

BARLEY CHALU LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014



BARLEY CHALU LIMITED

COMPANY INFORMATION

DIRECTORS	D Carman R Chalu E Chalu J Chalu M Cheshem-Panam
COMPANY SECRETARY	E Chalu (to 20 March 2014) R Chalu (from 20 March 2014)
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 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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.

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.

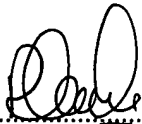
BARLEY CHALU LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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: 14.9.15

BARLEY CHALU LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

BUSINESS REVIEW

2014 was another year of consolidation and preparation for the company. Sales turnover was up 3% on the previous year and gross margins remained stable at 50%.

In planning for future company development and growth, 2014 saw us commit to investing in excess of a million Euros in a brand new process that will see us cement our position as the premier aluminium coating and surface treatment company in the UK. This plant, due to be commissioned in the latter part of 2015, will further demonstrate our commitment to continual investment in cutting edge powder coating technologies already seen in the previous few years.

Customer service and quality of products supplied have been our top priorities and as such, our excellent customer base has given us assurances of future business and the desire to place even more with us. This new plant will enable us to accommodate this future growth.

In summary, the company enjoyed a buoyant year of stable business and we look forward to continuing that success with our excellent business partners and stakeholders.

PRINCIPAL RISKS AND UNCERTAINTIES

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.

FINANCIAL KEY PERFORMANCE INDICATORS

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.

This report was approved by the board on 14.9.15 and signed on its behalf.



.....
R Chalu
Director

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 5 to 15, together with the financial statements of Barley Chalu Limited for the year ended 31 December 2014 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 5 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: 15 September 2015

BARLEY CHALU LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1	7,261,558	7,059,783
GROSS PROFIT		3,632,320	3,901,876
Distribution costs		(658,456)	(673,410)
Administrative expenses		(2,074,951)	(2,642,938)
OPERATING PROFIT	2	898,913	585,528
Interest payable and similar charges	5	(85,641)	(64,773)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		813,272	520,755
Tax on profit on ordinary activities	6	(160,294)	(81,528)
PROFIT FOR THE FINANCIAL YEAR	14	652,978	439,227

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 7 to 15 form part of these financial statements.

BARLEY CHALU LIMITED
REGISTERED NUMBER: 00923921

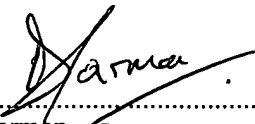
ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	7		1,108,631		1,052,480
CURRENT ASSETS					
Stocks	8	223,166		169,358	
Debtors	9	3,284,840		3,303,260	
Cash at bank and in hand		101,775		302,802	
		<u>3,609,781</u>		<u>3,775,420</u>	
CREDITORS: amounts falling due within one year	10	<u>(2,712,463)</u>		<u>(2,729,322)</u>	
NET CURRENT ASSETS			<u>897,318</u>		<u>1,046,098</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,005,949</u>		<u>2,098,578</u>
CREDITORS: amounts falling due after more than one year	11	(221,637)		-	
PROVISIONS FOR LIABILITIES					
Deferred tax	12	(75,240)		(87,484)	
NET ASSETS			<u>1,709,072</u>		<u>2,011,094</u>
CAPITAL AND RESERVES					
Called up share capital	13	10,000		10,000	
Profit and loss account	14	1,699,072		2,001,094	
SHAREHOLDERS' FUNDS	15		<u>1,709,072</u>		<u>2,011,094</u>

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: 14.9.15

Date: 14.9.15

The notes on pages 7 to 15 form part of these financial statements.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 invoice financing facility which is secured against trade debtors.

The company's continued trading depends on its ability to remain within its current borrowing facility and securing the renewal of that facility when it is due to be considered by the company's bankers in April 2016. Considering the profitable result for the year and previous experience, 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 the reasons outlined above, the directors' view is that it is appropriate to 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% reducing balance
Computer equipment	-	20% straight line
Other fixed assets	-	Assets in the course of construction are not depreciated during the period of construction

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Deferred taxation

Full 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 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.

1.11 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.

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	107,793	112,106
Auditors' remuneration	13,650	12,150
Operating lease rentals:		
- plant and machinery	56,164	46,917
	<u>177,557</u>	<u>171,173</u>

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	2,011,073	2,293,200
Social security costs	232,007	236,620
Other pension costs	225,047	395,116
	<u>2,468,127</u>	<u>2,924,936</u>

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

	2014	2013
	No.	No.
Average employees	<u>81</u>	<u>77</u>

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4. DIRECTORS' REMUNERATION

	2014	2013
	£	£
Remuneration	363,852	705,221
Company pension contributions to defined contribution pension schemes	205,255	395,116

During the year retirement benefits were accruing to 5 directors (2013 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £97,177 (2013 - £185,044).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £58,023 (2013 - £22,000).

5. INTEREST PAYABLE

	2014	2013
	£	£
On other loans	15,931	823
On finance leases and hire purchase contracts	2,005	2,193
Other interest payable	67,705	61,757
	85,641	64,773

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	171,023	98,247
Adjustments in respect of prior periods	1,515	-
Total current tax	<u>172,538</u>	<u>98,247</u>
Deferred tax (see note 12)		
Origination and reversal of timing differences	(12,244)	(16,719)
Tax on profit on ordinary activities	<u>160,294</u>	<u>81,528</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>813,272</u>	<u>520,755</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	174,798	121,058
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	724	-
Capital allowances for year in excess of depreciation	3,779	(753)
Fixed asset differences	2,969	3,064
Adjustments to tax charge in respect of prior periods	1,515	-
Other differences leading to an increase (decrease) in the tax charge	(666)	-
Group relief	(10,581)	(24,515)
Marginal relief	-	(607)
Current tax charge for the year (see note above)	<u>172,538</u>	<u>98,247</u>

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. TANGIBLE FIXED ASSETS

	L/Term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Assets under construc- -tion £	Total £
Cost						
At 1 Jan 2014	690,725	2,276,157	32,751	239,514	146,053	3,385,200
Additions	-	-	24,300	-	144,231	168,531
Disposals	-	-	(14,331)	-	-	(14,331)
Transfers	287,844	-	-	-	(287,844)	-
At 31 Dec 2014	978,569	2,276,157	42,720	239,514	2,440	3,539,400
Depreciation						
At 1 Jan 2014	375,127	1,746,167	20,166	191,260	-	2,332,720
Charge for the year	13,816	80,466	3,917	9,594	-	107,793
On disposals	-	-	(9,744)	-	-	(9,744)
At 31 Dec 2014	388,943	1,826,633	14,339	200,854	-	2,430,769
Net book value						
At 31 Dec 2014	589,626	449,524	28,381	38,660	2,440	1,108,631
At 31 Dec 2013	315,598	529,990	12,585	48,254	146,053	1,052,480

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

	2014 £	Restated 2013 £
Plant and machinery	-	25,395

8. STOCKS

	2014 £	2013 £
Raw materials	223,166	169,358

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. DEBTORS

	2014 £	2013 £
Due after more than one year		
Amounts owed by group undertakings	1,380,732	1,405,602
Due within one year		
Trade debtors	1,842,781	1,457,492
Amounts owed by group undertakings	4,918	4,918
Other debtors	10,887	380,325
Prepayments and accrued income	45,522	54,923
	<u>3,284,840</u>	<u>3,303,260</u>

The trade debtors balance of £1,842,781 (2013: £1,457,492) acts as a security against £1,458,636 (2013: £1,552,156) of factored debts (Note 12).

10. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Proceeds of factored debts	1,458,636	1,552,156
Net obligations under finance leases and hire purchase contracts	-	6,600
Trade creditors	617,391	622,034
Amounts owed to group undertakings	53,555	30,000
Corporation tax	171,023	98,247
Other taxation and social security	284,845	257,261
Other creditors	2,160	60,996
Accruals and deferred income	124,853	102,028
	<u>2,712,463</u>	<u>2,729,322</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.

The factored debts of £1,458,636 (2013: £1,552,156) are part-secured by the trade debtors balance (Note 11).

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. CREDITORS:

Amounts falling due after more than one year

	2014 £	2013 £
Other loans	<u>221,637</u>	<u>-</u>

The loan (from the Future Metal Pension Fund) is repayable over a term of five years from the draw down rate of 3 April 2014. Interest is payable on the loan at the rate of 6% per annum above the Barclays Sterling base rate. The loan is secured by legal charge over freehold property owned by the group.

12. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	87,484	104,203
Released during year (P&L)	(12,244)	(16,719)
At end of year	<u>75,240</u>	<u>87,484</u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>75,240</u>	<u>87,484</u>

13. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14. RESERVES

	Profit and loss account £
At 1 January 2014	2,001,094
Profit for the year	652,978
Dividends: Equity capital	(955,000)
At 31 December 2014	<u>1,699,072</u>

BARLEY CHALU LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	2,011,094	1,771,867
Profit for the financial year	652,978	439,227
Dividends (Note 16)	(955,000)	(200,000)
Closing shareholders' funds	<u>1,709,072</u>	<u>2,011,094</u>

16. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>955,000</u>	<u>200,000</u>

17. PENSION COMMITMENTS

The company operates three defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. 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 £225,047 (2013: £395,116). There were no contributions outstanding at 31 December 2014 or 31 December 2013.

18. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £	2014 £	Other 2013 £
Expiry date:				
Within 1 year	168,000	60,000	37,390	8,839
Between 2 and 5 years	-	-	38,792	59,120
After more than 5 years	-	-	<u>103,608</u>	<u>-</u>

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.