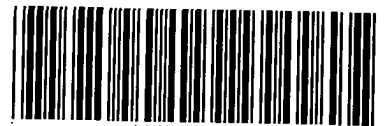


Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31 December 2013
for
English Braids Limited

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Company Information
for the Year Ended 31 December 2013

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)

SENIOR STATUTORY AUDITOR: Graham Neale

AUDITORS:

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Group Strategic Report
for the Year Ended 31 December 2013

The directors present their strategic report of the company and the group for the year ended 31 December 2013.

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.

2013 saw the group continue to achieve growth with its customer base in key markets and strengthen its asset base; specifically its cash at bank.

The group is satisfied 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 is increasingly adopting KPI's as measures of its performance, particularly in the area of working capital management.

The director recognises that 2014 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, is well placed for the future whilst at the same time investment vehicles are being sought to further grow the group profitability and cash reserves in the future.

The profit for the year is shown in the profit and loss account on page 6.


PRINCIPAL RISKS AND UNCERTAINTIES

The group's global presence in a number of competitive market segments has enabled it to perform strongly despite the recession. Whilst any continued global downturn might provide significant challenges to the group the director considers 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: 29th September 2014

Report of the Directors
for the Year Ended 31 December 2013

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

P Earp
H R Earp

Other changes in directors holding office are as follows:

R L Atkinson ceased to be a director after 31 December 2013 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). 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 judgements 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 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 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 the group and hence for taking reasonable steps for the prevention and detection 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.

Report of the Directors
for the Year Ended 31 December 2013

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: 27th September 2014

Report of the Independent Auditors to the Members of
English Braids Limited

We have audited the financial statements of English Braids Limited for the year ended 31 December 2013 on pages six to twenty two. 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 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 2013 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: 29th September 2014

Consolidated Profit and Loss Account
for the Year Ended 31 December 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|-------------|-------------|
| TURNOVER | | | |
| Group and share of joint ventures | | 10,898,855 | 10,755,666 |
| Less: | | | |
| Share of joint ventures' turnover | | (1,263,717) | (1,498,405) |
| GROUP TURNOVER | 2 | 9,635,138 | 9,257,261 |
| Cost of sales | | (5,485,421) | (5,119,151) |
| GROSS PROFIT | | 4,149,717 | 4,138,110 |
| Distribution costs | | (363,701) | (319,610) |
| Administrative expenses | | (2,624,967) | (2,317,045) |
| GROUP OPERATING PROFIT | 5 | 1,161,049 | 1,501,455 |
| Share of operating profit in Joint ventures | | 268,351 | 373,639 |
| Profit on sale of fixed assets Group | | 5,007 | 11,363 |
| | | 1,434,407 | 1,886,457 |
| Other interest receivable and similar income | | | |
| Group | 6 | 42,570 | 38,255 |
| Joint ventures | | 27 | 34 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,477,004 | 1,924,746 |
| Tax on profit on ordinary activities | 7 | (379,087) | (491,925) |
| PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP | | 1,097,917 | 1,432,821 |

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 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|--------------------------|--------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 9 | 5,063,462 | 5,342,349 |
| Investments | 10 | | |
| Interest in joint venture | | | |
| Share of gross assets | | 1,552,154 | 1,426,196 |
| Share of gross liabilities | | (106,025) | (186,470) |
| | | <u>6,509,591</u> | <u>6,582,075</u> |
| CURRENT ASSETS | | | |
| Stocks | 11 | 2,836,842 | 2,929,041 |
| Debtors | 12 | 1,497,014 | 1,202,820 |
| Cash at bank | | 10,838,006 | 9,767,759 |
| | | <u>15,171,862</u> | <u>13,899,620</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | 4,858,728 | 4,744,900 |
| NET CURRENT ASSETS | | <u>10,313,134</u> | <u>9,154,720</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>16,822,725</u> | <u>15,736,795</u> |
| PROVISIONS FOR LIABILITIES | 14 | 56,668 | 68,655 |
| NET ASSETS | | <u><u>16,766,057</u></u> | <u><u>15,668,140</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 120,000 | 120,000 |
| Profit and loss account | 16 | 16,646,057 | 15,548,140 |
| SHAREHOLDERS' FUNDS | 21 | <u><u>16,766,057</u></u> | <u><u>15,668,140</u></u> |

The financial statements were approved by the Board of Directors on 29/09/2014 and were signed on its behalf by:




 P Earp - Director

Company Balance Sheet
31 December 2013

| | | 2013 | | 2012 | |
|--|-------|-------------------|--------------------------|-------------------|--------------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 4,570,860 | | 4,809,529 |
| Investments | 10 | | 2 | | 2 |
| | | | <u>4,570,862</u> | | <u>4,809,531</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 11 | 837,363 | | 964,656 | |
| Debtors | 12 | 658,612 | | 581,989 | |
| Cash at bank | | 10,736,347 | | 9,697,081 | |
| | | <u>12,232,322</u> | | <u>11,243,726</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | 4,406,283 | | 4,202,389 | |
| | | <u>4,406,283</u> | | <u>4,202,389</u> | |
| NET CURRENT ASSETS | | | <u>7,826,039</u> | | <u>7,041,337</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>12,396,901</u> | | <u>11,850,868</u> |
| PROVISIONS FOR LIABILITIES | 14 | | 27,144 | | 48,184 |
| NET ASSETS | | | <u><u>12,369,757</u></u> | | <u><u>11,802,684</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 15 | | 120,000 | | 120,000 |
| Profit and loss account | 16 | | 12,249,757 | | 11,682,684 |
| SHAREHOLDERS' FUNDS | 21 | | <u><u>12,369,757</u></u> | | <u><u>11,802,684</u></u> |

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



 P Earp - Director

Consolidated Cash Flow Statement
for the Year Ended 31 December 2013

| | Notes | 2013 £ | 2012 £ |
|---|-------|-------------------|------------------|
| Net cash inflow from operating activities | 22 | 1,443,453 | 2,467,663 |
| Returns on investments and servicing of finance | 23 | 42,570 | 38,255 |
| Taxation | | (272,745) | (471,436) |
| Capital expenditure | 23 | (143,031) | (1,394,225) |
| Increase in cash in the period | | <u>1,070,247</u> | <u>640,257</u> |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net funds | 24 | | |
| Increase in cash in the period | | <u>1,070,247</u> | <u>640,257</u> |
| Change in net funds resulting from cash flows | | <u>1,070,247</u> | <u>640,257</u> |
| Movement in net funds in the period | | <u>1,070,247</u> | <u>640,257</u> |
| Net funds at 1 January | | <u>9,767,759</u> | <u>9,127,502</u> |
| Net funds at 31 December | | <u>10,838,006</u> | <u>9,767,759</u> |

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2013

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 31 December 2013. 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 profits less losses of associates and 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.

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.

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.

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 difference 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. balance sheet

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

1. **ACCOUNTING POLICIES - continued**

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 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.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are 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 on short term deposit.

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:

| | 2013 | 2012 |
|----------------|------------------|------------------|
| | £ | £ |
| United Kingdom | 6,138,453 | 5,825,710 |
| Rest of World | 3,496,685 | 3,431,551 |
| | <u>9,635,138</u> | <u>9,257,261</u> |

3. **STAFF COSTS**

| | 2013 | 2012 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,913,152 | 2,834,460 |
| Social security costs | 316,193 | 282,514 |
| Other pension costs | 38,020 | 47,356 |
| | <u>3,267,365</u> | <u>3,164,330</u> |

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

| | 2013 | 2012 |
|----------------|------------|------------|
| Administration | 38 | 38 |
| Production | 74 | 75 |
| | <u>112</u> | <u>113</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

4. **DIRECTORS' EMOLUMENTS**

| | 2013 | 2012 |
|--|---------|---------|
| | £ | £ |
| Directors' remuneration | 996,741 | 893,200 |
| Directors' pension contributions to money purchase schemes | 41,789 | 41,066 |

Information regarding the highest paid director is as follows:

| | 2013 | 2012 |
|----------------|---------|---------|
| | £ | £ |
| Emoluments etc | 520,000 | 567,083 |

5. **OPERATING PROFIT**

The operating profit is stated after charging:

| | 2013 | 2012 |
|--|---------|---------|
| | £ | £ |
| Other operating leases | 391,067 | 328,000 |
| Depreciation - owned assets | 426,925 | 392,806 |
| Audit of these financial statements | 25,620 | 24,200 |
| The auditing of accounts of any associate of the company | 13,700 | 14,000 |
| Taxation compliance services | 7,800 | 5,000 |

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

| | 2013 | 2012 |
|--------------------------|--------|--------|
| | £ | £ |
| Deposit account interest | 42,570 | 38,255 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

7. TAXATION

Analysis of the tax charge

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

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| Current tax: | | |
| UK corporation tax | 329,351 | 401,680 |
| Adjustments in respect of prior periods | (251) | 3,320 |
| Joint ventures corporation tax | 61,974 | 94,928 |
| Total current tax | 391,074 | 499,928 |
| Deferred tax: | | |
| Original/Reversal of Timing Differences | (3,038) | (1,023) |
| Effect of rate changes | (8,956) | (6,059) |
| Adjustment in respect of previous years | 7 | 37 |
| Joint ventures deferred tax | - | (958) |
| Total deferred tax | (11,987) | (8,003) |
| Tax on profit on ordinary activities | 379,087 | 491,925 |

Factors affecting the tax charge

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

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Profit on ordinary activities before tax | 1,477,004 | 1,924,746 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.527% (2012 - 24.753%) | 362,265 | 476,432 |
| Effects of: | | |
| Depreciation for the year in excess of/(less than) capital allowances | (33,621) | 2,848 |
| Depreciation on ineligible assets | 56,520 | 17,447 |
| Expenses not deductible for tax purposes | 5,953 | 6,374 |
| Tax rate lower than standard percentage rates on tax profits | (38) | (6,264) |
| Adjustment to tax charge in respect of previous periods | (251) | 3,320 |
| (Increase)/decrease in other timing differences | 246 | (229) |
| Current tax charge | 391,074 | 499,928 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

7. **TAXATION - continued**

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective 1st April 2012) and to 23% (effective 1st April 2013) were substantively enacted on 26th March 2012 and 3rd July 2012 respectively. Further reductions to 21% (effective from 1st April 2014) and 20% (effective from 1st April 2015) were substantively enacted on 2nd July 2013.

This will reduce the company's future current tax charge accordingly and reduce the deferred tax liability at 31st December 2013 (which has been calculated at a rate of 20% substantively enacted at the balance sheet date) by £8,956.

8. **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 £567,073 (2012 - £562,329).

9. **TANGIBLE FIXED ASSETS**

Group

| | Freehold property £ | Long leasehold £ | Aircraft £ | Plant and machinery £ |
|------------------------|------------------------------------|---------------------------------|-----------------------|--------------------------------------|
| COST | | | | |
| At 1 January 2013 | 3,524,588 | 1,148,613 | 185,688 | 5,628,070 |
| Additions | 500 | - | - | 50,090 |
| At 31 December 2013 | 3,525,088 | 1,148,613 | 185,688 | 5,678,160 |
| DEPRECIATION | | | | |
| At 1 January 2013 | 280,833 | 525,075 | 145,208 | 4,542,595 |
| Charge for year | 60,154 | 22,975 | 19,029 | 193,462 |
| Eliminated on disposal | - | - | - | - |
| At 31 December 2013 | 340,987 | 548,050 | 164,237 | 4,736,057 |
| NET BOOK VALUE | | | | |
| At 31 December 2013 | 3,184,101 | 600,563 | 21,451 | 942,103 |
| At 31 December 2012 | 3,243,755 | 623,538 | 40,480 | 1,085,475 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

9. **TANGIBLE FIXED ASSETS - continued**

Group

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------------|------------------------|----------------------------|-------------|
| COST | | | | |
| At 1 January 2013 | 206,143 | 364,162 | 381,006 | 11,438,270 |
| Additions | 9,484 | 105,458 | 16,009 | 181,541 |
| Disposals | - | (73,515) | (496) | (74,011) |
| At 31 December 2013 | 215,627 | 396,105 | 396,519 | 11,545,800 |
| DEPRECIATION | | | | |
| At 1 January 2013 | 178,536 | 116,175 | 307,499 | 6,095,921 |
| Charge for year | 6,778 | 85,539 | 38,988 | 426,925 |
| Eliminated on disposal | - | (40,072) | (436) | (40,508) |
| At 31 December 2013 | 185,314 | 161,642 | 346,051 | 6,482,338 |
| NET BOOK VALUE | | | | |
| At 31 December 2013 | 30,313 | 234,463 | 50,468 | 5,063,462 |
| At 31 December 2012 | 27,607 | 247,987 | 73,507 | 5,342,349 |

Company

| | Freehold property £ | Long leasehold £ | Aircraft £ | Plant and machinery £ |
|------------------------|---------------------------|------------------------|---------------|-----------------------------|
| COST | | | | |
| At 1 January 2013 | 3,524,586 | 1,148,613 | 185,688 | 4,701,644 |
| Additions | 500 | - | - | - |
| At 31 December 2013 | 3,525,086 | 1,148,613 | 185,688 | 4,701,644 |
| DEPRECIATION | | | | |
| At 1 January 2013 | 280,833 | 525,075 | 145,208 | 4,114,460 |
| Charge for year | 60,154 | 22,975 | 19,029 | 102,799 |
| Eliminated on disposal | - | - | - | - |
| At 31 December 2013 | 340,987 | 548,050 | 164,237 | 4,217,259 |
| NET BOOK VALUE | | | | |
| At 31 December 2013 | 3,184,099 | 600,563 | 21,451 | 484,385 |
| At 31 December 2012 | 3,243,753 | 623,538 | 40,480 | 587,184 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

9. **TANGIBLE FIXED ASSETS - continued**

Company

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|--|---------------------------------|-------------------------------------|---------------------|
| COST | | | | |
| At 1 January 2013 | 167,952 | 364,163 | 266,163 | 10,358,809 |
| Additions | 4,674 | 105,458 | 9,173 | 119,805 |
| Disposals | - | (73,515) | (396) | (73,911) |
| At 31 December 2013 | 172,626 | 396,106 | 274,940 | 10,404,703 |
| DEPRECIATION | | | | |
| At 1 January 2013 | 167,488 | 116,175 | 200,041 | 5,549,280 |
| Charge for year | 569 | 85,539 | 33,955 | 325,020 |
| Eliminated on disposal | - | (40,072) | (385) | (40,457) |
| At 31 December 2013 | 168,057 | 161,642 | 233,611 | 5,833,843 |
| NET BOOK VALUE | | | | |
| At 31 December 2013 | 4,569 | 234,464 | 41,329 | 4,570,860 |
| At 31 December 2012 | 464 | 247,988 | 66,122 | 4,809,529 |

10. **FIXED ASSET INVESTMENTS**

Group

| | Interest in joint venture £ |
|------------------------|--|
| COST | |
| At 1 January 2013 | 1,239,726 |
| Share of profit/(loss) | 206,403 |
| At 31 December 2013 | 1,446,129 |
| NET BOOK VALUE | |
| At 31 December 2013 | 1,446,129 |
| At 31 December 2012 | 1,239,726 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

Group**Interest in joint venture**

Ibex Marina Ropes Limited

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

| | 2013 £ | 2012 £ |
|--|------------------|------------------|
| Turnover | <u>1,263,717</u> | <u>1,498,405</u> |
| Profit before tax | 268,378 | 373,673 |
| Taxation | (61,974) | (93,970) |
| Profit after tax | <u>206,404</u> | <u>279,703</u> |
| Share of assets | | |
| Fixed assets | 8,019 | 6,390 |
| Current assets | 1,544,135 | 1,419,806 |
| Share of liabilities | | |
| Liabilities due within one year | (106,025) | (186,470) |
| Liabilities due after one year or more | - | - |
| Share of net assets | <u>1,446,129</u> | <u>1,239,726</u> |

Company

| | Shares in group undertakings £ |
|---|---|
| COST | |
| At 1 January 2013 and 31 December 2013 | <u>2</u> |
| NET BOOK VALUE | |
| At 31 December 2013 | <u>2</u> |
| At 31 December 2012 | <u>2</u> |

The group or the company's investments at the balance sheet 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 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

10. **FIXED ASSET INVESTMENTS - continued**

Ibex Ropes Limited

Nature of business: Dormant company

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

JH Blakey

Nature of business: Dormant company

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

Marlow Ropes Inc

Country of incorporation: USA

Nature of business: Sale of braided cord and rope

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

Joint ventures

Ibex Marina Ropes Limited

Nature of business: Manufacture of ropes and braids

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

Weblash Limited

Nature of business: Dormant company

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

11. **STOCKS**

| | Group | | Company | |
|------------------|------------------|------------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Raw materials | 988,037 | 1,094,197 | 383,567 | 487,324 |
| Work-in-progress | 452,088 | 468,576 | 27,046 | 25,398 |
| Finished goods | 1,396,717 | 1,366,268 | 426,750 | 451,934 |
| | <u>2,836,842</u> | <u>2,929,041</u> | <u>837,363</u> | <u>964,656</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Trade debtors | 1,313,573 | 1,054,137 | 573,299 | 302,986 |
| Amounts owed by group undertakings | - | - | - | 191,049 |
| Amounts owed by participating interests | 44,483 | 3,523 | - | - |
| Prepayments and accrued income | 138,958 | 145,160 | 85,313 | 87,954 |
| | <u>1,497,014</u> | <u>1,202,820</u> | <u>658,612</u> | <u>581,989</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Trade creditors | 418,068 | 387,573 | 168,707 | 182,816 |
| Amounts owed to group undertakings | - | - | 73,382 | 20,000 |
| Amounts owed to joint ventures | 2,370,861 | 2,015,637 | 2,370,861 | 2,015,637 |
| Tax | 301,781 | 245,426 | 269,521 | 148,030 |
| Social security and other taxes | 474,039 | 214,703 | 372,258 | 84,495 |
| Other creditors | 349,077 | 911,748 | 349,647 | 912,318 |
| Accruals and deferred income | 944,902 | 969,813 | 801,907 | 839,093 |
| | <u>4,858,728</u> | <u>4,744,900</u> | <u>4,406,283</u> | <u>4,202,389</u> |

14. PROVISIONS FOR LIABILITIES

| | Group | | Company | |
|--------------------------------|---------------|---------------|----------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Deferred tax | | | | |
| Accelerated capital allowances | 57,153 | 68,970 | 27,146 | 48,184 |
| Other timing differences | (485) | (315) | (2) | - |
| | <u>56,668</u> | <u>68,655</u> | <u>27,144</u> | <u>48,184</u> |

Group

| | Deferred tax |
|--------------------------------|---------------------|
| | £ |
| Balance at 1 January 2013 | 68,655 |
| Charge/(Credit) to P&L Account | (11,987) |
| Balance at 31 December 2013 | <u>56,668</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

14. PROVISIONS FOR LIABILITIES - continued

Company

| | Deferred tax £ |
|--------------------------------|-------------------------------|
| Balance at 1 January 2013 | 48,184 |
| Charge/(Credit) to P&L Account | (21,040) |
| | <hr/> |
| Balance at 31 December 2013 | 27,144 |
| | <hr/> |

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2013 £ | 2012 £ |
|---------|----------|-------------------|-------------------|-------------------|
| 120,000 | Ordinary | £1 | <u>120,000</u> | <u>120,000</u> |

16. RESERVES

Group

| | Profit and loss account £ |
|---------------------|--|
| At 1 January 2013 | 15,548,140 |
| Profit for the year | 1,097,917 |
| | <hr/> |
| At 31 December 2013 | 16,646,057 |
| | <hr/> |

Company

| | Profit and loss account £ |
|---------------------|--|
| At 1 January 2013 | 11,682,684 |
| Profit for the year | 567,073 |
| | <hr/> |
| At 31 December 2013 | 12,249,757 |
| | <hr/> |

17. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the Group to the scheme and amounted to £38,020 (2012 : £47,356). At the end of the financial year there were outstanding contributions of £2,415 (2012 : £2,371).

18. CONTINGENT LIABILITIES

The Company is party to a Group registration for VAT. At the year end, the maximum liability under this arrangement was £222,719 (2012 : £209,733).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

19. RELATED PARTY DISCLOSURES

English Braids Limited supplied goods and services amounting to £101,039 (2012 : £83,547) to Ibex Marina Ropes Limited and purchases amounted to £136,008 (2012 : £77,637). 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 2013 was £2,370,861 (2012 : £2,015,637).

Marlow Ropes Limited, a fellow subsidiary of English Braids Limited, supplied goods and services amounting to £31,279 (2012 : £25,950) to Ibex Marina Ropes Limited and purchases amounted to £148,682 (2012 : £204,865). All transactions were made in the normal course of business. The balance owed by Ibex Marina Ropes Limited as at 31 December 2013 was £44,483 (2012 : £3,523).

Marlow Ropes Limited also supplied goods and services amounting to £407,413 (2012 : Nil) to Marlow Ropes Inc. Marlow Ropes Inc is wholly owned by Marlow Ropes Limited. All transactions were made in the normal course of business. The balance owed by Marlow Ropes Inc as at 31 December 2013 was £239,790 (2012 : Nil).

English Braids Limited charged Ibex Marina Ropes Limited £27,000 (2012 : £27,000) for the use of plant and machinery and £57,750 (2012 : £57,750) for rental of the business property by the EBL Pension Fund. P Earp is a beneficiary of the EBL Pension Fund. English Braids Limited paid £4,500 (2012 : £5889) for business travel in an aircraft owned by P Earp, a director of English Braids Limited.

English Braids Limited paid VAT liabilities of £238,204 (2012 : £292,814) on behalf of Ibex Marina Ropes Limited, which was settled through the current account.

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.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| Group | 2013 | 2012 |
|--|-------------------|-------------------|
| | £ | £ |
| Profit for the financial year | 1,097,917 | 1,432,821 |
| Net addition to shareholders' funds | 1,097,917 | 1,432,821 |
| Opening shareholders' funds | 15,668,140 | 14,235,319 |
| Closing shareholders' funds | 16,766,057 | 15,668,140 |
| Company | | |
| | 2013 | 2012 |
| | £ | £ |
| Profit for the financial year | 567,073 | 562,329 |
| Net addition to shareholders' funds | 567,073 | 562,329 |
| Opening shareholders' funds | 11,802,684 | 11,240,355 |
| Closing shareholders' funds | 12,369,757 | 11,802,684 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

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

| | 2013 | 2012 |
|--|------------------|------------------|
| | £ | £ |
| Operating profit | 1,161,049 | 1,501,455 |
| Depreciation charges | 426,926 | 394,477 |
| Decrease/(increase) in stocks | 92,199 | (292,276) |
| (Increase)/decrease in debtors | (253,234) | 399,962 |
| Increase in creditors | 16,513 | 464,045 |
| Net cash inflow from operating activities | 1,443,453 | 2,467,663 |

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

| | 2013 | 2012 |
|--|------------------|--------------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 42,570 | 38,255 |
| Net cash inflow for returns on investments and servicing of finance | 42,570 | 38,255 |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (181,541) | (1,444,124) |
| Sale of tangible fixed assets | 38,510 | 49,899 |
| Net cash outflow for capital expenditure | (143,031) | (1,394,225) |

24. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.1.13 | Cash flow | At |
|--------------|----------------------|----------------------|-----------------------|
| | £ | £ | 31.12.13 |
| | | | £ |
| Net cash: | | | |
| Cash at bank | 9,767,759 | 1,070,247 | 10,838,006 |
| | <u>9,767,759</u> | <u>1,070,247</u> | <u>10,838,006</u> |
| Total | <u>9,767,759</u> | <u>1,070,247</u> | <u>10,838,006</u> |

Notes wholly REPLACED
and/or accounting policies totally IGNORED
and/or accounting policies with text REPLACED
by user's choice on client screen entries
for the Year Ended 31 December 2013

No notes have been replaced completely by user entries.

None of the standard accounting policies have been ignored.

The following standard accounting policy has been REPLACED completely by user entries.

TANGIBLE FIXED ASSETS

PLEASE CHECK THAT THIS CHOICE IS CORRECT - all changes that would automatically be made to notes generated by IRIS as a result of posting amendments etc WILL NOT BE AMENDED where REPLACEMENT notes have been selected.