

BARLEY CHALU LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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COMPANIES HOUSE

BARLEY CHALU LIMITED

COMPANY INFORMATION

DIRECTORS

D Carman
R Chalu
E Chalu
J Chalu
M Cheshem-Panam

COMPANY SECRETARY

E Chalu

COMPANY NUMBER

00923921

REGISTERED OFFICE

Ayton Road
Wymondham
Norfolk
NR18 0QH

TRADING ADDRESS

Ayton Road
Wymondham
Norfolk
NR18 0QH

AUDITORS

Larking Gowen
Chartered Accountants & Statutory Auditors
King Street House
15 Upper King Street
Norwich
NR3 1RB

BANKERS

Bank of Scotland PLC
3 Queen Street
Norwich
Norfolk
NR2 4SG

BARLEY CHALU LIMITED

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BARLEY CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of Barley Chalu Limited are powder coating and thermal breaking.

BUSINESS REVIEW

The company has net assets of £1.79m (2010: £1.73m). Turnover for the year amounted to £5.8m (2010: £5.9m).

The market has remained much the same as it was in 2010 after a very difficult year in 2009 and the company has maintained its profit making position. The directors are confident that they can continue to improve on the current performance levels into the future resulting in acceptable profit margins.

The management of the business and the execution of the group objectives are subject to a number of risks and uncertainties.

The key business risk relates to lack of controls over customer related issues, such as demand, market fluctuations and requirements. Thereafter the risk of increased competition, from both UK and overseas markets, poses the greatest threat.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary to form an understanding of the development, performance or position of the business.

The directors are satisfied with the performance of the company this year given the current position of the economy. The directors are still of the opinion that the company has a strong business model and will develop growth in the medium to long term. Further details of the financial performance are detailed in note 1.2 to the financial statements.

BARLEY CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

RESULTS

The profit for the year, after taxation, amounted to £256,366 (2010 - £152,571)

DIRECTORS

The directors who served during the year were

D Carman
R Chalu
E Chalu
J Chalu
M Cheshem-Panam

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

Under section 487(2) of the Companies Act 2006, Larking Gowen will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board and signed on its behalf



R Chalu
Director

Date 7.9.12

BARLEY CHALU LIMITED

**INDEPENDENT AUDITORS' REPORT TO BARLEY CHALU LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of Barley Chalu Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider 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.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 4 to 15 have been properly prepared in accordance with the regulations made under that section.

Jonathan Woolston FCA (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants

Statutory Auditors

Norwich

27 September 2012

BARLEY CHALU LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
TURNOVER	1	5,798,555	5,925,815
GROSS PROFIT		2,836,651	2,702,257
Distribution costs		(639,831)	(603,853)
Administrative expenses		(1,818,140)	(1,830,919)
OPERATING PROFIT	2	378,680	267,485
Interest payable and similar charges	4	(66,883)	(68,866)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		311,797	198,619
Tax on profit on ordinary activities	5	(55,431)	(46,048)
PROFIT FOR THE FINANCIAL YEAR	13	256,366	152,571

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 6 to 15 form part of these financial statements

BARLEY CHALU LIMITED
00923921

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	6		992,515		1,053,696
CURRENT ASSETS					
Stocks	7	177,464		202,055	
Debtors	8	2,765,116		2,581,349	
Cash at bank and in hand		29,425		3,933	
			2,972,005	2,787,337	
CREDITORS: amounts falling due within one year	9	(1,901,740)		(1,807,506)	
NET CURRENT ASSETS			1,070,265		979,831
TOTAL ASSETS LESS CURRENT LIABILITIES			2,062,780		2,033,527
CREDITORS: amounts falling due after more than one year	10		(157,366)		(184,410)
PROVISIONS FOR LIABILITIES					
Deferred tax	11		(118,301)		(118,370)
NET ASSETS			1,787,113		1,730,747
CAPITAL AND RESERVES					
Called up share capital	12		10,000		10,000
Profit and loss account	13		1,777,113		1,720,747
SHAREHOLDERS' FUNDS	14		1,787,113		1,730,747

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by



R Chalu
Director

Date 7.9.12



D Carman
Director

Date 7.9.2012

The notes on pages 6 to 15 form part of these financial statements

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Going concern

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. The directors have prepared budgets for the period ending 31 December 2012. Performance during the 2012 financial year is showing continued strong trading in the level of business.

However, the company's continued trading depends on its ability to remain with its current borrowing facility and securing the renewal of that facility when it is due to be considered by the company's bankers in February 2013. Considering this and the performance improvements mentioned above, the directors have an expectation that borrowing facilities will be renewed and that the company has adequate resources to continue its operations for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% straight line
Plant & machinery	-	15% / 25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	15% / 20% reducing balance

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Deferred taxation

Provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1 ACCOUNTING POLICIES (continued)

1 11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1 12 Debt factoring

Where debts are assigned to a factor who has full recourse to the company for his losses, the gross amount of the relevant debts are shown in debtors and the proceeds received from the factor are included within liabilities

2 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	125,219	127,780
Auditors' remuneration	12,500	12,155
Operating lease rentals		
- plant and machinery	23,473	13,275
Difference on foreign exchange	96	186
	<u> </u>	<u> </u>

3 DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	504,990	462,869
	<u> </u>	<u> </u>
Company pension contributions to defined contribution pension schemes	63,900	3,900
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £116,112 (2010 - £105,636)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2010 - £NIL)

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

4. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	4,300	4,459
On other loans	8,257	8,706
On finance leases and hire purchase contracts	2,035	589
Other interest payable	52,291	55,112
	<u>66,883</u>	<u>68,866</u>

5. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	55,500	20,336
Adjustments in respect of prior periods	-	(3,609)
Total current tax	<u>55,500</u>	<u>16,727</u>
Deferred tax (see note 11)		
Origination and reversal of timing differences	(69)	29,321
Tax on profit on ordinary activities	<u>55,431</u>	<u>46,048</u>

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

5. TAXATION (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2010 - *lower than*) the standard rate of corporation tax in the UK of 26% (2010 - 21%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>311,797</u>	<u>198,619</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 21%)	81,067	41,710
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	504	2,760
Capital allowances for year in excess of depreciation	4,035	(3,851)
Utilisation of tax losses	-	(20,409)
Adjustments to tax charge in respect of prior periods	-	(3,609)
Book profit on chargeable assets	414	126
Other differences leading to an increase (decrease) in the tax charge	1,632	-
Group relief	(24,181)	-
Marginal relief	(7,971)	-
Current tax charge for the year (see note above)	<u><u>55,500</u></u>	<u><u>16,727</u></u>

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 January 2011	690,725	2,096,234	43,251	233,469	3,063,679
Additions	-	47,488	-	18,260	65,748
Disposals	-	-	(10,500)	(13,840)	(24,340)
At 31 December 2011	<u>690,725</u>	<u>2,143,722</u>	<u>32,751</u>	<u>237,889</u>	<u>3,105,087</u>
Depreciation					
At 1 January 2011	333,679	1,476,933	13,421	185,950	2,009,983
Charge for the year	13,816	95,433	7,458	8,512	125,219
On disposals	-	-	(10,500)	(12,130)	(22,630)
At 31 December 2011	<u>347,495</u>	<u>1,572,366</u>	<u>10,379</u>	<u>182,332</u>	<u>2,112,572</u>
Net book value					
At 31 December 2011	<u>343,230</u>	<u>571,356</u>	<u>22,372</u>	<u>55,557</u>	<u>992,515</u>
At 31 December 2010	<u>357,046</u>	<u>619,301</u>	<u>29,830</u>	<u>47,519</u>	<u>1,053,696</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £	2010 £
Plant and machinery	188,130	221,329
Motor vehicles	22,373	29,831
	<u>210,503</u>	<u>251,160</u>

7. STOCKS

	2011 £	2010 £
Raw materials	162,417	165,218
Work in progress	15,047	36,837
	<u>177,464</u>	<u>202,055</u>

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

8 DEBTORS

	2011 £	2010 £
Due after more than one year		
Amounts owed by group undertakings	1,343,523	1,370,684
Due within one year		
Trade debtors	1,354,485	1,147,047
Other debtors	9,645	9,073
Prepayments and accrued income	57,463	54,545
	<u>2,765,116</u>	<u>2,581,349</u>

Included within trade debtors is £952,199 (2010 £969,282) which is acting as security on the trade creditors (note 11)

**9 CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Bank loans and overdrafts	-	101,349
Net obligations under finance leases and hire purchase contracts	53,299	46,226
Trade creditors	453,419	419,350
Corporation tax	55,500	20,336
Social security and other taxes	254,870	201,476
Other creditors	952,700	969,825
Accruals and deferred income	131,952	48,944
	<u>1,901,740</u>	<u>1,807,506</u>

The bank borrowings are secured by a mortgage debenture dated 11th May 2007, incorporating specific charges over all freehold and leasehold property, book debts, stocks and shares and a floating charge over all other assets. Hire purchase liabilities are secured on the assets to which the liabilities relate.

Included within other creditors is £952,199 (2010 £969,282) which is secured on the trade debtors (note 10)

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

10 CREDITORS

Amounts falling due after more than one year

	2011 £	2010 £
Net obligations under finance leases and hire purchase contracts	58,652	85,697
Other creditors	98,714	98,713
	<u>157,366</u>	<u>184,410</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2011 £	2010 £
Between one and five years	<u>58,652</u>	<u>85,697</u>

11 DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	118,370	89,049
(Released during)/charge for year	(69)	29,321
At end of year	<u>118,301</u>	<u>118,370</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>118,301</u>	<u>118,370</u>

12. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

13. RESERVES

	Profit and loss account £
At 1 January 2011	1,720,747
Profit for the year	256,366
Dividends Equity capital	(200,000)
At 31 December 2011	1,777,113

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	1,730,747	1,578,176
Profit for the year	256,366	152,571
Dividends (Note 15)	(200,000)	-
Closing shareholders' funds	1,787,113	1,730,747

15. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	200,000	-

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

16 PENSION COMMITMENTS

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. The company's contributions are charged to the profit and loss account in the year in which they are made. The pension charge for the year was £63,900 (2010 £3,900). There were no amounts outstanding at both 31 December 2011 or 31 December 2010.

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is the parent company, Future Metal Holdings Limited, by virtue of a 100% holding of the issued share capital of Barley Chalu Limited. Future Metal Holdings Limited is registered in England and Wales.