

Company Registration No. SC122590 (Scotland)

**CARLINGNOSE LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MAY 2011**

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# CARLINGNOSE LIMITED

## DIRECTORS AND ADVISERS

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<b>Directors</b>	Mr Philip G Dryburgh Mrs Karen J E Dryburgh Mr Steven A Grossi
<b>Secretary</b>	Mrs Karen J E Dryburgh
<b>Company number</b>	SC122590
<b>Registered office</b>	Myregormie Place Mitchelston Industrial Estate Kirkcaldy Fife KY1 3NA
<b>Registered auditors</b>	Pierce C.A. Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
<b>Business address</b>	Southfield Industrial Estate Whitworth Road Glenrothes Fife KY6 2TF
<b>Bankers</b>	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB
<b>Solicitors</b>	MacCorkell Legal & Commercial Garvey Studios 8-10 Longstone Street Lisburn BT28 1TP

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# CARLINGNOSE LIMITED

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# **CARLINGNOSE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MAY 2011**

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The directors present their report and financial statements for the year ended 31 May 2011.

#### **Principal activities and review of the business**

The company, and group, is principally engaged in the manufacture of fibreglass products.

The directors report a profit for the year of £397,868 (2010: £109,208 loss).

The directors are satisfied that the group reacted swiftly to the fire in late 2010 which destroyed the manufacturing facility at Kirkcaldy. This company is now settled and performing efficiently in new premises in Glenrothes.

During the year the manufacturing facility in Skelmersdale was decommissioned and the business was relocated to new premises in Chorley. Therefore during the year this company incurred significant one off costs relating to the relocation, predominantly being redundancy costs, site clearance and staff down time.

Due to the reorganisations that have taken place during the year the group's directors look forward to a very positive year ahead.

In order to minimise the threat from overseas competitors, the directors regularly review the group's marketplace and competitors. The establishment of close relationships with customers and suppliers is key to maintaining the group's competitive advantage.

Financial management is an integral part of the group's processes. Tight management of credit risk is achieved through rigorous credit control procedures and regular monitoring of the aged debt profile to highlight any potential risk at the earliest opportunity. A positive overall group cash balance is maintained thereby minimising any risk in relation to interest rates. The group's only debt is the bank overdraft in W L Cunliffe (Southport) Limited.

The directors continue to monitor activities which could lead to an environmental impact upon the business. The directors have adopted a health and safety policy for a number of years. Regular medical checks are provided to our staff. The directors continue to develop our staff and where possible we promote from within the organisation.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 5.

The company paid dividends during the year of £108,470 (2010: £1,118,892).

#### **Future developments**

The directors look forward to a challenging year. Having taken the necessary steps during the year to combat the general economic downturn, the directors look forward to growing the group business in the current year.

#### **Directors**

The following directors have held office since 1 June 2010:

Mr Philip G Dryburgh  
Mrs Karen J E Dryburgh  
Mr Steven A Grossi

#### **Auditors**

In accordance with section 487 of the Companies Act 2006, a resolution proposing that Pierce C.A. Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

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# **CARLINGNOSE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2011**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 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 of 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 UK 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company'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 of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board

Mr Philip G Dryburgh  
Director

14 December 2011

# **CARLINGNOSE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF CARLINGNOSE LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of Carlingnose Limited for the year ended 31 May 2011 set out on pages 5 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

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

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **CARLINGNOSE LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF CARLINGNOSE LIMITED**

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#### **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.



**Paul Moulding (Senior Statutory Auditor)**  
for and on behalf of Pierce C.A. Limited

14 December 2011

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY

# CARLINGNOSE LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2011

	Notes	2011 £	2010 £
Turnover	2	7,360,834	8,394,274
Cost of sales		(5,472,570)	(6,346,580)
Gross profit		1,888,264	2,047,694
Administrative expenses		(1,842,185)	(2,241,064)
Other operating income		14,609	-
Operating profit/(loss)	3	60,688	(193,370)
Profit on sale of property		513,463	-
Exceptional costs		(206,176)	-
Profit/(loss) on ordinary activities before interest		367,975	(193,370)
Other interest receivable and similar income		2,262	14,437
Interest payable and similar charges	4	(914)	(102)
Profit/(loss) on ordinary activities before taxation	3	369,323	(179,035)
Tax on profit/(loss) on ordinary activities	5	28,545	69,827
Profit/(loss) on ordinary activities after taxation		397,868	(109,208)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# CARLINGNOSE LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

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### Note of historical cost profits and losses

	2011 £	2010 £
Reported profit/(loss) on ordinary activities before taxation	369,323	(179,035)
Realisation of property revaluation gains of previous years	110,931	-
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	-	3,071
Historical cost profit/(loss) on ordinary activities before taxation	<u>480,254</u>	<u>(175,964)</u>
Historical cost profit/(loss) for the year retained after taxation, extraordinary items and dividends	<u>400,329</u>	<u>(1,225,029)</u>

# CARLINGNOSE LIMITED

## BALANCE SHEETS

AS AT 31 MAY 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
<b>Fixed assets</b>					
Intangible assets	8	(7,971)	(436,600)	-	-
Tangible assets	9	1,205,556	1,901,031	383,544	1,543,549
Investments	10	-	-	58,704	58,704
		<u>1,197,585</u>	<u>1,464,431</u>	<u>442,248</u>	<u>1,602,253</u>
<b>Current assets</b>					
Stocks	11	563,001	515,154	165,929	191,162
Debtors	12	3,364,351	2,025,784	2,118,505	991,370
Cash at bank and in hand		1,422,304	942,565	830,358	549,075
		<u>5,349,656</u>	<u>3,483,503</u>	<u>3,114,792</u>	<u>1,731,607</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,632,768)</u>	<u>(1,294,314)</u>	<u>(736,902)</u>	<u>(703,864)</u>
<b>Net current assets</b>		<u>2,716,888</u>	<u>2,189,189</u>	<u>2,377,890</u>	<u>1,027,743</u>
<b>Total assets less current liabilities</b>		<u>3,914,473</u>	<u>3,653,620</u>	<u>2,820,138</u>	<u>2,629,996</u>
<b>Provisions for liabilities</b>	14	<u>(14,666)</u>	<u>(43,211)</u>	<u>(3,412)</u>	<u>(26,464)</u>
		<u>3,899,807</u>	<u>3,610,409</u>	<u>2,816,726</u>	<u>2,603,532</u>
<b>Capital and reserves</b>					
Called up share capital	16	57,002	57,002	57,002	57,002
Revaluation reserve	17	-	110,931	-	110,931
Profit and loss account	17	3,842,805	3,442,476	2,759,724	2,435,599
<b>Shareholders' funds</b>	18	<u>3,899,807</u>	<u>3,610,409</u>	<u>2,816,726</u>	<u>2,603,532</u>

Approved by the Board and authorised for issue on 14 December 2011

Mr Philip G Dryburgh  
Director

Mr Steven A Grossi  
Director

Company Registration No. SC122590

# CARLINGNOSE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		98,231		533,329
Returns on investments and servicing of finance				
Interest received	2,262		14,437	
Interest paid	(914)		(102)	
Net cash inflow for returns on investments and servicing of finance		1,348		14,335
Taxation		83,811		(276,775)
Capital expenditure				
Payments to acquire tangible assets	(468,027)		(147,680)	
Receipts from sales of tangible assets	248,261		109,846	
Net cash outflow for capital expenditure		(219,766)		(37,834)
Equity dividends paid		(108,470)		(1,118,892)
Net cash outflow before management of liquid resources and financing		(144,846)		(885,837)
Decrease in cash in the year		(144,846)		(885,837)

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2011

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2011	2010
		£	£
	Operating profit/(loss)	60,688	(193,370)
	Depreciation of tangible assets	236,122	318,634
	Amortisation of intangible assets	(428,629)	(123,855)
	(Loss)/profit on disposal of tangible assets	3,316	(11,669)
	(Increase)/decrease in stocks	(47,847)	401,656
	(Increase)/decrease in debtors	(235,268)	289,764
	Increase/(decrease) in creditors within one year	716,025	(147,831)
	Exceptional costs	(206,176)	-
	<b>Net cash inflow from operating activities</b>	<b>98,231</b>	<b>533,329</b>

2	Analysis of net funds	1 June 2010	Cash flow	Other non-cash changes	31 May 2011
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	942,565	479,739	-	1,422,304
	Bank overdrafts	(282,094)	(624,585)	-	(906,679)
		<u>660,471</u>	<u>(144,846)</u>	<u>-</u>	<u>515,625</u>
	<b>Net funds</b>	<b><u>660,471</u></b>	<b><u>(144,846)</u></b>	<b><u>-</u></b>	<b><u>515,625</u></b>

3	Reconciliation of net cash flow to movement in net funds	2011	2010
		£	£
	Decrease in cash in the year	(144,846)	(885,837)
	<b>Movement in net funds in the year</b>	<b>(144,846)</b>	<b>(885,837)</b>
	Opening net funds	660,471	1,546,308
	<b>Closing net funds</b>	<b><u>515,625</u></b>	<b><u>660,471</u></b>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 May 2011. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.5 Goodwill

Acquired goodwill, both positive and negative, is written off in equal annual instalments over its estimated useful economic life of 5 years, except for the adjustment set out in note 8.

#### 1.6 Patents & goodwill

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Land and buildings Leasehold	15% straight line and over the term of the lease
Plant and machinery	15-100% reducing balance & 33% straight line
Motor vehicles	25% reducing balance & 10%-25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

#### 1.8 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.10 Stock and work in progress

Stock is valued at the lower of cost and net realisable value. Cost includes the cost of raw materials together with import and carriage costs incurred in obtaining the stock. Work in progress is valued at cost plus an estimated profit element based on the stage of completion.

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# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

### 1 Accounting policies

(continued)

#### 1.11 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

#### 1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

#### Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2011 £	2010 £
<b>Geographical segment</b>		
UK	6,011,562	6,740,754
EC Countries	1,349,272	1,653,520
	<u>7,360,834</u>	<u>8,394,274</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

3	Operating profit/(loss)	2011 £	2010 £
	Operating profit/(loss) is stated after charging:		
	Amortisation of intangible assets	(428,629)	(123,855)
	Depreciation of tangible assets	236,122	318,634
	Loss on disposal of tangible assets	3,316	3,756
	Loss on foreign exchange transactions	1,274	3,311
	Operating lease rentals		
	- Plant and machinery	2,157	2,935
	- Other assets	376,633	408,164
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £8,429; 2010: £10,529)	22,529	22,558
	and after crediting:		
	Government grants	14,609	-
	Profit on disposal of tangible assets	-	(15,425)
		<u>          </u>	<u>          </u>

The exceptional costs of £206,176 incurred during the year to 31 May 2011 in the subsidiary company, W L Cunliffe (Southport) Limited relate to redundancy costs of £184,228 and waste disposal of £21,948 due to the relocation of the company's manufacturing facility during the year.

4	Interest payable	2011 £	2010 £
	On bank loans and overdrafts	914	-
	On overdue tax	-	102
		<u>          </u>	<u>          </u>
		914	102
		<u>          </u>	<u>          </u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

5	Taxation	2011 £	2010 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	(83,811)
	<b>Total current tax</b>	-	(83,811)
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(28,545)	13,984
		<u>(28,545)</u>	<u>(69,827)</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	<u>369,323</u>	<u>(179,035)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2010 - 28.00%)	<u>77,558</u>	<u>(50,130)</u>
	Effects of:		
	Non deductible expenses	(1,140)	4,720
	Depreciation add back	(15,711)	54,539
	Capital allowances	(54,412)	(87,902)
	Tax losses utilised	3,423	-
	Chargeable disposals	17,575	-
	Other tax adjustments	(27,293)	(5,038)
		<u>(77,558)</u>	<u>(33,681)</u>
	<b>Current tax charge for the year</b>	<u>-</u>	<u>(83,811)</u>

## 6 Profit/(loss) for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the financial year is made up as follows:

	2011 £	2010 £
Holding company's profit/(loss) for the financial year	<u>321,664</u>	<u>(238,694)</u>



# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

<b>7</b>	<b>Dividends</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	<u>108,470</u>	<u>1,118,892</u>
<b>8</b>	<b>Intangible fixed assets</b>		
	<b>Group</b>		<b>Patents &amp; goodwill</b>
			<b>£</b>
	<b>Cost</b>		
	At 1 June 2010 & at 31 May 2011		<u>(618,123)</u>
	<b>Amortisation</b>		
	At 1 June 2010		(181,523)
	Charge for the year		<u>(428,629)</u>
	At 31 May 2011		<u>(610,152)</u>
	<b>Net book value</b>		
	At 31 May 2011		<u>(7,971)</u>
	At 31 May 2010		<u>(436,600)</u>

The acquisition of W L Cunliffe (Southport) Limited in the year ended 31 May 2009 gave rise to negative goodwill of £571,451 on consolidation. Due to the reorganisation which included vacating the premises in Skelmersdale and staff redundancies together with trading under the name of Production Glass Fibre, the directors believe they have removed from this company the initial liabilities which gave rise to the negative goodwill. Therefore the directors have chosen to impair the remaining goodwill this year by a further £304,774 to release the negative goodwill relating to this company in full.

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

### 9 Tangible fixed assets

#### Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 June 2010	1,603,792	76,130	2,940,122	471,334	5,091,378
Additions	-	12,501	391,064	64,463	468,028
Revaluation	(247,000)	-	-	-	(247,000)
Disposals	(1,106,792)	-	(1,391,416)	(135,634)	(2,633,842)
At 31 May 2011	250,000	88,631	1,939,770	400,163	2,678,564
<b>Depreciation</b>					
At 1 June 2010	525,767	25,913	2,323,653	315,016	3,190,349
Revaluation	(247,000)	-	-	-	(247,000)
On disposals	(424,567)	-	(1,289,990)	(108,606)	(1,823,163)
Charge for the year	145,800	10,558	123,986	72,478	352,822
At 31 May 2011	-	36,471	1,157,649	278,888	1,473,008
<b>Net book value</b>					
At 31 May 2011	250,000	52,160	782,121	121,275	1,205,556
At 31 May 2010	1,078,026	50,217	616,469	156,319	1,901,031

In May 2011, a professional valuation of the premises at Myregormie Place, Kirkcaldy was obtained by the directors following a fire in the year. The remaining site was given a residual valuation of £250,000 which the directors have chosen to encompass within the financial statements. The disposal of the property causes a full release of the revaluation reserve amounting to £110,931. In addition the residual site has been impaired by £116,700 which has been netted off against the profit on disposal of the property.

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

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Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
At 1 June 2010	1,450,233
Disposals	(953,233)
	<hr/>
At 31 May 2011	497,000
	<hr/>
<b>Depreciation based on cost</b>	
At 1 June 2010	483,138
Charge for the year	34,871
On disposals	(271,009)
	<hr/>
At 31 May 2011	247,000
	<hr/>
<b>Net book value</b>	
At 31 May 2011	250,000
	<hr/>
At 31 May 2010	967,095
	<hr/>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

### Tangible fixed assets

#### Company

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 June 2010	1,603,792	75,818	1,266,867	366,178	3,312,655
Additions	-	-	40,824	59,034	99,858
Revaluation	(247,000)	-	-	-	(247,000)
Disposals	(1,106,792)	(75,818)	(1,208,995)	(178,290)	(2,569,895)
At 31 May 2011	250,000	-	98,696	246,922	595,618
<b>Depreciation</b>					
At 1 June 2010	525,767	25,913	969,529	247,897	1,769,106
Revaluation	(247,000)	-	-	-	(247,000)
On disposals	(424,567)	(31,659)	(949,814)	(147,973)	(1,554,013)
Charge for the year	145,800	5,746	35,152	57,283	243,981
At 31 May 2011	-	-	54,867	157,207	212,074
<b>Net book value</b>					
At 31 May 2011	250,000	-	43,829	89,715	383,544
At 31 May 2010	1,078,026	49,905	297,337	118,281	1,543,549

In May 2011, a professional valuation of the premises at Myregormie Place, Kirkcaldy was obtained by the directors following a fire in the year. The remaining site was given a residual valuation of £250,000 which the directors have chosen to encompass within the financial statements. The disposal of the property causes a full release of the revaluation reserve amounting to £110,931. In addition the residual site has been impaired by £116,700 which has been netted off against the profit on disposal of the property.

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2011**

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**Comparable historical cost for the land and buildings included at valuation:**

**£**

**Cost**

At 1 June 2010

1,450,233

Disposals

(953,233)

At 31 May 2011

497,000

**Depreciation based on cost**

At 1 June 2010

483,138

Charge for the year

34,871

On disposals

(271,009)

At 31 May 2011

247,000

**Net book value**

At 31 May 2011

250,000

At 31 May 2010

967,095

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

### 10 Fixed asset investments

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 June 2010 & at 31 May 2011	58,704
<b>Net book value</b>	
At 31 May 2011	58,704
At 31 May 2010	58,704

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Armfibre Limited	England	Ordinary	100
WL Cunliffe (Southport) Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
Armfibre Limited	Manufacture of fibreglass products
WL Cunliffe (Southport) Limited	Manufacture of fibreglass products

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

### 11 Stocks and work in progress

	Group 2011 £	2010 £	Company 2011 £	2010 £
Raw materials and consumables	253,186	273,487	65,036	96,456
Work in progress	309,815	241,667	100,893	94,706
	<u>563,001</u>	<u>515,154</u>	<u>165,929</u>	<u>191,162</u>

### 12 Debtors

	Group 2011 £	2010 £	Company 2011 £	2010 £
Trade debtors	1,691,012	1,612,995	437,219	582,318
Corporation tax	-	85,967	-	85,967
Other debtors	1,453,766	100,552	1,439,266	100,552
Prepayments and accrued income	219,573	226,270	242,020	222,533
	<u>3,364,351</u>	<u>2,025,784</u>	<u>2,118,505</u>	<u>991,370</u>

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

	Group 2011 £	2010 £	Company 2011 £	2010 £
Bank loans and overdrafts	906,679	282,094	-	282,094
Trade creditors	918,496	658,735	324,520	221,599
Corporation tax	-	2,156	-	-
Taxes and social security costs	228,066	212,519	85,965	130,179
Directors current accounts	250,000	-	250,000	-
Other creditors	39,607	38,951	13,157	17,402
Accruals and deferred income	289,920	99,859	63,260	52,590
	<u>2,632,768</u>	<u>1,294,314</u>	<u>736,902</u>	<u>703,864</u>

The bank overdrafts are secured by a fixed charge over the premises at Myregormie Place, Kirkcaldy and by a floating charge over all of the company's assets.

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

### 14 Provisions for liabilities Group

Deferred  
taxation  
£

Balance at 1 June 2010	43,211
Profit and loss account	(28,545)
	<hr/>
Balance at 31 May 2011	14,666
	<hr/>

### Company

Balance at 1 June 2010	26,464
Profit and loss account	(23,052)
	<hr/>
Balance at 31 May 2011	3,412
	<hr/>

The deferred tax liability is made up as follows:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Accelerated capital allowances	14,666	43,211	3,412	26,464
	<hr/>	<hr/>	<hr/>	<hr/>

### 15 Pension and other post-retirement benefit commitments

#### Defined contribution

	2011	2010
	£	£
Contributions payable by the group for the year	19,792	18,624
	<hr/>	<hr/>

### 16 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
57,002 Ordinary shares of £1 each	57,002	57,002
	<hr/>	<hr/>



# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

### 17 Statement of movements on reserves

#### Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 June 2010	110,931	3,442,476
Profit for the year	-	397,868
Transfer from revaluation reserve to profit and loss account	(110,931)	110,931
Dividends paid	-	(108,470)
	<u>-</u>	<u>3,842,805</u>
Balance at 31 May 2011	<u>-</u>	<u>3,842,805</u>

#### Company

	Revaluation reserve £	Profit and loss account £
Balance at 1 June 2010	110,931	2,435,599
Profit for the year	-	321,664
Transfer from revaluation reserve to profit and loss account	(110,931)	110,931
Dividends paid	-	(108,470)
	<u>-</u>	<u>2,759,724</u>
Balance at 31 May 2011	<u>-</u>	<u>2,759,724</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

18 Reconciliation of movements in shareholders' funds	2011	2010
	£	£
<b>Group</b>		
Profit/(Loss) for the financial year	397,868	(109,208)
Dividends	(108,470)	(1,118,892)
	<u>289,398</u>	<u>(1,228,100)</u>
Net addition to/(depletion in) shareholders' funds	289,398	(1,228,100)
Opening shareholders' funds	3,610,409	4,838,509
	<u>3,899,807</u>	<u>3,610,409</u>
Closing shareholders' funds		
	<u>3,899,807</u>	<u>3,610,409</u>
	2011	2010
	£	£
<b>Company</b>		
Profit/(Loss) for the financial year	321,664	(238,694)
Dividends	(108,470)	(1,118,892)
	<u>213,194</u>	<u>(1,357,586)</u>
Net addition to/(depletion in) shareholders' funds	213,194	(1,357,586)
Opening shareholders' funds	2,603,532	3,961,118
	<u>2,816,726</u>	<u>2,603,532</u>
Closing shareholders' funds		
	<u>2,816,726</u>	<u>2,603,532</u>

## 19 Contingent liabilities

### Company

The overdraft facilities of the company's subsidiary undertakings, Armfibre Limited and WL Cunliffe (Southport) Limited, are secured by a fixed charge over the premises at Myregormie Place, Kirkcaldy and by a floating charge over all of the company's assets. The total amount secured as at the year end was £906,679.

A customer of Carlingnose Limited holds a charge over cash deposits amounting to £172,173, until they are satisfied that there are no snagging issues on the contract concerned, at which point the charge is to be released.

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2011

#### 20 Financial commitments

At 31 May 2011 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Within one year	-	97,500
Between two and five years	240,525	175,125
In over five years	226,418	-
	<u>466,943</u>	<u>272,625</u>

At 31 May 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Between two and five years	65,400	-
	<u>65,400</u>	<u>-</u>

#### 21 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	<u>152,158</u>	<u>158,097</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

### 22 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

2011 Number	2010 Number
173	176

#### Employment costs

	2011 £	2010 £
Wages and salaries	3,168,454	3,079,980
Social security costs	265,519	266,572
Other pension costs	19,792	18,624
	<u>3,453,765</u>	<u>3,365,176</u>

### 23 Control

Mr P G Dryburgh is the group's ultimate controlling party by virtue of his 100% shareholding in the parent company.

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2011

### 24 Related party relationships and transactions

#### Loans from directors

Transactions in relation to a loan from a director during the year are outlined in the table below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr Philip G Dryburgh						
Directors loan - Carlingnose Limited	-	-	250,000	-	-	250,000
		-	250,000	-	-	250,000

#### Loans to directors

Transactions in relation to loans granted to a director during the year are outlined in the table below:

	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr Steven A Grossi						
Directors loan - Carlingnose Limited	-	14,000	-	-	(14,000)	-
Directors loan - Armfibre Limited	-	-	14,500	-	-	14,500
		14,000	14,500	-	(14,000)	14,500

The maximum overdrawn balances on the above loans during the year were £14,000 and £14,500 respectively.

#### Dividends to the director

The following director was paid dividends during the year as outlined in the table below:

	2011 £	2010 £
Mr Philip G Dryburgh	108,470	1,118,892
	108,470	1,118,892

# **CARLINGNOSE LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2011***

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### **24 Related party relationships and transactions**

**(continued)**

#### **Group**

The directors have taken advantage of the exemption available under Financial Reporting Standard Number 8 (FRS 8) not to disclose transactions or balances between group companies that have been eliminated on consolidation.

#### **Company**

The directors have taken advantage of the exemption available under Financial Reporting Standard Number 8 (FRS 8) not to disclose transactions or balances between group companies that have been eliminated on consolidation.