

Anglo-Danish Fibre Industries Limited

Directors' report and financial statements

Registered number 03270532

Year ended 30 November 2010



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Company information

Directors

S Good
S Dray
M Holt

Secretary

Hammonds Secretarial Services Limited

Registered office

Hammonds (Ref SDW)
Rutland House
148 Edmund Street
Birmingham
B3 2JR

Registered number

03270532

Auditors

KPMG Audit Plc
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Directors' report

The directors present their directors' report and the audited financial statements for the year ended 30 November 2010

Principal activities

The principal activity of the company is the distribution and sale of purpose designed synthetic fibre for use as an additive in concrete and related materials

Results and dividends

The profit for the year, after taxation, amounted to £55,000 (2009 £1,420,000) The directors do not recommend the payment of a dividend (2009 £nil)

Directors

The directors who held office during the year were as follows

S Good

K Higginson – resigned 8 September 2010

S Dray

M Holt was appointed as a director on 28 February 2011

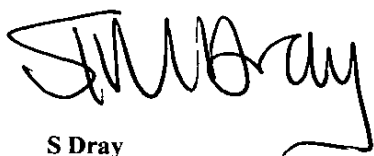
Disclosure of information to auditors

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

Auditors

In accordance with section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board



S Dray
Director

Dated 16 May 2011

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the independent auditors to the members of Anglo-Danish Fibre Industries Limited

We have audited the financial statements of Anglo-Danish Fibre Industries Limited for the year ended 30 November 2010 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 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 Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 30 November 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, 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 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

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



TM Widdas (*Senior Statutory Auditor*)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

St Nicholas House

Park Row

Nottingham NG1 6FQ

Dated 16 May 2011

Profit and loss account
for the year ended 30 November 2010

	<i>Note</i>	2010 £000	2009 £000
Turnover	2	3,909	3,345
Cost of sales		(3,287)	(2,704)
Gross profit		622	641
Administrative expenses		(1,064)	(1,146)
Other operating income		632	662
Operating profit	3	190	157
Income from shares in group undertakings		-	1,839
Write down of intercompany debt	3	(120)	(519)
Interest payable and similar charges	6	-	(3)
Interest receivable and similar income	7	23	40
Profit on ordinary activities before taxation		93	1,514
Tax on profit on ordinary activities	8	(38)	(94)
Profit for the financial year	17	55	1,420

In both the current year and preceding year, the company made no material acquisitions and had no discontinued operations

There is no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis

There were no recognised gains or losses in either the current year or preceding period other than those disclosed in the profit and loss account

Balance sheet
as at 30 November 2010

	<i>Note</i>	2010		2009	
		£000	£000	£000	£000
Fixed assets					
Intangible asset	<i>9</i>	-	-	-	-
Tangible assets	<i>10</i>	13	11		
Investments	<i>11</i>	-	-		
			<hr/>		<hr/>
			13		11
Current assets					
Stocks	<i>12</i>	254		243	
Debtors	<i>13</i>	2,955		3,134	
Cash at bank and in hand		61		25	
		<hr/>		<hr/>	
		3,270		3,402	
Creditors: amounts falling due within one year	<i>14</i>	(470)		(650)	
		<hr/>		<hr/>	
Net current assets			2,800		2,752
			<hr/>		<hr/>
Total assets less current liabilities			2,813		2,763
Provisions for liabilities	<i>15</i>	-		(5)	
		<hr/>		<hr/>	
Net assets			2,813		2,758
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	<i>16</i>	1,017		1,017	
Profit and loss account	<i>17</i>	1,796		1,741	
		<hr/>		<hr/>	
Shareholders' funds	<i>18</i>	2,813		2,758	
		<hr/>		<hr/>	

These financial statements were approved by the board of directors on 16 May 2011 and were signed on their behalf by



S Dray
Director

Company number 03270532

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, except as noted below

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards, under the historical cost convention and on a going concern basis

Basis of consolidation

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Cash flow statement

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the company is wholly owned and its ultimate parent publishes consolidated financial statements

Patents and licences

Patents and licences acquired are capitalised at cost and amortised over their expected economic lives in line with the benefits accruing

Tangible fixed assets and depreciation

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Plant and machinery	- 15% per annum
Fixtures and fittings	- 15% to 25% per annum
Motor vehicles	- 20% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. In the case of finished goods, cost comprises direct materials and labour plus attributable overheads based on a normal level of activity

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Deferred taxation

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Operating lease agreements

Rentals paid under operating leases are charged to the profit and loss account as incurred

Notes (continued)

1 Accounting policies (continued)

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

Post retirement benefits

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. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Classification of financial instruments issued by the company

Under FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2 Turnover

Turnover represents the amount invoiced to customers, excluding value added tax. The turnover and profit before taxation are attributable to the company's one principal activity.

3 Operating profit

	2010 £000	2009 £000
<i>Operating profit is stated after charging</i>		
Depreciation of owned fixed assets	7	21
Loss on disposal of fixed assets	-	1
Operating lease rentals - land and buildings	47	47
Write down of intercompany debtor	120	-
<i>Auditors' remuneration</i>		
- audit of these financial statements	10	10
- other services relating to taxation	8	8

During the year a subsidiary of the company Adfil USA Inc. was liquidated, and the debt owed by this company has been written off in the income statement as a bad debt.

Notes (continued)

4 Staff costs

	2010 £000	2009 £000
Wages and salaries	492	482
Social security costs	58	47
Other pension costs	84	107
	<u>634</u>	<u>636</u>

	2010 Number	2009 Number
<i>The average number of employees during the year (including directors) was as follows</i>		
Administration	8	8
Sales	5	5
Warehousing	2	2
	<u>15</u>	<u>15</u>

5 Directors' remuneration

The directors received no remuneration from the company in either the current or prior year

6 Interest payable and similar charges

	2010 £000	2009 £000
Loan interest payable	-	3
	<u>-</u>	<u>3</u>

7 Interest receivable and similar income

	2010 £000	2009 £000
Loan interest receivable	23	40
Other interest receivable	-	-
	<u>23</u>	<u>40</u>

Notes (continued)

8 Tax on profit on ordinary activities

a) Tax on profit on ordinary activities

	2010 £000	2009 £000
<i>Current tax</i>		
UK corporation tax	59	60
Adjustments in respect of prior years	(15)	34
Total current tax	44	94
<i>Deferred tax</i>		
Origination/(reversal) of timing differences	(6)	-
Total deferred tax	(6)	-
Total tax on profit ordinary activities	38	94

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2009 higher) to the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010 £000	2009 £000
Profit on ordinary activities before taxation	93	1,514
Less Income from shares in group undertakings	-	(1,839)
	93	(325)
Current tax at 28% (2009 28%)	26	(91)
<i>Effects of</i>		
Disallowed expenses	33	146
Depreciation in excess of capital allowances	-	5
Adjustments in respect of prior years	(15)	34
Total current tax	44	94

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2010 has been included in the figures above.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate would create an additional reduction in the deferred tax asset. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

Notes (continued)

8 Tax on profit on ordinary activities (continued)

c) Deferred tax

The amounts provided for deferred tax are set out below

	2010	2009
	£000	£000
Difference between accumulated depreciation and capital allowances	1	(5)
Deferred tax asset / (liability)	1	(5)

9 Intangible fixed asset

	Patent
	£000
<i>Cost</i>	
At beginning and end of year	465
<i>Amortisation</i>	
At beginning of year	465
Charged in year	-
At end of year	465
<i>Net book value</i>	
At 30 November 2010 and 2009	-

Intangible assets relate to patents and licences that were amortised over their useful economic lives, and were fully written down at the prior year end

Notes (continued)

10 Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
<i>Cost</i>				
At beginning of year	11	153	17	181
Additions	-	9	-	9
Disposals	-	(14)	-	(14)
At end of year	11	148	17	176
<i>Accumulated depreciation</i>				
At beginning of year	10	143	17	170
Charge for the year	-	7	-	7
Disposals	-	(14)	-	(14)
At end of year	10	136	17	163
<i>Net book value</i>				
At 30 November 2010	1	12	-	13
At 30 November 2009	1	10	-	11

11 Investments

	£000
<i>Cost</i>	
At beginning and end of year	519
<i>Provisions</i>	
At beginning of year	519
Impairment losses	-
At end of year	519
At 30 November 2010	-
At 30 November 2009	-

In the prior year an impairment loss was recognised as following the dividend paid by Fibrin (Humberside) Limited the investment in this subsidiary is not supported by the net asset position at year end

Details of investments in subsidiary undertakings held at 30 November 2010 are as follows

Name	Nature of business	Percentage holding	Class of shares	Country of incorporation
Fibrin (Humberside) Limited	Manufacture and sale of synthetic fibres	100	Ordinary	England and Wales

Group financial statements are not submitted as the company is a wholly owned subsidiary of another company incorporated in Scotland which publishes publicly available consolidated financial statements

Notes (continued)

12 Stocks

	2010 £000	2009 £000
Finished goods	254	243

The difference between purchase price or production cost of stocks and their replacement cost is not material

13 Debtors

	2010 £000	2009 £000
Trade debtors	560	604
Deferred tax asset (note 8)	1	-
Amounts owed by subsidiary undertaking	-	115
Amounts owed by group undertaking	2,359	2,369
Prepayments	35	46
	<u>2,955</u>	<u>3,134</u>

14 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	159	154
Amounts owed to group undertakings	151	144
Other taxes and social security costs	52	51
Corporation tax	60	77
Accruals	44	220
Other creditors	4	4
	<u>470</u>	<u>650</u>

15 Provisions for liabilities

	Deferred taxation £000
At beginning of year	5
Credit to the profit and loss for the year (note 8)	(6)
At end of year (deferred tax asset – note 13)	<u>(1)</u>

16 Share capital

	2010 £000	2009 £000
Allotted, called up and fully paid 1,017,051 ordinary shares of £1 each	1,017	1,017

Notes (continued)

17 Profit and loss account

	2010 £000	2009 £000
At beginning of year	1,741	321
Profit for the year	55	1,420
At end of year	1,796	1,741

18 Reconciliation of movements in shareholders' funds

	2010 £000	2009 £000
Profit for the year	55	1,420
Net addition to shareholders' funds	55	1,420
Opening shareholders' funds	2,758	1,338
Closing shareholders' funds	2,813	2,758

19 Financial commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings	
	2010 £000	2009 £000
<i>Operating leases which expire</i>		
Within one year	-	-
In the second to fifth years inclusive	47	47
	47	47

20 Related party transactions

The company is a wholly owned subsidiary of Low & Bonar PLC. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with other group companies.

21 Ultimate parent company

The company's immediate parent company is LCM Construction Products Limited.

The company's ultimate parent company is Low & Bonar PLC.

The largest group in which these results are consolidated is the group headed by Low & Bonar PLC incorporated in Scotland. Copies of the financial statements of Low & Bonar PLC may be obtained from Low & Bonar PLC, 9th Floor, Marble Arch Tower, 55 Bryanston Street, London, W1H 7AA.