

Company Number: 950132

Karl Mayer Textile Machinery Limited

Abbreviated Accounts

for the year ended 31st December 2005



A11
COMPANIES HOUSE

A0GE5IIS

609
17/08/2006

Karl Mayer Textile Machinery Limited

Directors' Report for the year ended 31st December 2005

The directors present their annual report and audited financial statements for the year ended 31st December 2005.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity and review of the business

The principal activity of the company during the year has been to manufacture, sell and act as agents for the sale of knitting machines.

Results and dividends

The results for the year are set out on page 3.

Directors and their interests

The directors who served during the year and their interests in the shares of the company were as follows:

	Ordinary shares	
	31/12/05	01/01/05
J.M. Smith	-	-
F.P. Mayer (German)	-	-
U. Mayer (German)	-	-
A. Garrity	-	-
M. Yeabsley	-	-
K. Priestley	-	-

In accordance with the Articles of Association, the directors presently serving continue in office.

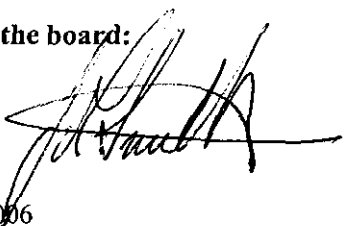
Auditors

The auditors, Blythens, Chartered Accountants, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

By order of the board:

J.M. Smith
Secretary



20th March 2006

Report of the Auditors to

Karl Mayer Textile Machinery Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 4 to 10 together with the financial statements of the company for the year ended 31st December 2005 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.


Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31st December 2005, and the abbreviated accounts on pages 4 to 10 are properly prepared in accordance with that provision.

Blythens


Chartered Accountants
Registered Auditors

Haydn House
309-329 Haydn Road
Sherwood
Nottingham
NG5 1HG

Dated: 20th March 2006

Karl Mayer Textile Machinery Limited

Abbreviated Profit and Loss Account for the year ended 31st December 2005

	Notes	2005 £	2004 £
Gross profit		2,524,001	1,825,753
Administrative expenses		1,856,480	1,716,039
Other operating income		311,988	425,298
Operating profit	2	979,509	535,012
Other interest receivable and similar income		110,728	124,675
Profit on ordinary activities before taxation		1,090,237	659,687
Tax on profit on ordinary activities	5	367,000	186,671
Retained profit for the year		723,237	473,016
Retained profit brought forward		9,158,588	8,685,572
Retained profit carried forward		9,881,825	9,158,588

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year.

Karl Mayer Textile Machinery Limited

Abbreviated Balance Sheet as at 31st December 2005

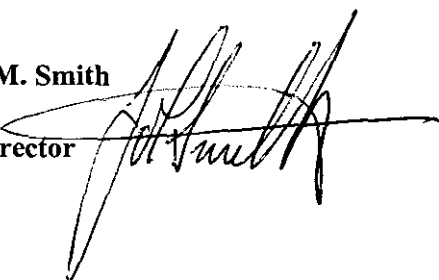
	Notes	£	2005 £	2004 £
Fixed assets				
Tangible assets	6		1,445,454	1,083,542
Investments	7		3,871	3,871
			<u>1,449,325</u>	<u>1,087,413</u>
Current assets				
Stocks	8	4,366,407		3,592,290
Debtors	9	2,844,800		1,989,352
Cash at bank and in hand		2,873,473		3,650,086
			<u>10,084,680</u>	<u>9,231,728</u>
Creditors:				
Amounts falling due within one year	10	1,553,180		1,103,553
Net current assets			<u>8,531,500</u>	<u>8,128,175</u>
Total assets less current liabilities			<u>9,980,825</u>	<u>9,215,588</u>
Provisions for liabilities and charges	11	59,000		17,000
Net assets			<u><u>9,921,825</u></u>	<u><u>9,198,588</u></u>
Capital and reserves				
Called up share capital	12	40,000		40,000
Profit and loss account		9,881,825		9,158,588
Equity shareholders' funds	13	9,921,825		9,198,588

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

These abbreviated accounts were approved by the Board on 20th March 2006 and signed on its behalf by

J.M. Smith

Director



Karl Mayer Textile Machinery Limited

Notes to the abbreviated accounts for the year ended 31st December 2005

Compliance with Accounting standards

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same financial statements.

Basis of preparation of financial statements

The accounts have been prepared under the historical cost convention .

Group accounts

The company and its subsidiary undertaking form a medium sized group. The company has therefore taken advantage of the exemption given by Section 248 of the Companies Act 1985 not to prepare financial statements.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold property	2% per annum of cost
Plant and machinery	10% per annum of cost
Fixtures, fittings and computer equipment	25% per annum of cost
Motor vehicles	25% per annum of cost

Within the Plant & Machinery class of assets are leased machines that are depreciated using a percentage that is based on a commercial evaluation of each machine.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. It is calculated at the enacted rates at which it is estimated that the tax will be payable. Deferred tax liabilities are not discounted.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

Foreign currencies

Transactions in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the date of the transaction. Balances at the period end denominated in a foreign currency are translated into sterling at the exchange rate ruling at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions to the scheme are charged against revenue in the year in which they are payable.

Karl Mayer Textile Machinery Limited

Notes to the abbreviated accounts for the year ended 31st December 2005

2	Operating profit	2005	2004
		£	£
	<i>Operating profit is stated after charging:</i>		
	Depreciation of owned assets	154,218	95,644
	(Profit)/Loss on foreign currencies	(85,203)	26,720
	Auditors' remuneration	4,500	4,000
		<u> </u>	<u> </u>
	<i>and after crediting:</i>		
	Profit on disposal of tangible fixed assets	400	5,204
	Operating lease income on Plant & Machinery	89,939	19,000
		<u> </u>	<u> </u>

3 Staff costs

The average number of persons employed by the company (including the directors) during the year was as follows:

	2005	2004
	Number	Number
Administration	8	7
Management	8	7
Sales and distribution	15	17
	<u> </u>	<u> </u>
	31	31
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2005	2004
	£	£
Wages and salaries	1,240,856	1,048,526
Social security costs	63,712	104,980
Other pension costs	107,175	94,286
	<u> </u>	<u> </u>
	1,411,743	1,247,792
	<u> </u>	<u> </u>

Karl Mayer Textile Machinery Limited

Notes to the abbreviated accounts for the year ended 31st December 2005

4	Directors' emoluments	2005	2004
		£	£
	Remuneration and other emoluments	547,388	490,222
	Pension contributions	60,815	59,348
		<u>608,203</u>	<u>549,570</u>
		Number	Number
	Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>4</u>	<u>4</u>
	Highest paid director	£	£
	Amounts included above:		
	Emoluments and other benefits	235,749	221,076
	Pension contributions	39,600	39,600
		<u>275,349</u>	<u>260,676</u>
5	Tax on profit on ordinary activities	2005	2004
		£	£
	<i>Based on the profit for the year :</i>		
	Corporation tax	325,000	192,000
	Deferred tax: Origination and reversal of timing differences	42,000	-
		<u>367,000</u>	<u>192,000</u>
	Adjustment in respect of previous periods	-	(5,329)
		<u>367,000</u>	<u>186,671</u>
	<i>Tax reconciliation:</i>		
	The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 30% (2004:30%).		
	The differences are explained below:		
		2005	2004
		£	£
	Profit on ordinary activities before tax	<u>1,090,237</u>	<u>659,687</u>
	Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (30%)	327,071	197,907
	Expenses not deductible for tax purposes	17,977	10,298
	Capital allowances for year in excess of depreciation	20,048	(15,950)
	(Decrease) in pension contributions not paid	-	(255)
	Adjustment in respect of previous periods	-	(5,329)
		<u>325,000</u>	<u>186,671</u>

Karl Mayer Textile Machinery Limited

Notes to the abbreviated accounts for the year ended 31st December 2005

6	Tangible fixed assets	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
	Cost					
	At 1st January 2005	946,574	210,839	73,743	186,332	1,417,488
	Additions	6,440	520,305	60,580	15,335	602,660
	Disposals	-	(88,000)	-	(11,325)	(99,325)
	At 31st December 2005	953,014	643,144	134,323	190,342	1,920,823
	Depreciation					
	At 1st January 2005	140,563	88,390	36,870	68,123	333,946
	On disposals	-	(1,470)	-	(11,325)	(12,795)
	Charge for the year	16,999	70,789	23,096	43,334	154,218
	At 31st December 2005	157,562	157,709	59,966	100,132	475,369
	Net book value					
	At 31st December 2005	795,452	485,435	74,357	90,210	1,445,454
	At 31st December 2004	806,011	122,449	36,873	118,209	1,083,542

The cost of depreciable assets included in freehold property was £853,014 (2004 : £846,574).

7	Investments held as fixed assets	Shares in subsidiary undertakings £
	Cost	
	Additions	3,871
	At 31st December 2005	3,871
	Net book value	
	At 31st December 2005	3,871

The company purchased 100 shares in KMUK Holdings Corp. on 18th March 2004. The company is a 100% subsidiary Of Karl Mayer Textile Machinery Limited. KMUK Holdings Corp. was incorporated in America on 18th March 2004.

8	Stocks	2005 £	2004 £
	Goods for resale	4,366,407	3,592,290

Karl Mayer Textile Machinery Limited

Notes to the abbreviated accounts for the year ended 31st December 2005

9	Debtors	2005	2004
		£	£
	Trade debtors	2,439,949	1,358,914
	Amounts owed by group undertakings	171,465	337,710
	Other debtors	185,083	214,741
	Prepayments and accrued income	48,303	77,987
		<u>2,844,800</u>	<u>1,989,352</u>
	Debtors include £139,571 (2004 : £59,589) which is due after more than one year.		
10	Creditors: Amounts falling due within one year	2005	2004
		£	£
	Trade creditors	215,413	496,117
	Amounts owed to related undertaking	285,521	139,916
	Corporation tax	190,561	62,000
	Other taxes and social security costs	86,811	60,743
	Accruals and deferred income	774,874	344,777
		<u>1,553,180</u>	<u>1,103,553</u>
11	Deferred taxation	2005	2004
		£	£
	At 1st January 2005	17,000	17,000
	Transferred from profit and loss account	42,000	-
	At 1st January 2005 and at 31st December 2005	<u>59,000</u>	<u>17,000</u>
	Deferred tax calculated in accordance with Note 1 comprises:		
	Accelerated capital allowances	59,000	6,000
	Other timing differences	-	11,000
		<u>59,000</u>	<u>17,000</u>
12	Share capital	2005	2004
		£	£
	Authorised equity		
	40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
	Allotted, called up and fully paid equity		
	40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
	There was no change in share capital during the year.		

Karl Mayer Textile Machinery Limited

Notes to the abbreviated accounts for the year ended 31st December 2005

13	Reconciliation of movements in shareholders' funds	2005 £	2004 £
	Profit for the year	723,237	473,016
	Opening shareholders' funds	9,198,588	8,725,572
	Closing shareholders' funds	<u>9,921,825</u>	<u>9,198,588</u>

14 Capital commitments

At 31 December 2005 the company has committed to further expenditure on fixed assets of £750,000.

15 Pension costs

The company operates a defined contribution pension scheme, the assets of which are held and administered by trustees in a fund independent from those of the company. The pension charge represents contributions due from the company and amounted to £107,175 (2004: £94,286). Contributions totalling £856 (2004: £3,246) were prepaid at the balance sheet date and are included in debtors.

The company previously operated a defined benefit pension scheme, which was closed as at 30 April 2002. A discontinuance valuation was carried out as at 30 April 2004. The market valuation of the scheme was £772,226 and the level of funding on a discontinuance basis of 140%.

The scheme will be formally wound up in 2006 and the Directors are of the opinion there is no need to go to the expense of complying with the provisions of Financial Reporting Standard No. 17 "Retirement Benefits", by having an actuarial valuation completed at the year end.

16 Ultimate parent undertaking

The ultimate holding undertaking is Karl Mayer Holding GmbH & Co KG, a limited partnership resident in Germany.