERATING PROFIT		1,560,112	948,486
Profit on sale of fixed assets			
Group		117,583	227,195
Joint ventures		<u>1,887</u>	<u>450</u>
		1,679,582	1,176,131
Other interest receivable and similar income			
Group	7	31,564	27,456
Interest – Joint Venture		<u>30</u>	<u>26</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,711,176	1,203,613
Tax on profit on ordinary activities	8	<u>(444,382)</u>	<u>(328,246)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,266,794</u>	<u>875,367</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

Consolidated Balance Sheet
31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	11	4,331,238	4,279,368
Investments in Joint Venture	12		
Share of gross assets		1,352,938	962,601
Share of gross liabilities		(392,915)	(260,972)
		<u>5,291,261</u>	<u>4,980,997</u>
CURRENT ASSETS			
Stocks	13	2,636,765	2,170,136
Debtors	14	1,647,244	1,229,997
Cash at bank and in hand		<u>9,127,502</u>	<u>7,864,063</u>
		13,411,511	11,264,196
CREDITORS			
Amounts falling due within one year	15	<u>(4,391,753)</u>	<u>(3,235,376)</u>
NET CURRENT ASSETS		<u>9,019,758</u>	<u>8,028,820</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,311,019	13,009,817
PROVISIONS FOR LIABILITIES	16	<u>(75,700)</u>	<u>(41,292)</u>
NET ASSETS		<u>14,235,319</u>	<u>12,968,525</u>
CAPITAL AND RESERVES			
Called up share capital	17	120,000	120,000
Profit and loss account	18	<u>14,115,319</u>	<u>12,848,525</u>
SHAREHOLDERS' FUNDS	19	<u>14,235,319</u>	<u>12,968,525</u>

The financial statements were approved by the director on 25th September 2012 and were signed by


P Earp - Director

The notes form part of these financial statements

Company Balance Sheet
31 December 2011

	Notes	2011		2010	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		4,178,856		4,046,891
Investments	12		<u>2</u>		<u>263,419</u>
			4,178,858		4,310,310
CURRENT ASSETS					
Stocks	13	946,151		913,675	
Debtors	14	839,974		871,258	
Cash at bank and in hand		<u>8,913,089</u>		<u>7,452,224</u>	
		10,699,214		9,237,157	
CREDITORS					
Amounts falling due within one year	15	<u>(3,583,017)</u>		<u>(2,859,893)</u>	
NET CURRENT ASSETS			<u>7,116,197</u>		<u>6,377,264</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,295,055		10,687,574
PROVISIONS FOR LIABILITIES	16		<u>(54,700)</u>		<u>(9,642)</u>
NET ASSETS			<u>11,240,355</u>		<u>10,677,932</u>
CAPITAL AND RESERVES					
Called up share capital	17		120,000		120,000
Profit and loss account	18		<u>11,120,355</u>		<u>10,557,932</u>
SHAREHOLDERS' FUNDS	19		<u>11,240,355</u>		<u>10,677,932</u>

The financial statements were approved by the director on 25th September 2012 and were signed by



P Earp - Director

Consolidated Cash Flow Statement
for the Year Ended 31 December 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	23	1,732,081	1,979,300
Returns on investments and servicing of finance	24	31,564	27,430
Taxation		(272,882)	(185,213)
Capital expenditure and financial investment	24	<u>(227,324)</u>	<u>70,549</u>
Increase in cash in the period		<u>1,263,439</u>	<u>1,892,066</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the period		<u>1,263,439</u>	<u>1,892,066</u>
Change in net funds resulting from cash flows		<u>1,263,439</u>	<u>1,892,066</u>
Movement in net funds in the period		1,263,439	1,892,066
Net funds at 1 January		<u>7,864,063</u>	<u>5,971,997</u>
Net funds at 31 December	25	<u>9,127,502</u>	<u>7,864,063</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31st December 2011. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet.

Under S408 of the Companies Act 2006, the company is exempt from the requirement to present its own Profit and Loss Account.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of Marlow Ropes Limited was being amortised evenly over its estimated useful life of 3 years.

Investments

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost.

Tangible fixed assets

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

Freehold property	- 2% on cost
Long leasehold	- 2% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost
Aircraft	- 10% on cost
Computer equipment	- 25% on cost

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

Cash and Liquid Resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year, as it is the Company's policy to place any surplus funds on short term deposit. Any such amounts are shown as "amounts placed on short term deposit" on the balance sheet.

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not yet reversed at the balance sheet date, except as otherwise required by FRS 19.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

Going Concern

The director has prepared the financial statements of the Company and the Group on the going concern basis as the director is satisfied that the Company and the Group has sufficient funds to continue trading for the foreseeable future.

2 TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below.

	2011 £	2010 £
United Kingdom	5,647,640	4,700,427
Export	<u>3,433,006</u>	<u>2,732,960</u>
	<u>9,080,646</u>	<u>7,433,387</u>

3 STAFF NUMBERS AND COSTS

	2011 £	2010 £
Wages and salaries	2,649,024	2,512,370
Social security costs	201,915	173,549
Other pension costs	<u>113,963</u>	<u>18,014</u>
	<u>2,964,902</u>	<u>2,703,933</u>

The average monthly number of employees (including the director) during the year was as follows:

	2011	2010
Administration	35	38
Production	<u>67</u>	<u>60</u>
	<u>102</u>	<u>98</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

4 REMUNERATION OF DIRECTOR

	2011	2010
	£	£
Director's Emoluments	<u>586,384</u>	<u>633,204</u>

5 OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Other operating leases	290,872	288,000
Depreciation - owned assets	293,035	288,102
Audit of the financial statements	24,000	24,000
Audit of financial statements of subsidiaries pursuant to legislation	14,000	14,000
Other services relating to taxation	<u>5,000</u>	<u>5,000</u>

**6 SHARE OF OPERATING PROFIT IN:
JOINT VENTURES**

	2011	2010
	£	£
Interest in joint venture	<u>350,714</u>	<u>235,820</u>

**7 OTHER INTEREST RECEIVABLE AND
SIMILAR INCOME
GROUP**

	2011	2010
	£	£
Deposit account interest	<u>31,564</u>	<u>27,456</u>

8 TAXATION

Analysis of the tax charge

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

	2011	2010
	£	£
Current tax		
UK corporation tax	364,159	235,277
Adjustments in respect of prior periods	(47,943)	(18,093)
Share of JV's Current Tax	<u>94,327</u>	<u>79,006</u>
Total current tax	<u>410,543</u>	<u>296,190</u>
Deferred tax		
Original/Reversal of Timing Differences	20,310	58,024
Effect of rate changes	(5,674)	(1,532)
Adjustment in respect of previous years	19,768	(11,500)
Share of joint ventures deferred tax	<u>(565)</u>	<u>(12,936)</u>
Total deferred tax	<u>33,839</u>	<u>32,056</u>
Tax on profit on ordinary activities	<u>444,382</u>	<u>328,246</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

8 TAXATION - continued

Factors affecting the tax charge

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>1,711,176</u>	<u>1,203,613</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.493% (2010 - 28%)	453,342	337,012
Effects of		
Depreciation for the year in excess of/(less than) capital allowances	(20,336)	(35,052)
Depreciation on ineligible	19,995	19,038
Expenses not deductible for tax purposes	73,392	4,162
Tax rate lower than standard percentage rates on tax profits	(3,284)	-
Adjustment to tax charge in respect of previous periods	(47,943)	(8,345)
Decrease/(Increase) in other timing differences	25,107	(20,625)
Dividend Income	<u>(89,730)</u>	<u>-</u>
Current tax charge	<u>410,543</u>	<u>296,190</u>

Factors that may affect future tax charges

The 2012 budget on 23 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £338.

It has not yet been possible to quantify the full anticipated effect of the further 1% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

9 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £562,423 (2010 - £317,267).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

10 INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2011 and 31 December 2011	<u>100,000</u>
AMORTISATION	
At 1 January 2011 and 31 December 2011	<u>100,000</u>
NET BOOK VALUE	
At 31 December 2011	<u>-</u>
At 31 December 2010	<u>-</u>

The goodwill arose on the purchase of the trade and assets of Marlow Ropes Ltd, a company that was in receivership. The goodwill was amortised over 3 years which was the director's estimate of its useful economic life.

11 TANGIBLE FIXED ASSETS

Group	Freehold property £	Long leasehold £	Aircraft £	Plant and £
COST				
At 1 January 2011	3,182,738	1,148,613	185,688	5,336,667
Additions	9,220	-	-	163,235
Disposals	-	-	-	(795,771)
At 31 December 2011	<u>3,191,958</u>	<u>1,148,613</u>	<u>185,688</u>	<u>4,704,131</u>
DEPRECIATION				
At 1 January 2011	171,246	479,131	107,150	5,065,691
Charge for year	53,323	22,972	19,029	92,153
Eliminated on disposal	-	-	-	(781,271)
At 31 December 2011	<u>224,569</u>	<u>502,103</u>	<u>126,179</u>	<u>4,376,573</u>
NET BOOK VALUE				
At 31 December 2011	<u>2,967,389</u>	<u>646,510</u>	<u>59,509</u>	<u>327,558</u>
At 31 December 2010	<u>3,011,492</u>	<u>669,482</u>	<u>78,538</u>	<u>270,976</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

11 TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2011	192,312	226,283	473,357	10,745,658
Additions	7,159	208,577	32,035	420,226
Disposals	(6,623)	(113,333)	(150,069)	(1,065,796)
At 31 December 2011	192,848	321,527	355,323	10,100,088
DEPRECIATION				
At 1 January 2011	173,453	96,812	372,807	6,466,290
Charge for year	4,647	59,472	41,440	293,036
Eliminated on disposal	(5,141)	(56,654)	(147,410)	(990,476)
At 31 December 2011	172,959	99,630	266,837	5,768,850
NET BOOK VALUE				
At 31 December 2011	19,889	221,897	88,486	4,331,238
At 31 December 2010	18,859	129,471	100,550	4,279,368

Company

	Freehold property £	Long leasehold £	Aircraft £	Plant and machinery £
COST				
At 1 January 2011	3,182,738	1,148,613	185,688	4,870,615
Additions	9,220	-	-	151,173
Disposals	-	-	-	(781,271)
At 31 December 2011	3,191,958	1,148,613	185,688	4,240,517
DEPRECIATION				
At 1 January 2011	171,246	479,131	107,150	4,791,516
Charge for year	53,323	22,972	19,029	23,851
Eliminated on disposal	-	-	-	(781,271)
At 31 December 2011	224,569	502,103	126,179	4,034,096
NET BOOK VALUE				
At 31 December 2011	2,967,389	646,510	59,509	206,422
At 31 December 2010	3,011,492	669,482	78,538	79,099

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

11 TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2011	173,023	226,283	359,947	10,146,908
Additions	158	208,577	30,702	399,830
Disposals	(5,230)	(113,333)	(147,410)	(1,047,244)
At 31 December 2011	167,951	321,527	243,239	9,499,494
DEPRECIATION				
At 1 January 2011	169,644	96,812	284,517	6,100,017
Charge for year	1,797	59,472	30,654	211,098
Eliminated on disposal	(5,141)	(56,654)	(147,410)	(990,476)
At 31 December 2011	166,300	99,630	167,761	5,320,638
NET BOOK VALUE				
At 31 December 2011	1,651	221,897	75,478	4,178,856
At 31 December 2010	3,379	129,471	75,430	4,046,891

12 FIXED ASSET INVESTMENTS

Group

	2011 £	2010 £
<i>Cost</i>		
Group's share of net assets in joint venture	960,023	701,629

The results of Marina Ropes Limited are accounted for as follows

	Interests in joint ventures £
<i>Share of post acquisition reserves</i>	
At beginning of year	701,629
Retained profits less losses	258,394
At end of year	960,023

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

12 FIXED ASSET INVESTMENTS - continued

	2011 £	2010 £
Turnover	1,309,424	1,278,022
Profit before taxation	352,631	236,293
Taxation	(94,237)	(66,071)
Profit after tax	<u>258,394</u>	<u>170,222</u>
Share of assets		
Share of fixed assets	22,356	45,776
Share of current assets	1,330,582	916,825
	<u>1,352,938</u>	<u>962,601</u>
Share of liabilities		
Due within one year	(392,915)	(260,972)
Share of net assets	<u>960,023</u>	<u>701,629</u>

The undertakings in which the Group's interest at the year end is more than 20% are as follows

	Country of Incorporation	Principal activity	Percentage of ordinary shares held
<i>Subsidiary undertakings</i>			
Marlow Ropes Limited	England and Wales	Manufacture of ropes and braids	100%
Ibex Ropes Limited	England and Wales	Dormant	100%
<i>Associated undertakings – joint ventures</i>			
Ibex Marina Ropes Limited (formerly Marina Ropes Limited)	England and Wales	Manufacture of ropes and braids	50%
Weblash Limited	England and Wales	Dormant	50%

Company	£
Cost	
At 1 January 2011 and 31 December 2011	263,419
Provisions	
At 1 January 2011	-
Impairment losses	263,417
	<u> </u>
At 31 December 2011	<u>263,417</u>
NET BOOK VALUE	
At 31 December 2011	<u>2</u>
At 31 December 2010	<u>263,419</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

13 STOCKS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Raw materials	853,251	617,482	483,963	411,514
Work-in-progress	756,134	328,223	22,760	27,003
Finished goods	<u>1,027,380</u>	<u>1,224,431</u>	<u>439,428</u>	<u>475,158</u>
	<u>2,636,765</u>	<u>2,170,136</u>	<u>946,151</u>	<u>913,675</u>

14 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,209,414	821,316	487,837	309,722
Amounts owed by group undertakings	-	-	146,587	478,960
Amounts owed by participating interests	46,953	18,790	-	-
Other debtors	-	257,326	-	-
Prepayments and accrued income	<u>390,877</u>	<u>132,565</u>	<u>205,550</u>	<u>82,576</u>
	<u>1,647,244</u>	<u>1,229,997</u>	<u>839,974</u>	<u>871,258</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	492,893	303,460	200,341	165,576
Amounts owed to group undertakings	-	-	20,000	358,743
Amounts owed to participating interests	1,708,016	951,885	1,708,016	951,885
Corporation tax	318,905	273,184	135,430	127,829
Other creditors including other taxation and social security	987,209	847,208	880,998	791,290
Accruals and deferred income	<u>884,730</u>	<u>859,639</u>	<u>638,232</u>	<u>464,570</u>
	<u>4,391,753</u>	<u>3,235,376</u>	<u>3,583,017</u>	<u>2,859,893</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

16 PROVISIONS FOR LIABILITIES

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Deferred tax	<u>75,700</u>	<u>41,292</u>	<u>54,700</u>	<u>9,642</u>
Group				Deferred tax £
Balance at 1 January 2011				41,292
Charge to the P&L account				<u>34,408</u>
Balance at 31 December 2011				<u>75,700</u>
Company				Deferred tax £
Balance at 1 January 2011				9,642
Charge to P&L Account				<u>45,058</u>
Balance at 31 December 2011				<u>54,700</u>

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value £1	2011	2010
Number	Class		£	£
120,000	Ordinary		<u>120,000</u>	<u>120,000</u>

18 RESERVES

Group	Profit and loss account £
At 1 January 2011	12,848,525
Profit for the year	<u>1,266,794</u>
At 31 December 2011	<u>14,115,319</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

18 RESERVES - continued

Company

	Profit and loss account £
At 1 January 2011	10,557,932
Profit for the year	<u>562,423</u>
At 31 December 2011	<u><u>11,120,355</u></u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2011 £	2010 £
Profit for the financial year	<u>1,266,794</u>	<u>875,367</u>
Net addition to shareholders' funds	1,266,794	875,367
Opening shareholders' funds	<u>12,968,525</u>	<u>12,093,158</u>
Closing shareholders' funds	<u><u>14,235,319</u></u>	<u><u>12,968,525</u></u>

Company

	2011 £	2010 £
Profit for the financial year	<u>562,423</u>	<u>317,267</u>
Net addition to shareholders' funds	562,423	317,267
Opening shareholders' funds	<u>10,677,932</u>	<u>10,360,665</u>
Closing shareholders' funds	11,240,355	10,677,932

20. CONTINGENT LIABILITIES

The company is party to a Group registration for VAT. At the year end, the maximum liability under this arrangement was £400,133 (2010 339,961)

21. RELATED PARTY DISCLOSURES

English Braids Limited supplied goods and services amounting to £238,074 (2010 £230,168) to Ibex Marina Ropes Limited and purchases amounted to £59,200 (2010 £72,325). Ibex Marina Ropes Limited is jointly owned by English Braids Limited and Peter Earp, the ultimate controlling party. All transactions were made in the normal course of business. The balance owed to Ibex Marina Ropes Limited as at 31 December 2011 was £1,708,016 (2010 £951,883).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

21. RELATED PARTY DISCLOSURES - continued

Marlow Ropes Limited, a fellow subsidiary of English Brads Limited, supplied goods and services amounting to £69,340 (2010 £29,452) to Ibex Marina Ropes Limited and purchases amounted to £210,335 (2010 £206,289). All transactions were made in the normal course of business. The balance owed by Ibex Marina Ropes Limited as at 31 December 2011 was £46,953 (2010 £18,790).

English Brads Limited charged Ibex Marina Ropes Limited £27,000 (2010 £100,000) for the use of plant and machinery and £35,000 (2010 £77,000) for rental of the business property by the EBL Pension Fund. PR Earp is a beneficiary of the EBL Pension Fund.

English Brads Limited paid VAT liabilities of £265,149 (2010 £202,321) on behalf of Ibex Marina Ropes Limited, which was settled through the current account.

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr PR Earp, who is the sole director and who owns 100% of the share capital of the company.

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

	2011 £	2010 £
Operating profit	1,209,398	712,666
Depreciation charges	293,035	288,102
(Increase)/Decrease in stocks	(466,629)	49,022
(Increase)/Decrease in debtors	(417,247)	16,435
Increase in creditors	<u>1,113,524</u>	<u>913,075</u>
Net cash inflow from operating activities	<u>1,732,081</u>	<u>1,979,300</u>

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	31,564	27,456
Interest Payable	<u>-</u>	<u>(26)</u>
Net cash inflow for returns on investments and servicing of finance	<u>31,564</u>	<u>27,430</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(420,227)	(178,346)
Receipts from sale of tangible fixed assets	<u>192,903</u>	<u>248,895</u>
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(227,324)</u>	<u>70,549</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2011

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 11 £	Cash flow £	At 31 12 11 £
Net cash			
Cash at bank and in hand	<u>7,864,063</u>	<u>1,263,439</u>	<u>9,127,502</u>
 Total	 <u>7,864,063</u>	 <u>1,263,439</u>	 <u>9,127,502</u>