

Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31 December 2015
for
English Braids Limited

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for the Year Ended 31 December 2015

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Company Information
for the Year Ended 31 December 2015

DIRECTORS:

P Earp
H R Earp

SECRETARY:

M Earp

REGISTERED OFFICE:

Spring Lane
Malvern Link
Malvern
Worcestershire
WR14 1AL

REGISTERED NUMBER:

00932500 (England and Wales)

AUDITORS:

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Group Strategic Report
for the Year Ended 31 December 2015

The directors present their strategic report of the company and the group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activities of the group during the year continued to be the manufacture of ropes, cords and braids in a variety of sizes and constructions sold into UK and export markets.

2015 saw the group continue to achieve growth with its customer base in key markets and strengthen its asset base; it also increased its cash at bank.

The group is pleased with the profit achieved on ordinary activities for the year and the state of affairs at the balance sheet date.

In addition to the traditional focus on sales, profitability and cash the group uses KPI's as measures of its performance, particularly in the area of working capital management.

The directors recognise that 2016 could be a challenging year, given the competitive nature of the markets in which the group operates. The group, however, with a strong asset base, continues to be well placed for the future whilst at the same time seeking investment vehicles to further grow the group profitability and cash reserves in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The group's global presence in a number of competitive market segments has enabled it to perform strongly during and post the recession. Whilst any global downturn might provide significant challenges to the group the directors consider the group well placed, with its significant cash reserves, to continue to prosper and continue its growth strategy.

Existing customers relationships have been maintained and new customers won. The risk from exchange fluctuation is not considered material as the business' cost base is being carefully controlled to maintain profitability.

There are no other material exposures of the group relating to price risk, credit risk, liquidity risk and cash flow risk which are material for the assessment of the assets, liabilities, financial position and profit of the group.

ON BEHALF OF THE BOARD:



.....
P Earp - Director

Date:

29/9/2016

Report of the Directors
for the Year Ended 31 December 2015

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

P Earp
H R Earp

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 Financial Reporting Standard 102 '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 the group and of the profit or loss of the group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect of fraud and other irregularities.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director 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 auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:


.....
P Earp - Director

Date: 29/9/2016

**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 2015 on pages five to twenty three. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 parent company's affairs as at 31 December 2015 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 Group Strategic Report and 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.



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

Date: 10 September 2016

Consolidated Profit and Loss and Statement of Comprehensive Income
for the Year Ended 31 December 2015


| | Notes | 2015 £ | 2014 £ |
|--|-------|-------------|-------------|
| TURNOVER | | | |
| Group and share of joint ventures | | 13,428,321 | 12,362,163 |
| Less: | | | |
| Share of joint ventures' turnover | | (1,549,316) | (1,498,585) |
| GROUP TURNOVER | 2 | 11,879,005 | 10,863,578 |
| Cost of sales | | (6,382,159) | (6,158,410) |
| GROSS PROFIT | | 5,496,846 | 4,705,168 |
| Distribution costs | | (610,376) | (526,791) |
| Administrative expenses | | (3,095,930) | (2,684,385) |
| GROUP OPERATING PROFIT | 5 | 1,790,540 | 1,493,992 |
| Share of operating profit in Joint venture | | 620,309 | 452,419 |
| Profit on sale of fixed assets Group | | 71,759 | 164,477 |
| | | 2,482,608 | 2,110,888 |
| Other interest receivable and similar income | | | |
| Group | 6 | 55,053 | 47,625 |
| Joint ventures | | 37 | 248 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,537,698 | 2,158,761 |
| Tax on profit on ordinary activities | 7 | (541,150) | (497,199) |
| PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP | | 1,996,548 | 1,661,562 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 1,996,548 | 1,661,562 |

The notes form part of these financial statements

Consolidated Balance Sheet 31 December 2015

| | Notes | 2015 £ | 2014 £ |
|--|-------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible assets | 9 | 4,655,955 | 5,030,184 |
| Investments | 10 | | |
| Interest in joint venture | | | |
| Share of gross assets | | 2,515,599 | 2,062,537 |
| Share of gross liabilities | | (220,185) | (260,951) |
| Investment property | 11 | 517,349 | - |
| | | <u>7,468,718</u> | <u>6,831,770</u> |
| CURRENT ASSETS | | | |
| Stocks | 12 | 2,998,922 | 2,693,137 |
| Debtors | 13 | 1,620,855 | 1,596,908 |
| Cash at bank | | 15,121,446 | 13,034,449 |
| | | <u>19,741,223</u> | <u>17,324,494</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | 6,600,540 | 5,611,232 |
| NET CURRENT ASSETS | | <u>13,140,683</u> | <u>11,713,262</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>20,609,401</u> | <u>18,545,032</u> |
| PROVISIONS FOR LIABILITIES | 15 | 185,234 | 117,413 |
| NET ASSETS | | <u>20,424,167</u> | <u>18,427,619</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 16 | 120,000 | 120,000 |
| Profit and loss account | | 20,304,167 | 18,307,619 |
| SHAREHOLDERS' FUNDS | | <u>20,424,167</u> | <u>18,427,619</u> |


The financial statements were approved by the Board of Directors on 29/9/2016 and were signed on its behalf by:


.....
P Earp - Director

Company Balance Sheet 31 December 2015

| | | 2015 | | 2014 | |
|--|-------|-------------------|--------------------------|-------------------|--------------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 4,099,420 | | 4,607,575 |
| Investments | 10 | | 2 | | 2 |
| Investment property | 11 | | 517,349 | | - |
| | | | <u>4,616,771</u> | | <u>4,607,577</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 896,393 | | 752,538 | |
| Debtors | 13 | 602,212 | | 601,853 | |
| Cash at bank | | 14,674,793 | | 12,698,795 | |
| | | <u>16,173,398</u> | | <u>14,053,186</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 14 | 6,652,027 | | 5,317,942 | |
| NET CURRENT ASSETS | | | <u>9,521,371</u> | | <u>8,735,244</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>14,138,142</u> | | <u>13,342,821</u> |
| PROVISIONS FOR LIABILITIES | 15 | | <u>127,164</u> | | <u>87,599</u> |
| NET ASSETS | | | <u><u>14,010,978</u></u> | | <u><u>13,255,222</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 16 | | 120,000 | | 120,000 |
| Profit and loss account | 17 | | 13,890,978 | | 13,135,222 |
| SHAREHOLDERS' FUNDS | | | <u><u>14,010,978</u></u> | | <u><u>13,255,222</u></u> |

The financial statements were approved by the Board of Directors on 29/9/2016 and were signed on its behalf by:



 P Earp - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2015

| | Called up share capital £ | Profit and loss £ | Total equity £ |
|------------------------------------|------------------------------------|-------------------------|----------------------|
| Balance at 1 January 2014 | 120,000 | 16,646,057 | 16,766,057 |
| Changes in equity | | | |
| Total comprehensive income | - | 1,661,562 | 1,661,562 |
| Balance at 31 December 2014 | 120,000 | 18,307,619 | 18,427,619 |
| Changes in equity | | | |
| Total comprehensive income | - | 1,996,548 | 1,996,548 |
| Balance at 31 December 2015 | 120,000 | 20,304,167 | 20,424,167 |

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 December 2015

| | Called up share capital £ | Profit and loss £ | Total equity £ |
|------------------------------------|--|----------------------------------|-------------------------------|
| Balance at 1 January 2014 | 120,000 | 12,249,757 | 12,369,757 |
| Changes in equity | | | |
| Total comprehensive income | - | 885,465 | 885,465 |
| Balance at 31 December 2014 | <u>120,000</u> | <u>13,135,222</u> | <u>13,255,222</u> |
| Changes in equity | | | |
| Total comprehensive income | - | 755,756 | 755,756 |
| Balance at 31 December 2015 | <u><u>120,000</u></u> | <u><u>13,890,978</u></u> | <u><u>14,010,978</u></u> |

The notes form part of these financial statements

Consolidated Statement of Cash Flows for the Year Ended
31 December 2015

| | Notes | 2015 £ | 2014 £ |
|---|-----------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Profit before taxation | | 2,537,698 | 2,158,760 |
| Depreciation charges | | 478,961 | 440,253 |
| Profit on disposal of fixed assets | | (60,599) | (164,477) |
| Finance income | | (55,090) | (47,873) |
| (Increase)/decrease in stocks | | (305,785) | 143,705 |
| Increase in trade and other debtors | | (23,947) | (99,894) |
| Increase in trade and other creditors | | 529,683 | 521,202 |
| Cash generated from operations | | 3,100,921 | 2,951,676 |
| Tax paid | | (507,532) | (560,610) |
| Net cash from operating activities | | 2,593,389 | 2,391,066 |
| Purchase of tangible fixed assets | | (763,782) | (446,525) |
| Sale of tangible fixed assets | | 202,300 | 204,028 |
| Interest received | | 55,090 | 47,873 |
| Net cash from investing activities | | (506,392) | (194,624) |
| Increase in cash and cash equivalents | | 2,086,997 | 2,196,443 |
| Cash and cash equivalents at the beginning of year | | 13,034,449 | 10,838,006 |
| Cash and cash equivalents at end of year | 21 | 15,121,446 | 13,034,449 |

The notes form part of these financial statements

Notes to the Consolidated Financial Statements for the Year
Ended 31 December 2015

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. An exception being that the Investment property is stated in the financial statements at its fair value.

In the transition to FRS102 the Group and Company made no measurement and transition adjustments.

FRS 102 grants certain first time adoption exemptions from the full requirements of FRS102. The following exemptions have been taken in these financial statements:

Business combinations – Business combinations that took place prior to 1 January 2014 have not been restated.

Separate financial instruments – the carrying amount of the Company's cost of investment in subsidiaries and joint venture is its deemed cost at 1 January 2014.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2015. 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.

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

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 for the Year
Ended 31 December 2015

1. ACCOUNTING POLICIES - continued

Taxation

Tax on the profit for the year comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arose from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into the Group's functional currency of Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss 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 profit or loss in the period to which they relate.

Going concern

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

Cash and liquid resources

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

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:

| | 2015 | 2014 |
|----------------|-------------------|-------------------|
| | £ | £ |
| United Kingdom | 6,121,536 | 6,693,584 |
| Rest of World | 5,757,469 | 4,169,994 |
| | <u>11,879,005</u> | <u>10,863,578</u> |

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

3. STAFF COSTS

| | 2015 | 2014 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,418,379 | 3,237,893 |
| Social security costs | 291,832 | 302,173 |
| Other pension costs | 64,239 | 56,844 |
| | <u>3,774,450</u> | <u>3,596,910</u> |

The average monthly number of employees during the year was as follows:

| | 2015 | 2014 |
|----------------|------------|------------|
| Administration | 47 | 42 |
| Production | 80 | 78 |
| | <u>127</u> | <u>120</u> |

4. DIRECTORS' EMOLUMENTS

| | 2015 | 2014 |
|--|----------------|----------------|
| | £ | £ |
| Directors' remuneration | 641,623 | 729,295 |
| Directors' pension contributions to money purchase schemes | 5,420 | 7,246 |
| | <u>647,043</u> | <u>736,541</u> |

The number of directors to whom retirement benefits were accruing was as follows:

| | 2015 | 2014 |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |

Information regarding the highest paid director is as follows:

| | 2015 | 2014 |
|-----------------|----------------|----------------|
| | £ | £ |
| Emoluments etc. | <u>487,234</u> | <u>570,437</u> |

5. OPERATING PROFIT

The operating profit is stated after charging:

| | 2015 | 2014 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Other operating leases | 389,283 | 391,973 |
| Depreciation - owned assets | 478,961 | 440,253 |
| Audit of these financial statements | 14,000 | 12,800 |
| Audit of subsidiary company | 14,000 | 14,000 |
| Auditing of joint venture company | 14,000 | 14,000 |
| Taxation compliance services | 7,500 | 7,300 |
| | <u>917,744</u> | <u>879,326</u> |

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

6. **OTHER INTEREST RECEIVABLE AND
SIMILAR INCOME**

| | 2015 | 2014 |
|--------------------------|-------------------|-------------------|
| | £ | £ |
| Deposit account interest | 55,053 | 47,625 |
| | <u> </u> | <u> </u> |

7. **TAXATION**

Analysis of the tax charge

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

| | 2015 | 2014 |
|--|-------------------|-------------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 361,916 | 339,442 |
| Adjustments in respect of prior periods | (15,105) | (197) |
| Joint ventures corporation tax | 126,518 | 97,209 |
| | <u> </u> | <u> </u> |
| Total current tax | 473,329 | 436,454 |
| | <u> </u> | <u> </u> |
| Deferred tax: | | |
| Original/Reversal of Timing Differences | 79,563 | 60,540 |
| Adjustment in respect of previous years | (11,742) | 205 |
| | <u> </u> | <u> </u> |
| Total deferred tax | 67,821 | 60,745 |
| | <u> </u> | <u> </u> |
| Tax on profit on ordinary activities | 541,150 | 497,199 |
| | <u> </u> | <u> </u> |

UK corporation tax has been charged at 20.25%. (2014-21.5%)

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

7. **TAXATION – continued**

Reconciliation of total tax charge included in profit and loss

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

| | 2015 £ | 2014 £ |
|---|-----------------------|-----------------------|
| Profit on ordinary activities before tax | <u>2,537,698</u> | <u>2,158,761</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014-21.5%) | 513,808 | 463,984 |
| Effects of: | | |
| Loss C/F on which DT asset not recognised | - | 4,773 |
| Adjustment in respect of previous periods | (15,105) | (197) |
| Depreciation on ineligible assets | 14,969 | 18,438 |
| Expenses not deductible for tax purposes percentage rates on tax | 48,817 | 14,901 |
| | - | |
| Adjust rate of deferred tax 20.25% (2014-21.5%) | (21,339) | (4700) |
| Total tax charge | <u><u>541,150</u></u> | <u><u>497,199</u></u> |

8. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss and Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £755,756 (2014 - £885,465).

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

9. **TANGIBLE FIXED ASSETS**

| Group | Freehold property £ | Long leasehold £ | Aircraft £ | Plant and machinery £ |
|---------------------------|--|---------------------------------|-------------------------------------|--------------------------------------|
| COST | | | | |
| At 1 January 2015 | 3,525,088 | 1,148,613 | 185,688 | 5,788,884 |
| Additions | - | - | - | 492,259 |
| Disposals | - | - | - | (56,522) |
| Reclassification/transfer | (517,349) | - | - | - |
| At 31 December 2015 | 3,007,739 | 1,148,613 | 185,688 | 6,224,621 |
| DEPRECIATION | | | | |
| At 1 January 2015 | 401,140 | 571,025 | 182,729 | 4,752,605 |
| Charge for year | - | 83,127 | 2,959 | 264,013 |
| Eliminated on disposal | - | - | - | (50,530) |
| At 31 December 2015 | 401,140 | 654,152 | 185,688 | 4,966,088 |
| NET BOOK VALUE | | | | |
| At 31 December 2015 | 2,606,599 | 494,461 | - | 1,258,533 |
| At 31 December 2014 | 3,123,948 | 577,588 | 2,959 | 1,036,279 |
| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
| COST | | | | |
| At 1 January 2015 | 229,949 | 390,813 | 416,059 | 11,685,094 |
| Additions | 10,623 | 249,529 | 11,371 | 763,782 |
| Disposals | - | (233,409) | - | (289,931) |
| Reclassification/transfer | - | - | - | (517,349) |
| At 31 December 2015 | 240,572 | 406,933 | 427,430 | 11,641,596 |
| DEPRECIATION | | | | |
| At 1 January 2015 | 193,449 | 178,607 | 375,355 | 6,654,910 |
| Charge for year | 9,797 | 98,841 | 20,224 | 478,961 |
| Eliminated on disposal | - | (97,700) | - | (148,230) |
| At 31 December 2015 | 203,246 | 179,748 | 395,579 | 6,985,641 |
| NET BOOK VALUE | | | | |
| At 31 December 2015 | 37,326 | 227,185 | 31,851 | 4,655,955 |
| At 31 December 2014 | 36,500 | 212,206 | 40,704 | 5,030,184 |

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

9. TANGIBLE FIXED ASSETS - continued

| Company | Freehold property £ | Long leasehold £ | Aircraft £ | Plant and machinery £ |
|---------------------------|--|---------------------------------|-------------------------------------|-----------------------------|
| COST | | | | |
| At 1 January 2015 | 3,525,086 | 1,148,613 | 185,688 | 4,799,121 |
| Additions | - | - | - | 247,934 |
| Disposals | - | - | - | (56,522) |
| Reclassification/transfer | (517,349) | - | - | - |
| At 31 December 2015 | 3,007,737 | 1,148,613 | 185,688 | 4,990,533 |
| DEPRECIATION | | | | |
| At 1 January 2015 | 401,140 | 571,025 | 182,729 | 4,137,397 |
| Charge for year | - | 83,127 | 2,959 | 155,263 |
| Eliminated on disposal | - | - | - | (50,530) |
| At 31 December 2015 | 401,140 | 654,152 | 185,688 | 4,242,130 |
| NET BOOK VALUE | | | | |
| At 31 December 2015 | 2,606,597 | 494,461 | - | 748,403 |
| At 31 December 2014 | 3,123,946 | 577,588 | 2,959 | 661,724 |
| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
| COST | | | | |
| At 1 January 2015 | 172,791 | 390,814 | 282,159 | 10,504,272 |
| Additions | - | 249,529 | 8,572 | 506,035 |
| Disposals | - | (233,409) | - | (289,931) |
| Reclassification/transfer | - | - | - | (517,349) |
| At 31 December 2015 | 172,791 | 406,934 | 290,731 | 10,203,027 |
| DEPRECIATION | | | | |
| At 1 January 2015 | 168,818 | 178,607 | 256,981 | 5,896,697 |
| Charge for year | 758 | 98,841 | 14,192 | 355,140 |
| Eliminated on disposal | - | (97,700) | - | (148,230) |
| At 31 December 2015 | 169,576 | 179,748 | 271,173 | 6,103,607 |
| NET BOOK VALUE | | | | |
| At 31 December 2015 | 3,215 | 227,186 | 19,558 | 4,099,420 |
| At 31 December 2014 | 3,973 | 212,207 | 25,178 | 4,607,575 |

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

10. **FIXED ASSET INVESTMENTS**

Group

| | Interest in joint venture £ |
|------------------------|--|
| COST | |
| At 1 January 2015 | 1,801,586 |
| Share of profit/(loss) | 493,828 |
| | <hr/> |
| At 31 December 2015 | 2,295,414 |
| | <hr/> |
| NET BOOK VALUE | |
| At 31 December 2015 | 2,295,414 |
| | <hr/> |
| At 31 December 2014 | 1,801,586 |
| | <hr/> |

Interest in joint venture

Ibex Marina Ropes Limited

The group's share of Ibex Marina Ropes Limited is as follows:

| | 2015 £ | 2014 £ |
|--|-------------------|-------------------|
| Turnover | 1,549,316 | 1,498,585 |
| | <hr/> | <hr/> |
| Profit before tax | 620,346 | 452,666 |
| Taxation | (126,518) | (97,209) |
| Profit after tax | 493,828 | 355,457 |
| | <hr/> | <hr/> |
| Share of assets | | |
| Fixed assets | 19,818 | 12,888 |
| Current assets | 2,495,781 | 2,049,649 |
| Share of liabilities | | |
| Liabilities due within one year | (220,185) | (260,951) |
| Liabilities due after one year or more | - | - |
| | <hr/> | <hr/> |
| Share of net assets | 2,295,414 | 1,801,586 |
| | <hr/> | <hr/> |

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

10. **FIXED ASSET INVESTMENTS – continued**
Company

| | Shares in group undertaking £ |
|-----------------------|--|
| COST | |
| At 1 January 2015 | |
| and 31 December 2015 | 2 |
| NET BOOK VALUE | |
| At 31 December 2015 | 2 |
| At 31 December 2014 | 2 |

Joint Ventures

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity it is treated as a jointly controlled entity. The Group's share of the profits less losses of its joint venture is included in the consolidated profit and loss account and its interest in its net assets is recorded on the balance sheet using the equity method.

In the parent financial statements, Investments in subsidiaries and its jointly controlled entities are carried at cost less impairment.

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Marlow Ropes Limited

Nature of business: Manufacture of ropes and braids

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

Ibex Ropes Limited

Nature of business: Dormant Company

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

JH Blakey

Nature of business: Dormant Company

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

Marlow Ropes Inc.

Country of incorporation: USA

Nature of business: Sale of braided cord and rope

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Common | 100.00 |

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

Joint ventures

Ibex Marina Ropes Limited

Nature of business: Manufacture of ropes and braids

| | |
|------------------|------------------|
| Class of shares: | % |
| Ordinary | holding 50.00 |

10. FIXED ASSET INVESTMENTS - continued

Weblash Limited

Nature of business: Dormant Company

| | |
|------------------|------------------|
| Class of shares: | % |
| Ordinary | holding 50.00 |

11. INVESTMENT PROPERTY

Group and company

| | |
|---------------------------|--------------------|
| | Total £ |
| FAIR VALUE | |
| Reclassification/transfer | 517,349 |
| At 31 December 2015 | 517,349 |
| NET BOOK VALUE | |
| At 31 December 2015 | 517,349 |

Land & Property that is owned by the Company has been re-classified as an Investment Property due to a change of use. This will be re-valued to its fair value at the end of subsequent accounting periods with any gain or loss through profit and loss account.

12. STOCKS

| | Group | | Company | |
|------------------|------------------|------------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Raw materials | 1,033,006 | 801,810 | 481,532 | 289,818 |
| Work-in-progress | 432,607 | 567,854 | 55,412 | 31,069 |
| Finished goods | 1,533,309 | 1,323,473 | 359,449 | 431,651 |
| | 2,998,922 | 2,693,137 | 896,393 | 752,538 |

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Trade debtors | 1,377,622 | 1,351,635 | 455,678 | 474,295 |
| Amounts owed by participating interests | 34,700 | 42,397 | - | - |
| Prepayments and accrued income | 208,533 | 202,876 | 146,534 | 127,558 |
| | 1,620,855 | 1,596,908 | 602,212 | 601,853 |

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Trade creditors | 509,363 | 494,682 | 163,786 | 251,429 |
| Amounts owed to group undertakings | - | - | 857,183 | 377,361 |
| Amounts owed to joint ventures | 4,186,262 | 3,281,253 | 4,186,262 | 3,281,253 |
| Tax | 143,422 | 177,625 | 14,540 | 98,004 |
| Social security and other taxes | 245,598 | 248,880 | 116,107 | 96,839 |
| Other creditors | 724,185 | 512,215 | 724,755 | 512,785 |
| Accruals and deferred income | 791,710 | 896,577 | 589,394 | 700,271 |
| | 6,600,540 | 5,611,232 | 6,652,027 | 5,317,942 |

15. PROVISIONS FOR LIABILITIES

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Deferred tax | | | | |
| Accelerated capital allowances | 185,650 | 117,923 | 127,164 | 87,599 |
| Other timing differences | (416) | (510) | - | - |
| | 185,234 | 117,413 | 127,164 | 87,599 |

Group

| | Deferred tax |
|---------------------------------|---------------------|
| | £ |
| Balance at 1 January 2015 | 117,413 |
| Charge/ (Credit) to P&L Account | 67,821 |
| Balance at 31 December 2015 | 185,234 |

Company

| | Deferred tax |
|---------------------------------|---------------------|
| | £ |
| Balance at 1 January 2015 | 87,599 |
| Charge/ (Credit) to P&L Account | 39,565 |
| Balance at 31 December 2015 | 127,164 |

16. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|----------------|----------------|----------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 2015 | 2014 |
| | | | £ | £ |
| 120,000 | Ordinary | £1 | 120,000 | 120,000 |

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

17. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the Group to the scheme and amounted to £56,845 (2014: £56,845). At the end of the financial year there were outstanding contributions of £4,885 (2014: £4,885).

18. CONTINGENT LIABILITIES

The Company is party to a Group registration for VAT. At the year end, the maximum liability under this arrangement was £83,199 (2014: £272,290).

19. RELATED PARTY DISCLOSURES

English Braids Limited supplied goods and services amounting to £257,554 (2014: £113,195) to Ibex Marina Ropes Limited and purchases amounted to £91,987 (2014: £141,868). Ibex Marina Ropes Limited is jointly owned by English Braids Limited and P 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 2015 was £4,186,262 (2014: £3,281,253).

English Braids Limited charged Ibex Marina Ropes Limited £27,000 (2014: £27,000) for the use of plant and machinery and £60,000 (2014: £445,000) for management provided by English Braids Limited.

EBL Pension Fund charged Ibex Marina Ropes Limited £57,750 (2014: £57,750) for rental of the business property, settled through the current account with English Braids Limited. P Earp is a beneficiary of the EBL Pension Fund.

English Braids Limited paid VAT liabilities of £345,338 (2014: £266,939) on behalf of Ibex Marina Ropes Limited, which was settled through the current account.

Marlow Ropes Limited, a fellow subsidiary of English Braids Limited, supplied goods and services amounting to £53,035 (2014: £37,278) to Ibex Marina Ropes Limited and purchases amounted to £310,114 (2014: £144,318). All transactions were made in the normal course of business. The balance owed by Ibex Marina Ropes Limited as at 31 December 2015 was £34,700 (2014: £42,396).

English Braids Limited paid £5,000 (2014: £5,500) for business travel in an aircraft owned by P Earp, a director of English Braids Limited.

The balance owed to P Earp by English Braids Limited at 31 December 2015 was £724,755 (2014: £512,785)

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is P Earp, who is a director and owns 100% of the share capital of the company.

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2015

21. CASH AND CASH EQUIVALENTS

The amounts disclosed in the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2015

| | 2015 £ | 2014 £ |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | <u>15,121,446</u> | <u>13,034,449</u> |

Year ended 31 December 2014

| | 2014 £ | 2013 £ |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | <u>13,034,449</u> | <u>10,838,006</u> |

22. EVENTS AFTER THE REPORTING DATE

Subsequent to the year end on 10th June 2016 the company acquired 100% of the share capital of Ace Supplies (UK) Ltd for a total consideration of £894,924.