

Company Registration No. SC122590 (Scotland)

**CARLINGNOSE LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MAY 2012**

THURSDAY



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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>	2 Whitworth Road Glenrothes Fife KY6 2TF
<b>Registered auditors</b>	Pierce C.A. Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
<b>Business address</b>	2 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 2012**

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The directors present their report and financial statements for the year ended 31 May 2012.

#### **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 £81,619 (2011: £397,868).

The directors are satisfied with the performance of the group despite being a difficult year in the economy as a whole. The group is settled and performing efficiently in new premises at Glenrothes and Chorley and the directors look forward to a 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 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 £106,186 (2011: £108,470).

#### **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 2011:

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.

# CARLINGNOSE LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2012

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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:

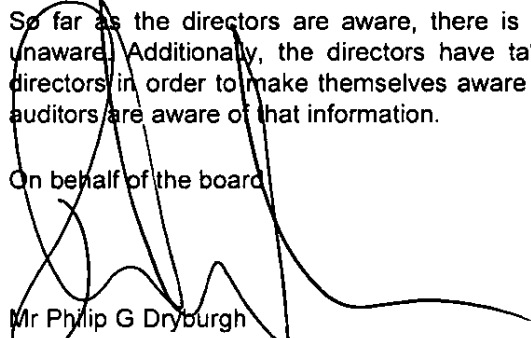
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

11 December 2012

# **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 2012 set out on pages 5 to 24. 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 2012 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)

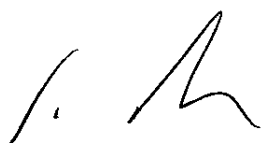
### TO THE MEMBERS OF CARLINGNOSE LIMITED

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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

11 December 2012

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY

# CARLINGNOSE LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2012

	Notes	2012 £	2011 £
Turnover	2	8,613,471	7,360,834
Cost of sales		(6,446,150)	(5,472,570)
Gross profit		2,167,321	1,888,264
Administrative expenses		(2,072,364)	(1,842,185)
Other operating income		-	14,609
Operating profit	3	94,957	60,688
Profit on sale of property		-	513,463
Exceptional costs		-	(206,176)
Profit on ordinary activities before interest		94,957	367,975
Other interest receivable and similar income		5,523	2,262
Interest payable and similar charges	4	(1,808)	(914)
Profit on ordinary activities before taxation	3	98,672	369,323
Tax on profit on ordinary activities	5	(17,053)	28,545
Profit on ordinary activities after taxation		81,619	397,868

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 2012**

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### Note of historical cost profits and losses

	2012 £	2011 £
Reported profit on ordinary activities before taxation	98,672	369,323
Realisation of property revaluation gains of previous years	-	110,931
Historical cost profit on ordinary activities before taxation	<u>98,672</u>	<u>480,254</u>
Historical cost (loss)/profit for the year retained after taxation, extraordinary items and dividends	<u>(24,567)</u>	<u>400,329</u>

# CARLINGNOSE LIMITED

## BALANCE SHEETS

AS AT 31 MAY 2012

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
<b>Fixed assets</b>					
Intangible assets	8	-	(7,971)	-	-
Tangible assets	9	1,256,997	1,205,556	443,400	383,544
Investments	10	-	-	58,704	58,704
		<u>1,256,997</u>	<u>1,197,585</u>	<u>502,104</u>	<u>442,248</u>
<b>Current assets</b>					
Stocks	11	710,346	563,001	166,675	165,929
Debtors	12	2,580,514	3,364,351	526,749	2,118,505
Cash at bank and in hand		1,234,895	515,625	2,060,905	830,358
		<u>4,525,755</u>	<u>4,442,977</u>	<u>2,754,329</u>	<u>3,114,792</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,882,271)</u>	<u>(1,726,089)</u>	<u>(439,564)</u>	<u>(736,902)</u>
<b>Net current assets</b>		<u>2,643,484</u>	<u>2,716,888</u>	<u>2,314,765</u>	<u>2,377,890</u>
<b>Total assets less current liabilities</b>		<u>3,900,481</u>	<u>3,914,473</u>	<u>2,816,869</u>	<u>2,820,138</u>
<b>Provisions for liabilities</b>	14	<u>(25,241)</u>	<u>(14,666)</u>	<u>(13,749)</u>	<u>(3,412)</u>
		<u><u>3,875,240</u></u>	<u><u>3,899,807</u></u>	<u><u>2,803,120</u></u>	<u><u>2,816,726</u></u>
<b>Capital and reserves</b>					
Called up share capital	16	57,002	57,002	57,002	57,002
Profit and loss account	17	3,818,238	3,842,805	2,746,118	2,759,724
<b>Shareholders' funds</b>	18	<u><u>3,875,240</u></u>	<u><u>3,899,807</u></u>	<u><u>2,803,120</u></u>	<u><u>2,816,726</u></u>

Approved by the Board and authorised for issue on 11 December 2012

Mr Philip B Dryburgh  
Director

Mr Steven A Grossi  
Director

Company Registration No. SC122590

# CARLINGNOSE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2012

	2012	2011
£	£	£
Net cash inflow from operating activities	1,114,168	98,231
Returns on investments and servicing of finance		
Interest received	5,523	2,262
Interest paid	(1,808)	(914)
Net cash inflow for returns on investments and servicing of finance	3,715	1,348
Taxation	-	83,811
Capital expenditure		
Payments to acquire tangible assets	(324,161)	(468,027)
Receipts from sales of tangible assets	31,734	248,261
Net cash outflow for capital expenditure	(292,427)	(219,766)
Equity dividends paid	(106,186)	(108,470)
Net cash inflow/(outflow) before management of liquid resources and financing	719,270	(144,846)
Increase/(decrease) in cash in the year	719,270	(144,846)

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2012

1	Reconciliation of operating profit to net cash inflow from operating activities		2012	2011
			£	£
	Operating profit		94,957	60,688
	Depreciation of tangible assets		239,841	236,122
	Amortisation of intangible assets		(7,971)	(428,629)
	Loss on disposal of tangible assets		1,145	3,316
	Increase in stocks		(147,345)	(47,847)
	Decrease/(increase) in debtors		783,837	(235,268)
	Increase in creditors within one year		149,704	716,025
	Exceptional costs		-	(206,176)
	Net cash inflow from operating activities		1,114,168	98,231

2	Analysis of net funds	1 June 2011	Cash flow	Other non-cash changes	31 May 2012
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	515,625	719,270	-	1,234,895
	Net funds	515,625	719,270	-	1,234,895

3	Reconciliation of net cash flow to movement in net funds	2012	2011
		£	£
	Increase/(decrease) in cash in the year	719,270	(144,846)
	Movement in net funds in the year	719,270	(144,846)
	Opening net funds	515,625	660,471
	Closing net funds	1,234,895	515,625

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MAY 2012

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The directors are not aware of any material uncertainties affecting the group and consider that the group will have sufficient resources to continue trading for the foreseeable future. As a result the directors have continued to adopt the going concern basis in preparing the financial statements.

##### 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 2012. 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.

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

### 1 Accounting policies

(continued)

#### 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.

#### 1.11 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

#### 1.12 Pensions

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

#### 1.13 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.

#### 1.14 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:

	2012 £	2011 £
<b>Geographical segment</b>		
UK	7,823,377	6,011,562
EC Countries	787,617	1,349,272
None EC Countries	2,477	-
	<u>8,613,471</u>	<u>7,360,834</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

<b>3</b>	<b>Operating profit</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Amortisation of intangible assets	(7,971)	(428,629)
	Depreciation of tangible assets	239,841	236,122
	Loss on disposal of tangible assets	3,130	3,316
	Loss on foreign exchange transactions	458	1,274
	Operating lease rentals		
	- Plant and machinery	4,114	6,352
	- Other assets	344,429	376,633
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £6,833; 2011: £8,429)	20,499	22,529
	and after crediting:		
	Government grants	-	14,609
	Profit on disposal of tangible assets	(1,985)	-

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.

<b>4</b>	<b>Interest payable</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	-	914
	Other interest	1,808	-
		<u>1,808</u>	<u>914</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

5	Taxation	2012 £	2011 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	6,478	-
	<b>Total current tax</b>	6,478	-
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	10,575	(28,545)
		17,053	(28,545)
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	98,672	369,323
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 21.00%)	19,734	77,558
	Effects of:		
	Non deductible expenses	1,271	(1,140)
	Depreciation add back	46,375	(15,711)
	Capital allowances	(30,746)	(54,412)
	Tax losses utilised	(30,256)	3,423
	Chargeable disposals	-	17,575
	Other tax adjustments	100	(27,293)
		(13,256)	(77,558)
	<b>Current tax charge for the year</b>	6,478	-

## 6 Profit 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 for the financial year is made up as follows:

	2012 £	2011 £
Holding company's profit for the financial year	92,580	321,664



# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

<b>7</b>	<b>Dividends</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	<u>106,186</u>	<u>108,470</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 2011 & at 31 May 2012		<u>(618,123)</u>
	<b>Amortisation</b>		
	At 1 June 2011		(610,152)
	Charge for the year		<u>(7,971)</u>
	At 31 May 2012		<u>(618,123)</u>
	<b>Net book value</b>		
	At 31 May 2012		<u>-</u>
	At 31 May 2011		<u>(7,971)</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 in the year ended 31 May 2011 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 chose to impair the remaining goodwill in the year end 31 May 2011 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 2012

#### 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 2011	250,000	88,631	1,939,770	400,163	2,678,564
Additions	-	25,275	97,474	201,412	324,161
Disposals	-	-	(272,193)	(118,132)	(390,325)
At 31 May 2012	250,000	113,906	1,765,051	483,443	2,612,400
<b>Depreciation</b>					
At 1 June 2011	-	36,471	1,157,649	278,888	1,473,008
On disposals	-	-	(272,192)	(85,254)	(357,446)
Charge for the year	6,680	11,421	148,178	73,562	239,841
At 31 May 2012	6,680	47,892	1,033,635	267,196	1,355,403
<b>Net book value</b>					
At 31 May 2012	243,320	66,014	731,416	216,247	1,256,997
At 31 May 2011	250,000	52,160	782,121	121,275	1,205,556

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2012

### Tangible fixed assets

#### Company

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 June 2011	250,000	-	98,696	246,922	595,618
Additions	-	19,465	17,170	123,084	159,719
Disposals	-	-	-	(91,344)	(91,344)
At 31 May 2012	250,000	19,465	115,866	278,662	663,993
<b>Depreciation</b>					
At 1 June 2011	-	-	54,867	157,207	212,074
On disposals	-	-	-	(59,831)	(59,831)
Charge for the year	6,680	2,123	10,125	49,422	68,350
At 31 May 2012	6,680	2,123	64,992	146,798	220,593
<b>Net book value</b>					
At 31 May 2012	243,320	17,342	50,874	131,864	443,400
At 31 May 2011	250,000	-	43,829	89,715	383,544

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

### 10 Fixed asset investments

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 June 2011 & at 31 May 2012	58,704
<b>Net book value</b>	
At 31 May 2012	58,704
At 31 May 2011	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>			
Arm fibre 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>
Arm fibre 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 2012

### 11 Stocks and work in progress

	Group 2012 £	2011 £	Company 2012 £	2011 £
Raw materials and consumables	277,399	253,186	73,099	65,036
Work in progress	432,947	309,815	93,576	100,893
	<u>710,346</u>	<u>563,001</u>	<u>166,675</u>	<u>165,929</u>

### 12 Debtors

	Group 2012 £	2011 £	Company 2012 £	2011 £
Trade debtors	1,930,693	1,691,012	388,965	437,219
Amounts recoverable on long term contracts	209,200	-	-	-
Other debtors	52,525	1,453,766	52,525	1,439,266
Prepayments and accrued income	388,096	219,573	85,259	242,020
	<u>2,580,514</u>	<u>3,364,351</u>	<u>526,749</u>	<u>2,118,505</u>

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

	Group 2012 £	2011 £	Company 2012 £	2011 £
Trade creditors	1,287,843	918,496	278,812	324,520
Corporation tax	6,478	-	6,478	-
Taxes and social security costs	197,503	228,066	103,342	85,965
Directors current accounts	-	250,000	-	250,000
Other creditors	70,249	39,607	27,398	13,157
Accruals and deferred income	320,198	289,920	23,534	63,260
	<u>1,882,271</u>	<u>1,726,089</u>	<u>439,564</u>	<u>736,902</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

### 14 Provisions for liabilities Group

Deferred  
taxation  
£

Balance at 1 June 2011	14,666
Profit and loss account	10,575
Balance at 31 May 2012	<u>25,241</u>

### Company

Balance at 1 June 2011	3,412
Profit and loss account	10,337
Balance at 31 May 2012	<u>13,749</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	<u>25,241</u>	<u>14,666</u>	<u>13,749</u>	<u>3,412</u>

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

#### Defined contribution

	2012	2011
	£	£
Contributions payable by the group for the year	<u>15,144</u>	<u>19,792</u>

### 16 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid 57,002 Ordinary shares of £1 each	<u>57,002</u>	<u>57,002</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

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### 17 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 June 2011	3,842,805
Profit for the year	81,619
Dividends paid	(106,186)
Balance at 31 May 2012	<u>3,818,238</u>

### Company

	Profit and loss account £
Balance at 1 June 2011	2,759,724
Profit for the year	92,580
Dividends paid	(106,186)
Balance at 31 May 2012	<u>2,746,118</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

18 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
<b>Group</b>		
Profit for the financial year	81,619	397,868
Dividends	(106,186)	(108,470)
	<u>          </u>	<u>          </u>
Net (depletion in)/addition to shareholders' funds	(24,567)	289,398
Opening shareholders' funds	3,899,807	3,610,409
	<u>          </u>	<u>          </u>
Closing shareholders' funds	<u>3,875,240</u>	<u>3,899,807</u>
	2012	2011
	£	£
<b>Company</b>		
Profit for the financial year	92,580	321,664
Dividends	(106,186)	(108,470)
	<u>          </u>	<u>          </u>
Net (depletion in)/addition to shareholders' funds	(13,606)	213,194
Opening shareholders' funds	2,816,726	2,603,532
	<u>          </u>	<u>          </u>
Closing shareholders' funds	<u>2,803,120</u>	<u>2,816,726</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 £827,293 (2011 - £906,679).

A customer of Carlingnose Limited holds a charge over cash deposits amounting to £151,173 (2011 - £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 2012

### 20 Financial commitments

At 31 May 2012 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2012	2011
	£	£
Expiry date:		
Within one year	65,400	-
Between two and five years	175,125	240,525
In over five years	193,572	193,572
	<u>434,097</u>	<u>434,097</u>

At 31 May 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2012	2011
	£	£
Expiry date:		
Within one year	65,400	-
Between two and five years	-	65,400
	<u>65,400</u>	<u>65,400</u>

### 21 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	<u>160,071</u>	<u>152,158</u>

# CARLINGNOSE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2012

### 22 Employees

#### Number of employees

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

2012	2011
Number	Number
162	173

#### Employment costs

	2012	2011
	£	£
Wages and salaries	2,929,551	3,168,454
Social security costs	252,924	265,519
Other pension costs	15,144	19,792
	<u>3,197,619</u>	<u>3,453,765</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 2012

### 24 Related party relationships and transactions

#### Loans from a director

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)	-
		<u>250,000</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>

#### Loans to a director

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 - Armfibre Limited	-	14,500	-	-	(14,500)	-
		<u>14,500</u>	<u>-</u>	<u>-</u>	<u>(14,500)</u>	<u>-</u>

The maximum overdrawn balance on the above loan during the year was £14,500.

#### Dividends paid to a director

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

	2012 £	2011 £
Mr Philip G Dryburgh	106,186	108,470
	<u>106,186</u>	<u>108,470</u>

#### 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.