

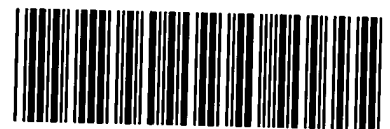
**English Braids Limited**

**Annual report and consolidated  
financial statements**

**Registered number 00932500**

**For the year ended 31 December 2022**

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## Company information

**Directors**

P Earp  
HR 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

## Strategic report

The directors present their strategic report of the company and the group for the year ended 31 December 2022.

### Principal activities and review of business

The principal activities of the group and company 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.

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

In order to monitor the Group's performance, management uses the following key performance indicators to ensure targets are achieved:

	2022	2021
1. Group turnover growth year on year	7.60%	15.06%
2. Return on capital employed ("ROCE") – Note 1	10.71%	9.51%
3. EBITDA – Note 2	£4.2m	£3.8m

Note 1 - Return on capital employed ("ROCE") = Profit before tax / total assets less current liabilities  
Note 2 - EBITDA = Profit before tax + depreciation – interest received

By closely monitoring these indicators, management is able to react to any adverse conditions which may occur and take corrective action.

The directors recognise that 2023 could be a challenging year, given the competitive nature of the markets in which the group operates and the effects of the Ukrainian conflict. 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.

The Group has continued to apply its long standing approach of controlling working capital and minimising overhead to maximise efficiency whilst continuing to invest in its people and product development which will stand the company in good stead for the future.

The Company and Group is funded by working capital and a strong cash reserve of £28m, with no external debt. The Company is a guarantor to the working capital facilities of its subsidiary group undertakings Marlow Ropes Limited, Ibcx Marine Ropes Limited and Ace Supplies Limited.

The Directors have prepared more detailed profit and cash forecasts for the period to 31 December 2023 and have considered the potential effects of the current economic environment on the company's performance, liquidity and therefore ability to meet its financial obligations. The Directors have considered a severe but plausible downside scenario. Based on this assessment the Company and Group retained significant positive cash balances at all times and the Directors considered that it was appropriate to adopt the going concern basis having reviewed any uncertainties

that may affect the Company's ability to continue as a going concern for at least the next 12 months from the date these Financial Statements were approved.

By order of the board



**P Earp**  
*Director*

4<sup>th</sup> October 2023

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

### Dividends

No dividends will be distributed for the year ended 31 December 2022 (2021: £Nil).

### Directors

The directors shown below have held office during the year from 1 January 2022 to the date of this report.

P Earp

H R Earp

N A Wood FCCA (Appointed 20<sup>th</sup> November 2022)

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

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

By order of the board



**P Earp**  
Director

Spring Lane  
Malvern Link  
Malvern  
Worcestershire  
WR14 1AL

4<sup>th</sup> October 2023

## **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 Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 fraud and other irregularities.



## KPMG LLP

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

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

#### Opinion

We have audited the financial statements of English Braids Limited ("the company") for the year ended 31 December 2022 which comprise the Consolidated profit and loss account and Other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity and Consolidated cash flow statement and related notes, including the accounting policies in note 1.

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 2022 and of its group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

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#### Fraud and breaches of laws and regulations – ability to detect

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:



## **Independent auditor's report to the members of English Braids Limited (continued)**

- Enquiring of directors and inspection of policy documentation as to the group's high-level policies and procedures to prevent and detect fraud, and whether they have knowledge of any actual, suspected or alleged fraud.
- Considering remuneration incentive schemes and performance targets for management, directors and staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition because of the simple nature of revenue and the limited perceived opportunity to commit fraud.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those unexpected debits and credits to revenue, unexpected postings to cash and seldom used accounts.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **Independent auditor's report to the members of English Braids Limited (continued)**

### **Strategic report and Directors' report**

The directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



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

4th October 2023

**Consolidated Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2022*

	<i>Note</i>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Turnover</b>			
Group and share of joint ventures		17,585,118	16,767,892
Less: Share of joint ventures' turnover		(1,307,797)	(1,422,290)
		<hr/>	<hr/>
<b>Group turnover</b>	2	16,277,321	15,345,602
Cost of sales		(8,004,768)	(7,952,644)
		<hr/>	<hr/>
<b>Gross profit</b>		8,272,553	7,392,958
Distribution costs		(1,012,328)	(848,960)
Administrative expenses		(3,963,795)	(3,664,812)
		<hr/>	<hr/>
<b>Operating profit</b>	3	3,296,430	2,879,186
Share of operating profit in joint venture	12	199,230	282,542
Profit on sale of fixed assets		138,471	11,277
Other interest receivable and similar income:	6	435,039	116,901
Other interest payable and similar charges	7	(1,931)	(1,548)
		<hr/>	<hr/>
<b>Profit before taxation</b>		4,067,239	3,288,358
Taxation	8	(717,529)	(612,581)
		<hr/>	<hr/>
<b>Profit for the year</b>		3,349,710	2,675,777
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		3,349,710	2,675,777
		<hr/>	<hr/>

The notes on pages 15 to 29 form an integral part of these financial statements.

**Consolidated Balance Sheet**  
**at 31 December 2022**

	Note	2022 £	2021 £
<b>Intangible assets</b>			
Goodwill	10	-	-
<b>Fixed assets</b>			
Tangible assets	11	8,436,150	8,472,801
Investments in Joint Venture:			
Share of gross assets	12	4,684,892	4,499,938
Share of gross liabilities	12	(199,669)	(213,944)
Investment property	13	588,044	588,044
		<u>13,509,417</u>	<u>13,346,839</u>
<b>Current assets</b>			
Stocks	14	4,735,911	4,042,455
Debtors	15	1,981,808	2,048,922
Cash at bank and in hand	16	28,281,977	24,770,094
		<u>34,999,696</u>	<u>30,861,471</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(10,625,130)</u>	<u>(9,631,390)</u>
<b>Net current assets</b>		<u>24,374,566</u>	<u>21,230,081</u>
<b>Total assets less current liabilities</b>		<u>37,883,983</u>	<u>34,576,920</u>
<b>Provisions for liabilities</b>	18	<u>(23,793)</u>	<u>(66,440)</u>
<b>Net assets</b>		<u>37,860,190</u>	<u>34,510,480</u>
<b>Capital and reserves</b>			
Called up share capital	19	120,000	120,000
Profit and loss account		37,740,190	34,390,480
<b>Shareholders' funds</b>		<u>37,860,190</u>	<u>34,510,480</u>

The notes on pages 15 to 29 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 4<sup>th</sup> October 2023 and were signed on its behalf by:



**P Earp**  
Director

Company registered number: 00932500

**Company Balance Sheet**  
*at 31 December 2022*

	<i>Note</i>	<b>2022</b>	<b>2021</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	11	8,039,762	8,026,776
Investments	12	904,203	904,203
Investment property	13	588,044	588,044
		<hr/>	<hr/>
		9,532,009	9,519,023
<b>Current assets</b>			
Stocks	14	1,464,167	1,489,069
Debtors	15	637,447	931,928
Cash at bank and in hand		27,652,360	24,182,648
		<hr/>	<hr/>
		29,753,974	26,603,645
<b>Creditors: amounts falling due within one year</b>	17	(19,765,515)	(17,752,066)
		<hr/>	<hr/>
<b>Net current assets</b>		9,988,459	8,851,579
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		19,520,468	18,370,602
<b>Provisions for liabilities</b>	18	-	(252)
		<hr/>	<hr/>
<b>Net assets</b>		19,520,468	18,370,350
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	19	120,000	120,000
Profit and loss account		19,400,468	18,250,350
		<hr/>	<hr/>
<b>Shareholders' funds</b>		19,520,468	18,370,350
		<hr/>	<hr/>

The notes on pages 15 to 29 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 4<sup>th</sup> October 2023 and were signed on its behalf by:



**P Earp**  
Director

Company registered number: 00932500

## Consolidated Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2021	120,000	31,714,703	31,834,703
<b>Total comprehensive income for the period</b>			
Profit for the year	-	2,675,777	2,675,777
Balance at 31 December 2021	120,000	34,390,480	34,510,480
Balance at 1 January 2022	120,000	34,390,480	34,510,480
<b>Total comprehensive income for the period</b>			
Profit for the year	-	3,349,710	3,349,710
<b>Balance at 31 December 2022</b>	<b>120,000</b>	<b>37,740,190</b>	<b>37,860,190</b>

The notes on pages 15 to 29 form an integral part of these financial statements.

## Company Statement of Changes in Equity

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
Balance at 1 January 2021	120,000	17,479,198	17,599,198
<b>Total comprehensive income for the period</b>			
Profit for the year	-	771,152	771,152
Balance at 31 December 2021	120,000	18,250,350	18,370,350
Balance at 1 January 2022	120,000	18,250,350	18,370,350
<b>Total comprehensive income for the period</b>			
Profit for the year	-	1,150,118	1,150,118
<b>Balance at 31 December 2022</b>	<b>120,000</b>	<b>19,400,468</b>	<b>19,520,468</b>

The notes on pages 15 to 29 form an integral part of these financial statements.

**Consolidated Cash Flow Statement**  
*for year ended 31 December 2022*

	<i>Note</i>	<b>2022</b> £	<b>2021</b> £
<b>Cash flows from operating activities</b>			
Profit for the year		3,349,710	2,675,777
<i>Adjustments for:</i>			
Amortisation of goodwill		-	35,927
Depreciation, amortisation and impairment		561,363	606,044
Profit on disposal of fixed assets		(138,471)	(11,277)
Finance income		(435,039)	(116,909)
Share of profit of joint venture		(199,230)	(282,542)
(Increase) in stocks		(693,456)	(60,552)
Decrease/(increase) in trade and other debtors		67,112	(212,082)
Increase/(decrease) in trade and other creditors		760,769	(429,066)
Taxation		753,984	688,588
Cash generated from operations		4,026,742	2,893,908
Tax paid		(563,659)	(591,087)
<b>Net cash from operating activities</b>		<b>3,463,083</b>	<b>2,302,821</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(586,234)	(337,516)
Proceeds from sale of tangible fixed assets		199,995	11,277
Interest received		435,039	116,909
<b>Net cash from investing activities</b>		<b>48,800</b>	<b>(209,330)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,511,883</b>	<b>2,093,491</b>
Cash and cash equivalents at 1 January		24,770,094	22,676,603
<b>Cash and cash equivalents at 31 December</b>	<i>16</i>	<b>28,281,977</b>	<b>24,770,094</b>

The notes on pages 15 to 29 form an integral part of these financial statements.



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

English Braids Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 00932500 and the registered address is Spring Lane, Malvern Link, Worcestershire, WR14 1AL.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Parent company Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

English Braids Limited has guaranteed the liabilities of Ace Supplies Limited (company registration number 03006923) in order for it to qualify for the exemption from audit under section 479A of the Companies Act 2006 in respect of the year ended 31 December 2022.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group has generated a profit before tax of £4.1m (2021: £3.3m) and it has net current assets of £24.4m (2021: £21.2m) and it has a cash balance at year end of £28.3m (2021: £24.8m). The Company continues to employ its long standing approach to tightly control working capital, whilst continuing to invest in its people and products to ensure that it is well positioned for the future.

The Directors have prepared Group cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonable possible downside scenario, the Group will have sufficient funds to meet its liabilities as they fall due during the 12 month period ending September 2024, the going concern assessment period. The Company and Group is funded by working capital and a strong group cash reserve of £28.3m, with no debt.

Consequently, the directors are confident that the Company and Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

## Notes (continued)

### 1 Accounting policies (continued)

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 results of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

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

#### *Foreign currency*

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### *1.3 Basic financial instruments*

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

#### *1.4 Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Freehold property            50 years
- Long leasehold               50 years
- Aircraft                        10 years
- Plant and Machinery       5-8 years
- Fixtures and fittings       5-8 years
- Motor Vehicles              4 years
- Computer equipment       4 years

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Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the group expects to consume an asset's future economic benefits.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

#### 1.6 Intangible assets, goodwill and negative goodwill

##### Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

##### Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use.

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 5 years

- The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.
- Goodwill is tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

#### 1.7 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Employee benefits

##### *Defined contribution plans and other long-term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### 1.10 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### 1.11 Turnover

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

#### 1.12 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable, finance expenses on finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

#### 1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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 arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.14 Taxation (continued)

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### 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 as follows:

	2022 £	2021 £
United Kingdom	8,156,914	8,376,256
Rest of the World	8,120,407	6,969,346
	<u>16,277,321</u>	<u>15,345,602</u>

### 3 Expenses and auditor's remuneration

*Included in profit/loss are the following:*

	2022 £	2021 £
Other operating leases	534,679	533,466
Depreciation of owned assets	561,363	606,044
Amortisation of goodwill	-	35,928
	<u>1,096,042</u>	<u>1,175,438</u>

*Auditor's remuneration:*

Audit of these financial statements	58,470	45,609
Audit of financial statements of subsidiaries of the company	23,530	21,391
Audit of joint venture company	-	-
Taxation compliance services	17,500	15,900
Other services	-	-
	<u>99,500</u>	<u>82,899</u>

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees 2022	2021
Administration	40	43
Production	102	91
	<u>142</u>	<u>134</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	4,549,162	4,216,356
Social security costs	406,298	364,598
Other pension costs	161,246	104,276
	<u>5,116,706</u>	<u>4,685,230</u>

### 5 Directors' remuneration

	2022 £	2021 £
Directors' remuneration	672,001	656,707
Company contributions to money purchase pension plans	9,662	7,962
	<u></u>	<u></u>

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

	Number of directors
Retirement benefits are accruing to the following number of directors under:	
Money purchase schemes	2
	<u>1</u>

Information regarding the highest paid director is as follows:

	£	£
Remuneration	578,325	479,618
Pension contributions to money purchase schemes	8,245	7,962
	<u></u>	<u></u>

### 6 Other interest receivable and similar income

	2022 £	2021 £
Foreign exchange gain	132,463	82,557
Deposit account interest	302,576	34,344
	<u>435,039</u>	<u>116,901</u>

## Notes (continued)

### 7 Other interest payable and similar expenses

	2022 £	2021 £
Foreign exchange loss	(1,931)	(1,530)
Interest payable	-	(18)
	<u>(1,931)</u>	<u>(1,548)</u>

### 8 Taxation

#### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2022 £	£	2021 £	£
<i>Current tax</i>				
Current tax on income for the period	758,665		621,554	
Adjustments in respect of prior periods	3,926		(626)	
Other Adjustments	<u>(2,414)</u>		<u>-</u>	
Total current tax		760,176		620,928
<i>Deferred tax (see note 18)</i>				
Origination and reversal of timing differences	(41,677)		(27,789)	
Changes in the rate of taxation	-		19,442	
Adjustments in respect of prior periods	<u>(970)</u>		<u>-</u>	
Total deferred tax		(42,647)		(8,347)
Total tax		<u>717,529</u>		<u>612,581</u>

#### Reconciliation of effective tax rate

	2022 £	2021 £
Profit for the year	3,349,710	2,675,777
Total tax expense	717,529	612,581
Share of joint venture results	<u>(199,230)</u>	<u>(282,542)</u>
Profit excluding taxation and joint venture	3,868,010	3,005,816
Tax using the UK corporation tax rate of 19% (2021: 19%)	734,922	571,105
Fixed Asset Differences	(3,257)	-
Dépreciation on ineligible assets	(3,716)	34,959
Expenses not deductible	(3,373)	(5,701)
Difference between corporation and deferred tax rates	(10,002)	12,844
Adjustment in respect of previous periods	<u>2,955</u>	<u>(626)</u>
Total tax expense included in profit or loss	<u>717,529</u>	<u>612,581</u>

***Factors that may affect future current and total tax charges***

On the 3<sup>rd</sup> of March 2021, in the budget, it was announced that the UK tax rate will increase from 19% to 25% from the 1<sup>st</sup> of April 2023. This will increase the company's future current tax charge accordingly. The impact of the rate change on the deferred tax liability is not considered to be significant. The deferred tax liability at the 31<sup>st</sup> of December 2022 has been calculated at 25% (2021 : 19%).

**9 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 £1,150,118 (2021: £771,152).

**10 Goodwill**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
Balance at beginning and end of year	359,278
	<hr/>
<b>Amortisation and impairment</b>	
Balance at beginning of year	359,278
Amortisation for the year	-
	<hr/>
Balance at end of year	359,278
	<hr/>
<b>Net book value</b>	
<b>At 31 December 2022</b>	-
	<hr/>
<b>At 31 December 2021</b>	-
	<hr/>



Notes (continued)

11 Tangible fixed assets

Group

	Freehold property £	Long leasehold property £	Aircraft £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>								
At beginning of year	3,039,183	6,049,348	407,595	6,954,697	436,307	545,455	720,341	18,152,926
Additions	-	167,260	-	66,654	25,561	290,269	36,490	586,234
Disposals	-	-	-	-	-	(239,914)	-	(239,914)
At end of year	<u>3,039,183</u>	<u>6,216,608</u>	<u>407,595</u>	<u>7,021,351</u>	<u>461,868</u>	<u>595,810</u>	<u>756,831</u>	<u>18,499,246</u>
<b>Depreciation and impairment</b>								
At beginning of year	751,584	1,025,740	222,697	6,438,331	321,580	342,920	577,271	9,680,125
Depreciation charge for the year	-	185,425	40,970	160,282	32,404	88,434	53,848	561,363
Disposals	-	-	-	-	-	(178,390)	-	(178,390)
At end of year	<u>751,584</u>	<u>1,211,165</u>	<u>263,667</u>	<u>6,598,613</u>	<u>353,984</u>	<u>252,964</u>	<u>631,119</u>	<u>10,063,096</u>
<b>Net book value</b>								
At 31 December 2022	<u>2,287,599</u>	<u>5,005,443</u>	<u>143,928</u>	<u>422,738</u>	<u>107,884</u>	<u>342,846</u>	<u>125,712</u>	<u>8,436,150</u>
At 31 December 2021	<u>2,287,599</u>	<u>5,023,608</u>	<u>184,898</u>	<u>516,364</u>	<u>114,727</u>	<u>202,535</u>	<u>143,070</u>	<u>8,472,801</u>

**Notes (continued)**

**11 Tangible fixed assets (continued)**

**Company**

	Freehold property £	Long leasehold property £	Aircraft £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>								
At beginning of year	3,039,183	6,049,348	407,595	5,151,494	263,106	561,408	494,428	15,966,562
Additions	-	167,260	-	23,215	1,428	290,269	32,501	514,673
Disposals	-	-	-	-	-	(239,914)	-	(239,914)
At end of year	3,039,183	6,216,608	407,595	5,174,709	264,534	611,763	526,929	16,241,321
<b>Depreciation and impairment</b>								
At beginning of year	751,584	1,025,740	222,697	4,994,730	212,838	358,871	373,326	7,939,786
Depreciation charge for the year	-	185,425	40,970	65,555	14,160	88,433	45,620	440,163
Disposals	-	-	-	-	-	(178,390)	-	(178,390)
At end of year	751,584	1,211,165	263,667	5,060,285	226,998	268,914	418,946	8,201,559
<b>Net book value</b>								
At 31 December 2022	2,287,599	5,005,443	143,928	114,424	37,536	342,848	107,982	8,039,762
At 31 December 2021	2,287,599	5,023,608	184,898	156,765	50,268	202,536	121,101	8,026,776

## Notes (continued)

### 12 Fixed asset investments

#### Group

	Interest in joint venture £
<i>Cost</i>	
At beginning of year	4,285,993
Share of profit	199,230
	<hr/>
At end of year	4,485,223
	<hr/>
<i>Net book value</i>	
At 31 December 2022	4,485,223
	<hr/>
At 31 December 2021	4,285,994
	<hr/>

#### Interest in joint venture – Ibex Marina Ropes Limited

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

	2022 £	2021 £
<b>Turnover</b>	<b>1,307,797</b>	<b>1,422,290</b>
	<hr/>	<hr/>
<b>Profit before taxation</b>	<b>235,685</b>	<b>358,553</b>
Taxation	(36,455)	(76,008)
	<hr/>	<hr/>
<b>Share of assets</b>		
Fixed assets	136,043	164,055
Current assets	4,548,849	4,335,883
	<hr/>	<hr/>
	<b>4,684,892</b>	<b>4,499,938</b>
	<hr/>	<hr/>
<b>Share of liabilities</b>		
Liabilities due within one year	(199,669)	(213,944)
	<hr/>	<hr/>
<b>Share of net assets</b>	<b>4,485,223</b>	<b>4,285,994</b>
	<hr/>	<hr/>

## Notes (continued)

### 12 Fixed asset investments (continued)

#### Company

	Shares in group undertaking £	Investment in joint venture £	Total £
<b>Cost</b>			
At beginning and end of year	904,202	1	904,203
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>			
At 31 December 2022	904,202	1	904,203
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2021	904,202	1	904,203
	<u>          </u>	<u>          </u>	<u>          </u>

#### Joint venture

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:

	Registered office address	Principal activity	Class and percentage of shares held Group
<b>Subsidiary undertakings</b>			
Marlow Ropes Limited	Spring Lane, Malvern Link, Worcestershire WR14 1AL	Manufacture of ropes and braids	Ordinary 100%
Ibex Ropes Limited	Spring Lane, Malvern, Worcestershire WR14 1AZ	Dormant	Ordinary 100%
Marlow Ropes Inc	155 Federal Street, Suite 700, Boston, MA 02110, USA	Sale of braided cord and rope	Ordinary 100%
Ibex Marina Ropes Limited	Spring Lane, Malvern Link, Worcestershire WR14 1AL	Manufacture of ropes and braids	Ordinary 50%
Weblash Limited	Spring Lane, Malvern, Worcestershire WR14 1AZ	Dormant	Ordinary 50%
ACE Supplies (UK) Limited	Unit C1 B, Stafford Park 4, Telford, Shropshire TF3 3BA	Manufacture and supply of plastic products and assemblies	Ordinary 100%

## Notes (continued)

### 13 Investment property

#### Group and Company

##### Fair value

At beginning and end of year

£

588,044

The investment property has been valued by the directors.

### 14 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials	1,350,666	963,824	740,356	450,966
Work in progress	1,291,619	890,935	304,350	77,757
Finished goods	2,093,625	2,187,696	419,461	960,346
	<u>4,735,910</u>	<u>4,042,455</u>	<u>1,464,167</u>	<u>1,489,069</u>

### 15 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade debtors	1,682,840	1,823,380	452,490	835,006
Amounts owed by joint venture	46,034	47,806	-	-
Prepayments and accrued income	252,934	177,736	144,757	96,922
Deferred taxation	-	-	40,199	-
	<u>1,981,808</u>	<u>2,048,922</u>	<u>637,446</u>	<u>931,928</u>

### 16 Cash and cash equivalents/ bank overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Cash at bank and in hand	28,281,977	24,770,094	27,652,360	24,182,648
Cash and cash equivalents per cash flow statements	<u>28,281,977</u>	<u>24,770,094</u>	<u>27,652,360</u>	<u>24,182,648</u>

## Notes (continued)

### 17 Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	971,624	555,855	300,256	156,827
Amounts owed to group undertakings	-	-	10,640,453	9,150,878
Amounts owed to joint venture	8,197,413	7,781,387	8,196,669	7,781,387
Taxation	489,714	256,658	220,042	142,408
Social security and other taxes	349,977	358,037	122,943	132,401
Other creditors	108,278	235,995	108,838	236,555
Accruals and deferred income	508,124	443,458	176,314	151,610
	<u>10,625,130</u>	<u>9,631,390</u>	<u>19,765,515</u>	<u>17,752,066</u>

Amounts owed to group undertakings and to the joint venture are repayable on demand and bear no interest.

### 18 Provisions for liabilities

#### Deferred taxation

	Group £	Company £
At beginning of year	66,440	252
Credit to profit and loss account	(42,647)	(40,451)
At end of year	<u>23,793</u>	<u>(40,199)</u>

	Group 2022 £	2021 £	Company 2022 £	2021 £
Accelerated capital allowances	<u>23,793</u>	<u>66,440</u>	<u>(40,199)</u>	<u>252</u>

### 19 Capital and reserves

#### Share capital

	2022 £	2021 £
<i>Allotted, issued and fully paid</i>	<u>120,000</u>	<u>120,000</u>
120,000 ordinary shares of £1 each		

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## Notes (continued)

### 20 Pension commitments

The pension cost charge represents contributions payable by the Group to the defined contributions scheme and amounted to £161,246 (2021: £104,276). At the end of the financial year there were outstanding contributions of £42,173 (2021: £19,352).

### 21 Contingent liabilities

The Company is party to a Group registration for VAT. At the year end, the maximum liability under this arrangement was £294,143 (2021: £284,992).

### 22 Related party disclosures

English Braids Limited supplied goods and services amounting to £153,464 (2021: £158,098) to Ibex Marina Ropes Limited and purchases amounted to £137,907 (2021: £158,805). 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 2022 was £8,266,518 (2021: £7,792,183).

English Braids Limited charged Ibex Marina Ropes Limited £13,500 (2021: £27,000) for the use of plant and machinery and £60,000 (2021: £60,000) for management provided by English Braids Limited.

English Braids Limited charged Ibex Marina Ropes Limited £167,340 (2021: £57,750) for rental of the business property. The former premises occupied by Ibex Marina Ropes Limited was owned by the EBL Pension Fund of which P Earp is a beneficiary.

English Braids Limited paid VAT liabilities of £311,622 (2021: £333,304) on behalf of Ibex Marina Ropes Limited, which was settled through the current account.

English Braids Limited paid £nil (2021: £nil) 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 2022 was £108,838 (2021: £236,555)

### 23 Ultimate controlling party

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

### 24 Accounting estimates and judgements

Estimates and assumptions are reviewed on an ongoing basis. The key accounting estimates and judgements are considered to be as follows:

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Provisions are held in respect of obsolete, damaged or stock considered to be non-saleable.

#### *Debtors*

Provisions are calculated for all debts considered to be non-collectable.