

BARLEY CHALU LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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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

REGISTERED NUMBER

00923921

REGISTERED OFFICE

Ayton Road
Wymondham
Norfolk
NR18 0QH

TRADING ADDRESS

Ayton Road
Wymondham
Norfolk
NR18 0QH

INDEPENDENT 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 2012

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

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 £1.77m (2011: £1.79m). Turnover for the year amounted to £6.3m (2011: £5.8m).

The market has improved for 2012 following on from 2011. Trade has remained consistent and the company has stayed in a 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 2012**

RESULTS

The profit for the year, after taxation, amounted to £184,757 (2011 - £256,366)

DIRECTORS

The directors who served during the year were

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

DISCLOSURE 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 relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Larking Gowen, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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



**R Chalu
Director**

Date 25 9 13

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 2012 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
Date 27 September 2013

BARLEY CHALU LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1	6,348,970	5,798,555
GROSS PROFIT		3,098,723	2,836,651
Distribution costs		(673,110)	(639,831)
Administrative expenses		(2,151,636)	(1,818,140)
OPERATING PROFIT	2	273,977	378,680
Interest payable and similar charges	5	(63,205)	(66,883)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		210,772	311,797
Tax on profit on ordinary activities	6	(26,015)	(55,431)
PROFIT FOR THE FINANCIAL YEAR	14	184,757	256,366

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 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 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	7		949,909		992,515
CURRENT ASSETS					
Stocks	8	157,843		177,464	
Debtors	9	2,581,130		2,765,113	
Cash at bank and in hand		1,883		29,425	
		2,740,856		2,972,002	
CREDITORS amounts falling due within one year	10	(1,808,020)		(1,901,740)	
NET CURRENT ASSETS			932,836		1,070,262
TOTAL ASSETS LESS CURRENT LIABILITIES			1,882,745		2,062,777
CREDITORS amounts falling due after more than one year	11		(6,675)		(157,366)
PROVISIONS FOR LIABILITIES					
Deferred tax	12		(104,203)		(118,301)
NET ASSETS			1,771,867		1,787,110
CAPITAL AND RESERVES					
Called up share capital	13		10,000		10,000
Profit and loss account	14		1,761,867		1,777,110
SHAREHOLDERS' FUNDS	15		1,771,867		1,787,110

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


D Carman
Director

Date 25.9.13

Date 25.9.2013

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 2012

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 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 2014. Considering this and the profitable result for the year, 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

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

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

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 2012**

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/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	120,106	125,219
Auditors' remuneration	13,200	12,500
Operating lease rentals		
- plant and machinery	47,616	23,473
Difference on foreign exchange	(6)	96
	<u> </u>	<u> </u>

3 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	2,164,520	2,008,775
Social security costs	225,377	207,097
Other pension costs	152,590	63,900
	<u>2,542,487</u>	<u>2,279,772</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No	2011 No
Average employees	<u>79</u>	<u>79</u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

4 DIRECTORS' REMUNERATION

	2012 £	2011 £
Remuneration	639,825	504,990
Company pension contributions to defined contribution pension schemes	152,590	63,900

During the year retirement benefits were accruing to 5 directors (2011 - 5) in respect of defined contribution pension schemes

The highest paid director received remuneration of £153,828 (2011 - £116,112)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,300 (2011 - £12,000)

5 INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	-	4,300
On other loans	5,486	8,257
On finance leases and hire purchase contracts	2,832	2,035
Other interest payable	54,887	52,291
	63,205	66,883

6 TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	40,113	55,500
Deferred tax (see note 12)		
Origination and reversal of timing differences	(14,098)	(69)
Tax on profit on ordinary activities	26,015	55,431

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 26%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	210,772	311,797
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 - 26%)	50,585	81,067
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,316	504
Capital allowances for year in excess of depreciation	9,366	4,035
Book profit on chargeable assets	-	414
Other differences leading to an increase (decrease) in the tax charge	887	1,632
Group relief	(20,427)	(24,181)
Marginal relief	(3,614)	(7,971)
Current tax charge for the year (see note above)	40,113	55,500

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7 TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 January 2012	690,725	2,143,722	32,751	237,889	3,105,087
Additions	-	77,500	-	-	77,500
At 31 December 2012	690,725	2,221,222	32,751	237,889	3,182,587
Depreciation					
At 1 January 2012	347,495	1,572,366	10,379	182,332	2,112,572
Charge for the year	13,816	90,986	5,593	9,711	120,106
At 31 December 2012	361,311	1,663,352	15,972	192,043	2,232,678
Net book value					
At 31 December 2012	329,414	557,870	16,779	45,846	949,909
At 31 December 2011	343,230	571,356	22,372	55,557	992,515

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

	2012 £	2011 £
Plant and machinery	189,787	223,280
Motor vehicles	16,779	22,373
	<u>206,566</u>	<u>245,653</u>

8 STOCKS

	2012 £	2011 £
Raw materials	150,888	162,417
Work in progress	6,955	15,047
	<u>157,843</u>	<u>177,464</u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

9 DEBTORS

	2012 £	2011 £
Due after more than one year		
Amounts owed by group undertakings	1,359,814	1,343,523
Due within one year		
Trade debtors	1,156,927	1,354,482
Amounts owed by group undertakings	2,077	-
Other debtors	9,720	9,645
Prepayments and accrued income	52,592	57,463
	<u>2,581,130</u>	<u>2,765,113</u>

Included within trade debtors is £971,663 (2011 £952,199) which is acting as security on the other creditors (note 11)

10 CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	7,252	-
Net obligations under finance leases and hire purchase contracts	48,887	53,299
Trade creditors	445,650	453,419
Amounts owed to group undertakings	880	-
Corporation tax	40,113	55,500
Other taxation and social security	232,389	254,870
Other creditors	972,334	952,700
Accruals and deferred income	60,515	131,952
	<u>1,808,020</u>	<u>1,901,740</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 £971,663 (2011 £952,199) which is secured by the trade debtors (note 10)

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

11. CREDITORS

Amounts falling due after more than one year

	2012 £	2011 £
Net obligations under finance leases and hire purchase contracts	6,675	58,652
Other creditors	-	98,714
	<u>6,675</u>	<u>157,366</u>

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

	2012 £	2011 £
Between one and five years	<u>6,675</u>	<u>58,652</u>

12 DEFERRED TAXATION

	2012 £	2011 £
At beginning of year	118,301	118,370
Released during year (P&L)	(14,098)	(69)
At end of year	<u>104,203</u>	<u>118,301</u>

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>104,203</u>	<u>118,301</u>

13 SHARE CAPITAL

	2012 £	2011 £
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 2012**

14 RESERVES

	Profit and loss account £
At 1 January 2012	1,777,110
Profit for the year	184,757
Dividends Equity capital	(200,000)
At 31 December 2012	1,761,867

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	1,787,110	1,730,744
Profit for the financial year	184,757	256,366
Dividends (Note 16)	(200,000)	(200,000)
Closing shareholders' funds	1,771,867	1,787,110

16 DIVIDENDS

	2012 £	2011 £
Dividends paid on equity capital	200,000	200,000

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

17. 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 £152,590 (2011: £63,900). There were no amounts outstanding at both 31 December 2012 or 31 December 2011.

18. OPERATING LEASE COMMITMENTS

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

	2012 £	2011 £
Expiry date		
Within 1 year	77,040	60,000
Between 2 and 5 years	40,758	65,043

19. 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.