

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015  
FOR  
BARWOOD PRODUCTS LIMITED

**BARWOOD PRODUCTS LIMITED**

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**FOR THE YEAR ENDED 31 MARCH 2015**

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**BARWOOD PRODUCTS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**DIRECTORS:**

S Somany  
T P Dunne  
R A Barnes

**REGISTERED OFFICE:**

Barwood House  
Beata Road  
Off Talke Road  
Newcastle-under-Lyme  
Staffordshire  
ST5 7UT

**REGISTERED NUMBER:**

05944264 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Nicholas B Cooper

**AUDITORS:**

Barringtons Limited  
570-572 Etruria  
Road, Basford  
Newcastle  
Staffordshire  
ST5 0SU

**BARWOOD PRODUCTS LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

S Somany  
T P Dunne  
R A Barnes

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 judgements 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.

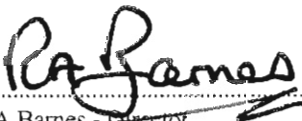
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
R A Barnes - Director

Date: 27.04.2015.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BARWOOD PRODUCTS LIMITED**

We have audited the financial statements of Barwood Products Limited for the year ended 31 March 2015 on pages five to ten. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 in a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BARWOOD PRODUCTS LIMITED**

**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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Nicholas B Cooper (Senior Statutory Auditor)  
for and on behalf of Barringtons Limited  
570-572 Etruria  
Road, Basford  
Newcastle  
Staffordshire  
ST5 0SU

Date: 27 April 2015

**BARWOOD PRODUCTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
<b>TURNOVER</b>		2,017,216	2,069,299
Cost of sales		1,513,072	1,631,428
<b>GROSS PROFIT</b>		504,144	437,871
Administrative expenses		622,775	604,082
<b>OPERATING LOSS</b>	2	(118,631)	(166,211)
Exceptional items	3	-	85,000
		(118,631)	(251,211)
Interest payable and similar charges		7,897	6,668
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(126,528)	(257,879)
Tax on loss on ordinary activities	4	-	(7,624)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(126,528)	(250,255)

The notes form part of these financial statements

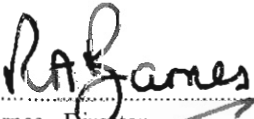
**BARWOOD PRODUCTS LIMITED (REGISTERED NUMBER: 05944264)**

**BALANCE SHEET**  
**31 MARCH 2015**

	Notes	2015 £	£	2014 £	£
<b>FIXED ASSETS</b>					
Tangible assets	5		53,136		60,930
<b>CURRENT ASSETS</b>					
Stocks		338,651		355,929	
Debtors	6	622,590		614,979	
Cash in hand		309		174	
		<u>961,550</u>		<u>971,082</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	7	919,482		831,951	
<b>NET CURRENT ASSETS</b>			<u>42,068</u>		<u>139,131</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			95,204		200,061
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		21,671		-
<b>NET ASSETS</b>			<u>73,533</u>		<u>200,061</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		700,501		700,501
Share premium	12		49,500		49,500
Profit and loss account	12		(676,468)		(549,940)
<b>SHAREHOLDERS' FUNDS</b>			<u>73,533</u>		<u>200,061</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 27.04.2015 and were signed on its behalf by:

  
.....  
R. A. Barnes - Director

The notes form part of these financial statements



**BARWOOD PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	-	equally over the lease term
Plant and machinery	-	15% on reducing balance

**Stocks**

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**2. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation - owned assets	9,243	12,806
Audit	6,000	6,010
Foreign exchange differences	(32,142)	(9,163)
	<u>          </u>	<u>          </u>
Directors' remuneration and other benefits etc	-	-
	<u>          </u>	<u>          </u>

**BARWOOD PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2015**

3. **EXCEPTIONAL ITEMS**

The Exceptional Item of £85,000 shown for the year ending 31 March 2014 relates to the write down of the Stock value held by the company.

Included within the Light and Heat charge for the year ending 31 March 2015 of £61,641 is an amount in the sum of £43,455 which relates to gas arrears charges which have now been agreed as payable. The potential for this additional liability only came to light towards the end of the previous financial year and was considered and disclosed as a Contingent Liability at that point due to the dispute being passed to the ombudsman and the likely outcome being unknown.

4. **TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows:

	2015	2014
	£	£
Deferred tax	-	(7,624)
Tax on loss on ordinary activities	-	(7,624)
	<u>          </u>	<u>          </u>

5. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 April 2014	10,623	117,655	128,278
Additions	-	1,449	1,449
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2015	10,623	119,104	129,727
	<u>          </u>	<u>          </u>	<u>          </u>
<b>DEPRECIATION</b>			
At 1 April 2014	2,786	64,562	67,348
Charge for year	784	8,459	9,243
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2015	3,570	73,021	76,591
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET BOOK VALUE</b>			
At 31 March 2015	<u>7,053</u>	<u>46,083</u>	<u>53,136</u>
At 31 March 2014	<u>7,837</u>	<u>53,093</u>	<u>60,930</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Trade debtors	521,613	515,467
Prepayments and accrued income	100,977	99,512
	<u>          </u>	<u>          </u>
	<u>622,590</u>	<u>614,979</u>

**BARWOOD PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Bank loans and overdrafts	176,589	159,476
Trade creditors	312,083	397,968
Amounts owed to group undertakings	369,000	201,000
Social security and other taxes	7,820	8,241
VAT	36,460	28,545
Accrued expenses	17,530	36,721
	<u>919,482</u>	<u>831,951</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015	2014
	£	£
Trade creditors	<u>21,671</u>	<u>-</u>

**9. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	2015	2014
	£	£
Expiring:		
Within one year	-	19,766
Between one and five years	-	5,778
In more than five years	85,000	85,000
	<u>85,000</u>	<u>110,544</u>

**10. SECURED DEBTS**

The following secured debts are included within creditors:

	2015	2014
	£	£
Bank overdrafts	82,905	76,198
Bank loans	93,684	83,278
	<u>176,589</u>	<u>159,476</u>

On 26 May 2011 a Debenture was registered in favour of HSBC Bank PLC in the form of a fixed and floating charge over the company and all property and assets present and future, including Goodwill, Book Debts, Uncalled Capital, Fixtures and Fixed Plant and Machinery.

On 21 November 2013 a further charge was registered in favour of HSBC Bank PLC in the form of a General Pledge given by the Company covering Documents and Goods for the discharge and payment of the Company's Liabilities which liabilities the Company's covenants to discharge on demand, and assigns with full title guarantee, to HSBC Bank PLC, all rights and claims to which the Company is now or may in the future become entitled in relation to the proceeds of any policy of insurance now or in the future issued with respect to Goods.

**BARWOOD PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2015**

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2015 £	2014 £
700,501	Ordinary		<u>700,501</u>	<u>700,501</u>

12. **RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 April 2014	(549,940)	49,500	(500,440)
Deficit for the year	<u>(126,528)</u>	<u>          </u>	<u>(126,528)</u>
At 31 March 2015	<u>(676,468)</u>	<u>49,500</u>	<u>(626,968)</u>

13. **ULTIMATE PARENT COMPANY**

The ultimate parent company is HSIL Limited, a company registered in India, due to one of its 100% owned subsidiaries, Haas International BV, a company registered in Holland, owning the entire issued share capital of the company.

14. **RELATED PARTY DISCLOSURES**

During the period under review the following related party transactions were undertaken:

Included within Creditors <1 year is a loan of £369,000 owed by the company to Haas International BV. This loan does not bear interest and has no fixed repayment term.

Included within Trade Creditors is an amount of £5,500 (2014 - £11,000) owed by the company to Valentia Barnes Consulting Limited, a company under the control of Mr R A Barnes, a director of the company. During the year invoices in the sum of £69,625 (2014 - £65,470) were issued to the company for consultancy services.

**BARWOOD PRODUCTS LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	2015		2014	
	£	£	£	£
<b>Sales</b>		2,017,216		2,069,299
<b>Cost of sales</b>				
Opening stock	355,929		439,785	
Purchases	1,287,391		1,302,617	
Wages	131,744		162,939	
Packaging and carriage	-		473	
Sales rebates and commissions	76,659		81,543	
	<hr/>		<hr/>	
Closing stock	1,851,723		1,987,357	
	(338,651)		(355,929)	
	<hr/>	1,513,072	<hr/>	1,631,428
<b>GROSS PROFIT</b>		504,144		437,871
<b>Expenditure</b>				
Rent and rates	134,076		117,000	
Insurance	11,362		21,266	
Light and heat	61,641		17,419	
Wages	212,018		215,542	
Telephone	6,343		8,415	
Post and stationery	6,828		7,072	
Advertising	30,771		22,047	
Motor and travel expenses	24,438		39,690	
Hire of plant and machinery	16,966		23,091	
Repairs and renewals	15,268		8,319	
Office equipment maintenance	12,459		11,996	
Household and cleaning	4,866		4,800	
Staff welfare and training	1,535		637	
Recruitment costs	1,375		-	
Subscriptions and donations	2,620		4,252	
Sundry expenses	1,788		1,118	
Accountancy	3,060		-	
Consultancy fees	69,625		65,470	
Employment law advice	3,021		3,564	
Payroll Services	2,727		2,821	
Legal fees	9,220		14,206	
Auditors' remuneration	6,000		6,010	
Foreign exchange (Profit)/				
Losses	(32,142)		(9,163)	
Entertainment	101		185	
Bad debts	686		(22)	
	<hr/>	606,652	<hr/>	585,735
		(102,508)		(147,864)
<b>Finance costs</b>				
Bank charges	6,879		5,540	
Bank interest	7,897		6,668	
	<hr/>	14,776	<hr/>	12,208
Carried forward		(117,284)		(160,072)

This page does not form part of the statutory financial statements

**BARWOOD PRODUCTS LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	2015		2014	
	£	£	£	£
Brought forward		(117,284)		(160,072)
<b>Depreciation</b>				
Improvements to property	784		2,786	
Plant and machinery	8,460		10,021	
	<u>          </u>	9,244	<u>          </u>	12,807
		(126,528)		(172,879)
<b>Exceptional items</b>				
Exceptional items		-		85,000
		<u>          </u>		<u>          </u>
<b>NET LOSS</b>		<u>(126,528)</u>		<u>(257,879)</u>

This page does not form part of the statutory financial statements