

Registered number: SC270139

Isbir Bulk Bag UK Ltd

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Prepared By:
Lynn Cunningham
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FRIDAY



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20/09/2013
COMPANIES HOUSE

ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTORS

E Aydin (resigned 14 June 2013)
M Gultepe (appointed 22 May 2013)

SECRETARY

D Marr

REGISTERED OFFICE

Unit G4
The Granary Business Centre
Cupar
Fife
KY15 5YQ

COMPANY NUMBER

SC270139

BANKERS

Bank of Scotland - 600 Gorgie Road, Edinburgh EH11 3XP

SOLICITORS

Williams McRae, Law House, Ferguson Square, Cupar, Fife, KY1

ACCOUNTANTS

Lynn Cunningham
Chartered Accountant
Unit G1, The Granary Business Centre
Coal Road
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KY15 5YQ

**ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

CONTENTS

	Page
Report of the Directors	3
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Accounts	8 to 14

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

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

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was the sale and marketing of textile products .

DIRECTORS

The directors who served during the year were as follows:

E Aydin (resigned 14 June 2013)

M Gultepe (appointed 22 May 2013)

REVIEW OF BUSINESS

The director considers the results for the year as much improved. A profit of £18,949 was made compared to £7,435 in the previous year. Turnover was down but profit has increased due to improved cost control.

FUTURE DEVELOPMENTS

The business has a number of new opportunities within the food industry in the new year and continues to consider new developments in the specialist block bottom sack market.

RISK FACTORS

The main risk factor facing the business is uncertain market trends. This is due to the volatile raw material price structure as the product is oil based, however results indicate the business is managing the risk.

KEY PERFORMANCE INDICATORS

The director considers the key financial performance indicators as being turnover and gross margin. The company has maintained a steady margin and the increase in turnover is shown by geographical segment on page 9 of the accounts.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS RESPONSIBILITIES

The director is responsible for preparing the Directors' Report and the financial statements in accordance with the applicable law and regulation. Company law requires the director to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. The director is required to a) select suitable accounting policies and then apply them consistently; b) make judgements and accounting estimates that are reasonable and prudent; c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; d) prepare the accounts on the going concern basis unless it is in appropriate to presume that the company will continue in business.

The director is 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

AUDITORS

During the period, Lynn Cunningham acted as auditor to the company. A resolution to reappoint Lynn Cunningham will be put to the forthcoming Annual General Meeting.

This report was approved by the board on 2/9/13

D Marr
Secretary



FOR THE YEAR ENDED 31 DECEMBER 2012
AUDITORS' REPORT

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ISBIR BULK BAG UK LIMITED

I have audited the financial statements of Isbir Bulk Bag UK Ltd for the year ended 31 December 2012 which comprise a Profit and Loss Account, Balance Sheet, Cash Flow Statement, the Reconciliation of Movements in Shareholders Funds and related notes. The financial reporting framework that has been applied in their preparation is the 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement (set out on pages 5 to 14), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT

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, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

OPINION ON FINANCIAL STATEMENTS

In my opinion the financial statements: give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the company's profit or loss 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In my 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion: adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by me; or the 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 I have not received all the information and explanations I require for my audit.

Signature: 

Lynn Cunningham Statutory Auditor

12/9/13

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

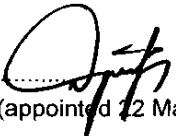
	Notes	2012 £	2011 £
TURNOVER	2	1,814,715	2,160,703
Cost of sales		<u>(1,635,789)</u>	<u>(1,986,210)</u>
GROSS PROFIT		178,926	174,493
Distribution costs		(9,704)	(13,529)
Administrative expenses		<u>(150,273)</u>	<u>(153,529)</u>
OPERATING PROFIT		18,949	7,435
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>18,949</u>	<u>7,435</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		18,949	7,435
PROFIT FOR THE FINANCIAL YEAR		<u>18,949</u>	<u>7,435</u>

BALANCE SHEET AT 31 DECEMBER 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	6	1,075	657
CURRENT ASSETS			
Stock		272,711	282,811
Debtors (amounts falling due within one year)	8	425,334	415,218
Cash at bank and in hand		5,338	120,495
		<u>703,383</u>	<u>818,524</u>
CREDITORS: Amounts falling due within one year	9	<u>279,366</u>	<u>72,875</u>
NET CURRENT ASSETS		<u>424,017</u>	<u>745,649</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>425,092</u>	<u>746,306</u>
CREDITORS: Amounts falling due after more than one year	10	<u>495,171</u>	<u>835,334</u>
NET LIABILITIES		<u>(70,079)</u>	<u>(89,028)</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	13	(71,079)	(90,028)
SHAREHOLDERS' FUNDS		<u>(70,079)</u>	<u>(89,028)</u>

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the board on 12/9/13 and signed on their behalf by


M Gultepe (appointed 12 May 2013)
Director

CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	19a	(114,218)	(66)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible assets		<u>(940)</u>	-
Net cash inflow from capital expenditure and financial investment		(940)	-
NET CASH OUTFLOW BEFORE FINANCING		<u>(115,158)</u>	<u>(66)</u>
FINANCING			
DECREASE IN CASH		<u>(115,158)</u>	<u>(66)</u>

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

1. ACCOUNTING POLICIES

1a. Basis Of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1b. Going Concern

The accounts have been prepared on the assumption that the company is able to carry on business as a going concern, which the director considers appropriate having regard to the circumstances outlined in the notes to the accounts.

1c. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Equipment	straight line 25%
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1d. Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks.

1e. Taxation

Corporation tax payable is provided on taxable profits at the current rates.

Provision is made for deferred taxation in so far as a liability or asset has arisen as a result of transactions that had occurred by the balance sheet date and have given rise to an obligation to pay more tax in the future, or the right to pay less tax in the future. An asset has not been recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

1f. Foreign Currency

Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange gains and losses are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

1g. Turnover

Turnover comprises the value of goods and services supplied by the company, net of value added tax and trade discounts.

1h. Leasing Commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease. Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under the lease is included as a liability in the balance sheet. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

2. TURNOVER

The turnover and pre-tax result is attributable to the sale and marketing of textile products.

	2012	2011
	£	£
Sales United Kingdom	1,371,102	1,572,622
Sales Europe	397,633	474,563
Sales outside the EU	45,980	113,518
	<u>1,814,715</u>	<u>2,160,703</u>

3. OPERATING PROFIT

	2012	2011
	£	£
Operating Profit is stated after charging:		
Depreciation	521	612
Auditors' remuneration	3,000	3,525
	<u>3,521</u>	<u>4,137</u>

4. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:	2012	2011
	£	£
Wages and salaries	100,300	92,378
Social security costs	11,740	10,613
	<u>112,040</u>	<u>102,991</u>

The average weekly numbers of employees during the year were as follows:

	2012	2011
	No.	No.
Management and administration	1	1
Production and sales	2	2
	<u>3</u>	<u>3</u>

5. TAX ON ORDINARY ACTIVITIES

	2012	2011
	£	£
Corporation tax	3,790	1,487
Accelerated capital allowances	(276)	(137)
Unrelieved taxation losses	(3,567)	(1,436)
Expenses not deductible for tax purposes	<u>53</u>	<u>86</u>

6. TANGIBLE FIXED ASSETS

	Equipment	Motor Cars	Total
	£	£	£
Cost			
At 1 January 2012	7,138	16,227	23,365
Additions	940	-	940
At 31 December 2012	<u>8,078</u>	<u>16,227</u>	<u>24,305</u>
Depreciation			
At 1 January 2012	6,481	16,227	22,708
For the year	522	-	522
At 31 December 2012	<u>7,003</u>	<u>16,227</u>	<u>23,230</u>
Net Book Amounts			
At 31 December 2012	<u>1,075</u>	<u>-</u>	<u>1,075</u>
At 31 December 2011	<u>657</u>	<u>-</u>	<u>657</u>

Isbir Bulk Bag UK Ltd

7. STOCK	2012	2011
	£	£
Stock comprises:		
Stock	<u>272,711</u>	<u>282,811</u>
	<u>272,711</u>	<u>282,811</u>

8. DEBTORS	2012	2011
	£	£
Amounts falling due within one year:		
Trade debtors	418,596	387,360
Other debtors	<u>6,738</u>	<u>27,858</u>
	<u>425,334</u>	<u>415,218</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
	£	£
Trade creditors	5,456	8,996
Taxation and social security	59,968	58,854
Other creditors	<u>213,942</u>	<u>5,025</u>
	<u>279,366</u>	<u>72,875</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2012	2011
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>495,171</u>	<u>835,334</u>
	<u>495,171</u>	<u>835,334</u>

11. SECURED CREDITORS

	2012	2011
	£	£
Amount of other creditors which are secured	<u>207,804</u>	<u>-</u>

Included in other creditors at the year end is £207,804 (2011 - £Nil) secured against trade debtors of the company.

12. SHARE CAPITAL

	2012	2011
	£	£
Allotted, issued and fully paid:		
1000 Ordinary shares of £ 1 each	<u>1000</u>	<u>1000</u>
	<u>1,000</u>	<u>1,000</u>

13. PROFIT AND LOSS RESERVE

	2012	2011
	£	£
Opening balance	(90,028)	(97,463)
Profit for the year	<u>18,949</u>	<u>7,435</u>
	<u>(71,079)</u>	<u>(90,028)</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Opening shareholders' funds	(89,028)	(96,463)
Profit for the year	<u>18,949</u>	<u>7,435</u>
Closing shareholders' funds	<u>(70,079)</u>	<u>(89,028)</u>

15. OTHER FINANCIAL COMMITMENTS

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the forthcoming financial year:

	2012	2011
	£	£
Operating Leases which expire:		
Within two to five years	<u>6,000</u>	<u>6,000</u>

16. RELATED PARTY TRANSACTIONS

Included in purchases are goods bought from the parent company Isbir Sentetik Dokuma Sanayi AS for £1,601,573 (2011 - £2,059,190)

Included in creditors at 31 December 2012 is an interest free loan of £495,171 (2011 - £835,334) from Isbir Sentetik Dokuma Sanayi AS.

Included in sales outside the EU at the year end is £18,240 (2011 - £Nil) received in respect of meetings recharged to the parent company.

17. GOING CONCERN

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Director's Report.

The company is insolvent and relies on funding from its parent company, Isbir Sentetik Dokuma Sanayi AS. The parent company has confirmed that it will not require repayment of loans made until the company is in a position to do so.

The parent company has confirmed that it will not continue to support the company for at least the next 12 months and for the foreseeable future. The director having assessed the response of the directors' of the company's parent company Isbir Sentetik Dokuma Sanayi AS to his enquiries has no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company as a going concern. On the basis of the assessment of the company's financial position and on the enquiries made of the directors', the director has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

18. CONTROLLING PARTY

The ultimate parent company of Isbir Bulk Bag UK Limited is Isbir Sentetik Dokuma Sanayi AS which is incorporated and registered in Turkey.

Isbir Sentetik Dokuma Sanayi AS is Isbir Bulk Bag UK Limited's direct and ultimate controlling party as defined under Financial Reporting Standard 8 'Related Party Disclosures'.

19. NOTES TO THE CASHFLOW STATEMENT

19a. Reconciliation of operating profit to net cash flow from operating activities

	£	£
Operating profit	18,949	7,435
Depreciation of tangible assets	521	612
Decrease / (Increase) in stocks	10,100	(126,161)
(Increase) / Decrease in debtors	(10,116)	28,854
(Decrease) / Increase in creditors	(133,672)	89,194
Net cash outflow from operating activities	(114,218)	(66)

19b. Analysis of changes in cash and cash equivalents during the year

	2012 £	2011 £
Balance at 1 January 2012	120,495	120,561
Net cash outflow	(115,157)	(66)
Balance at 31 December 2012	5,338	120,495

19c. Analysis of changes in financing year

	Share Capital	Loans and finance lease obligations
	£	£
Balance at 1 January 2012	1,000	-
Balance at 31 December 2012	1,000	-