

Report of the Directors and
Financial Statements for the Year Ended 30 September 2012
for
Textile Shapes and Assemblies Limited

J Gareth Morgan & Co (2011) LLP
Chartered Accountants & Statutory Auditor
Clun House
11 Morgan Street
Tredegar
Gwent
NP22 3NA



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for the Year Ended 30 September 2012

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Textile Shapes and Assemblies Limited

Company Information
for the Year Ended 30 September 2012

DIRECTORS:	Mr Donald Nigel Price Mr Roger Anthony Warr Mr Andrew Francis Mr Kenneth Charles Wilson Mr Keiron Skelly
SECRETARY:	Mr Kenneth Charles Wilson
REGISTERED OFFICE:	Blaenant Works BRYNMAWR Gwent NP23 4BX
REGISTERED NUMBER:	01298378 (England and Wales)
SENIOR STATUTORY AUDITOR:	David L Rees
AUDITORS:	J Gareth Morgan & Co (2011) LLP Chartered Accountants & Statutory Auditor Clun House 11 Morgan Street Tredegar Gwent NP22 3NA
BANKERS:	H S B C Plc 127/128 High street Merthyr Tydfil Mid Glamorgan CF47 8DN
SOLICITORS:	Patchell Davies 183 High Street Blackwood Gwent NP2 1ZF

Report of the Directors
for the Year Ended 30 September 2012

The directors present their report with the financial statements of the company for the year ended 30 September 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of fabricators of non metallic materials

REVIEW OF BUSINESS

The results for the year and the financial position of the company are as shown in the annexed financial statements

In last years review the directors reported the company had obtained new business through supplies to additional Honda vehicles, automotive industry supplies to other manufacturers, and non automotive work involving injection moulding The directors also anticipated an increase in electronics components business The directors are pleased to confirm that these events have now been translated into sales during this year, with increased turnover of £0.9 million representing growth of 20% Further new customers and new product lines with existing customers have been secured and will be reflected in sales in the 2012/2013 year

Gross profit percentage took a hit this year but the directors have identified the issues causing these margins and made appropriate corrections going forward This was the main contributory factor in the loss reported for the year These margins reflect the productivity being achieved from the core workforce back in 2009

Gearing continues to fall as a result of the additional funding obtained by the company during the economic downturn starting to unwind through repayment

Trade debtor days have fallen considerable when compared to the last two years, and the trade creditor ratio to purchases has also shown a considerable fall

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2012

RESEARCH AND DEVELOPMENT

Having completed the development of new products in recent years, the company is not currently engaged in any new research and development

FUTURE DEVELOPMENTS

The company has achieved new trading standards for the automotive industry and is now expanding its customer base in this sector Two new lines have been started with Honda and these together with secured new customers have generated and maintained additional annual sales, and this position is expected to continue

Report of the Directors
for the Year Ended 30 September 2012

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2011 to the date of this report

Mr Donald Nigel Price
Mr Roger Anthony Warr
Mr Andrew Francis
Mr Kenneth Charles Wilson
Mr Keiron Skelly

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Textile Shapes and Assemblies Limited (Registered number: 01298378)

Report of the Directors
for the Year Ended 30 September 2012

AUDITORS

The auditors, J Gareth Morgan & Co (2011) LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:



Mr Roger Anthony Warr - Director

Date 27-6-13

Report of the Independent Auditors to the Members of
Textile Shapes and Assemblies Limited

We have audited the financial statements of Textile Shapes and Assemblies Limited for the year ended 30 September 2012 on pages seven to twenty one. The financial reporting framework that has been applied in their preparation is 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. 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 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 three, 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. 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 30 September 2012 and of its 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 matter prescribed by the Companies Act 2006

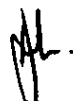
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Textile Shapes and Assemblies 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



David L Rees (Senior Statutory Auditor)
for and on behalf of J Gareth Morgan & Co (2011) LLP
Chartered Accountants & Statutory Auditor
Clun House
11 Morgan Street
Tredegar
Gwent
NP22 3NA

Date 27/6/2013

Textile Shapes and Assemblies Limited (Registered number: 01298378)

Profit and Loss Account
for the Year Ended 30 September 2012

	Notes	30.9.12 £	30 9 11 £
TURNOVER		5,405,130	4,498,728
Cost of sales		<u>4,400,245</u>	<u>3,235,694</u>
GROSS PROFIT		1,004,885	1,263,034
Administrative expenses		<u>1,077,955</u>	<u>1,073,204</u>
		(73,070)	189,830
Other operating income		<u>62,465</u>	<u>500</u>
OPERATING (LOSS)/PROFIT	3	(10,605)	190,330
Interest receivable and similar income		<u>-</u>	<u>8</u>
		(10,605)	190,338
Interest payable and similar charges	4	<u>110,625</u>	<u>135,847</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(121,230)	54,491
Tax on (loss)/profit on ordinary activities	5	<u>(27,449)</u>	<u>(6,229)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(93,781)</u>	<u>60,720</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

The notes form part of these financial statements

Textile Shapes and Assemblies Limited (Registered number: 01298378)

Balance Sheet
30 September 2012

	Notes	30.9.12 £	£	30 9 11 £	£
FIXED ASSETS					
Tangible assets	6		941,952		1,019,835
CURRENT ASSETS					
Stocks	7	766,065		795,591	
Debtors	8	3,883,119		3,782,864	
Cash in hand		120		163	
		4,649,304		4,578,618	
CREDITORS					
Amounts falling due within one year	9	2,568,080		2,267,878	
NET CURRENT ASSETS			2,081,224		2,310,740
TOTAL ASSETS LESS CURRENT LIABILITIES			3,023,176		3,330,575
CREDITORS					
Amounts falling due after more than one year	10		(358,117)		(551,576)
PROVISIONS FOR LIABILITIES	14		(52,142)		(72,301)
NET ASSETS			2,612,917		2,706,698
CAPITAL AND RESERVES					
Called up share capital	15		100,254		100,254
Share premium	16		3,780		3,780
Revaluation reserve	16		282,578		282,578
Profit and loss account	16		2,226,305		2,320,086
SHAREHOLDERS' FUNDS	21		2,612,917		2,706,698

The notes form part of these financial statements

Textile Shapes and Assemblies Limited (Registered number: 01298378)

Balance Sheet - continued
30 September 2012

The financial statements were approved by the Board of Directors on 27-6-13. and were signed on its behalf by



Mr Roger Anthony Warr - Director

The notes form part of these financial statements

Textile Shapes and Assemblies Limited (Registered number: 01298378)

Cash Flow Statement
for the Year Ended 30 September 2012

	Notes	30.9.12		30 9 11	
		£	£	£	£
Net cash inflow from operating activities	1		224,816		231,712
Returns on investments and servicing of finance	2		(110,625)		(135,839)
Taxation			-		16,312
Capital expenditure	2		(650)		267
			<u>113,541</u>		<u>112,452</u>
Financing	2		(247,302)		(159,907)
Decrease in cash in the period			<u>(133,761)</u>		<u>(47,455)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(133,761)		(47,455)	
Cash outflow from decrease in debt and lease financing		<u>298,795</u>		<u>162,016</u>	
Change in net debt resulting from cash flows			<u>165,034</u>		<u>114,561</u>
Movement in net debt in the period			165,034		114,561
Net debt at 1 October			<u>(1,638,363)</u>		<u>(1,752,924)</u>
Net debt at 30 September			<u>(1,473,329)</u>		<u>(1,638,363)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2012

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.9.12	30 9 11
	£	£
Operating (loss)/profit	(10,605)	190,330
Depreciation charges	78,533	89,637
Loss on disposal of fixed assets	-	2,753
Government grants	(62,465)	(500)
Decrease/(increase) in stocks	29,526	(308,618)
Increase in debtors	(100,255)	(272,108)
Increase in creditors	290,082	530,218
Net cash inflow from operating activities	<u>224,816</u>	<u>231,712</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.9.12	30 9 11
	£	£
Returns on investments and servicing of finance		
Interest received	-	8
Interest paid	(104,781)	(131,640)
Interest element of hire purchase payments	(5,844)	(4,207)
Net cash outflow for returns on investments and servicing of finance	<u>(110,625)</u>	<u>(135,839)</u>
Capital expenditure		
Purchase of tangible fixed assets	(650)	(1,233)
Sale of tangible fixed assets	-	1,500
Net cash (outflow)/inflow for capital expenditure	<u>(650)</u>	<u>267</u>
Financing		
Loan repayments in year	(206,134)	(64,597)
Capital repayments in year	(28,570)	(96,919)
Amount introduced by directors	60,000	50,000
Amount withdrawn by directors	(72,598)	(48,391)
Net cash outflow from financing	<u>(247,302)</u>	<u>(159,907)</u>

Notes to the Cash Flow Statement
for the Year Ended 30 September 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.11 £	Cash flow £	At 30.9.12 £
Net cash			
Cash at bank and in hand	163	(43)	120
Bank overdraft	(78,928)	(133,718)	(212,646)
	<u>(78,765)</u>	<u>(133,761)</u>	<u>(212,526)</u>
Debt			
Hire purchase	(143,601)	28,570	(115,031)
Debts falling due within one year	(931,452)	113,017	(818,435)
Debts falling due after one year	(484,545)	157,208	(327,337)
	<u>(1,559,598)</u>	<u>298,795</u>	<u>(1,260,803)</u>
Total	<u><u>(1,638,363)</u></u>	<u><u>165,034</u></u>	<u><u>(1,473,329)</u></u>

Notes to the Financial Statements
for the Year Ended 30 September 2012

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. The directors have taken steps to ensure that the company has in place the appropriate resources to continue to adopt the going concern basis in preparing the financial statements and in this respect their review has covered the period of 12 months from the date of the directors report.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Textile Shapes and Assemblies Limited (Registered number: 01298378)

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

2 STAFF COSTS

	30.9.12	30 9 11
	£	£
Wages and salaries	1,197,139	1,090,323

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

	30.9.12	30 9 11
Management	5	5
Administration	10	10
Quality	3	3
Warehouse & Transport	2	2
Production	58	47
	78	67

Employers national insurance contributions included in wages & salaries were £72,642 (2011 £73,170)

Of this £ 9,939 (2011 £14,428) related to directors

In addition there were class 1A Nic on benefits of £10,528 (2011 £10,045) Of this £8,393 (2011 £8,183) related to directors

The company does not operate a pension scheme but does act as a stakeholder for employees private pension plans

3 OPERATING (LOSS)/PROFIT

The operating loss (2011 - operating profit) is stated after charging

	30.9.12	30 9 11
	£	£
Hire of plant and machinery	95,283	100,428
Depreciation - owned assets	43,580	40,476
Depreciation - assets on hire purchase contracts	34,953	49,161
Loss on disposal of fixed assets	-	2,753
Auditors remuneration	7,000	7,000
Directors' remuneration	170,550	205,607

4 INTEREST PAYABLE AND SIMILAR CHARGES

	30.9.12	30 9 11
	£	£
Bank charges & Interest	54,001	94,187
Other interest	-	53
Invoice Factoring Charges	50,780	37,400
Credit Charges	5,844	4,207
	110,625	135,847

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

5 TAXATION

Analysis of the tax credit

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

	30.9.12	30 9 11
	£	£
Current tax		
UK corporation tax	-	7,290
Prior year tax adjustments	(7,290)	-
	<hr/>	<hr/>
Total current tax	(7,290)	7,290
	<hr/>	<hr/>
Deferred Taxation current year	(20,159)	(13,519)
	<hr/>	<hr/>
Tax on (loss)/profit on ordinary activities	(27,449)	(6,229)
	<hr/>	<hr/>

Factors affecting the tax credit

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	30.9.12	30 9 11
	£	£
(Loss)/profit on ordinary activities before tax	(121,230)	54,491
	<hr/>	<hr/>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	(29,095)	14,168
	<hr/>	<hr/>
Effects of		
Expenses not deductible for tax purposes	-	716
Income not taxable for tax purposes	(2,396)	(2)
Depreciation in excess of capital allowances	14,022	12,594
	<hr/>	<hr/>
Computational Adjustments	872	(1,552)
Losses brought forward	-	(18,230)
	<hr/>	<hr/>
Group Relief	-	(404)
enhanced expenditure carry back		
Losses available for further offset	9,307	-
	<hr/>	<hr/>
Current tax credit	(7,290)	7,290
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

6 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 October 2011	804,097	1,148,531	138,992	2,091,620
Additions	-	650	-	650
At 30 September 2012	804,097	1,149,181	138,992	2,092,270
DEPRECIATION				
At 1 October 2011	212,745	754,756	104,284	1,071,785
Charge for year	13,832	59,495	5,206	78,533
At 30 September 2012	226,577	814,251	109,490	1,150,318
NET BOOK VALUE				
At 30 September 2012	577,520	334,930	29,502	941,952
At 30 September 2011	591,352	393,775	34,708	1,019,835

Included in cost or valuation of land and buildings is freehold land of £103,283 (2011 - £103,283) which is not depreciated

Cost or valuation at 30 September 2012 is represented by

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 1991	475,000	-	-	475,000
Cost	329,097	1,149,181	138,992	1,617,270
	804,097	1,149,181	138,992	2,092,270

If Blaenant Works had not been revalued it would have been included at the following historical cost

	30.9.12	30 9 11
	£	£
Cost	211,974	211,974
Aggregate depreciation	93,848	93,848
Value of land in freehold land and buildings	2,250	2,250

Blaenant Works was valued on an open market basis on 13 September 1991 by Digby Turner & Co

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

6 TANGIBLE FIXED ASSETS - continued

On the first implementation of FRS 15 the company did not adopt a policy of revaluation, but its carrying amount of tangible fixed assets reflects previous revaluations. In these circumstances the transitional provisions of FRS 15 are being followed and the valuation of 1991 has not been updated.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
COST OR VALUATION	
At 1 October 2011	445,761
Transfer to ownership	613,664
	<hr/>
At 30 September 2012	1,059,425
	<hr/>
DEPRECIATION	
At 1 October 2011	212,731
Charge for year	34,953
Transfer to ownership	513,440
	<hr/>
At 30 September 2012	761,124
	<hr/>
NET BOOK VALUE	
At 30 September 2012	298,301
	<hr/>
At 30 September 2011	233,030
	<hr/>

7 STOCKS

	30.9.12 £	30.9.11 £
Stocks	766,065	795,591
	<hr/>	<hr/>

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.12 £	30.9.11 £
Trade debtors	937,497	946,070
Other debtors	23,306	18,006
Loan T S A (Europe) Limited	2,922,316	2,818,788
	<hr/>	<hr/>
	3,883,119	3,782,864
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.12	30 9 11
	£	£
Bank loans and overdrafts (see note 11)	956,223	944,379
Other loans (see note 11)	74,858	66,001
Hire purchase contracts (see note 12)	84,251	76,570
Trade creditors	1,025,197	1,003,432
Corporation Tax	-	7,290
Social security and other taxes	153,394	81,225
VAT	272,395	76,247
Directors' current accounts	1,762	12,734
	<u>2,568,080</u>	<u>2,267,878</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.9.12	30 9 11
	£	£
Bank loans (see note 11)	180,492	262,153
Other loans (see note 11)	146,845	222,392
Hire purchase contracts (see note 12)	30,780	67,031
	<u>358,117</u>	<u>551,576</u>

11 LOANS

An analysis of the maturity of loans is given below

	30.9.12	30 9 11
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	212,646	78,928
Bank loans	81,511	188,837
Invoice factoring	662,066	676,614
Other loans	74,858	66,001
	<u>1,031,081</u>	<u>1,010,380</u>
Amounts falling due between one and two years		
Bank loans	81,048	81,511
Other loans - 1-2 years	74,858	74,858
	<u>155,906</u>	<u>156,369</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

11 LOANS - continued

	30.9.12	30 9 11
	£	£
Amounts falling due between two and five years		
Bank loans - 2-5 years	99,444	180,642
Other loans - 2-5 years	71,987	147,534
	<u>171,431</u>	<u>328,176</u>

12 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	30.9.12	30 9 11
	£	£
Net obligations repayable		
Within one year	84,251	76,570
Between one and five years	30,780	67,031
	<u>115,031</u>	<u>143,601</u>

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

	Other operating leases	
	30.9.12	30 9 11
	£	£
Expiring		
Between one and five years	<u>56,459</u>	<u>56,459</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	30.9.12	30 9 11
	£	£
Bank overdrafts	212,646	78,928
Bank loans	924,069	1,127,604
Other loans	221,703	288,393
Hire purchase contracts	115,031	143,601
	<u>1,473,449</u>	<u>1,638,526</u>

The bank borrowing is secured by a charge on part of the freehold land and buildings and limited directors personal guarantees. The Invoice Factoring, amount as disclosed in note 11, is secured by a charge on the debtors and limited directors personal guarantees.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2012

14 PROVISIONS FOR LIABILITIES

	30.9.12	30 9 11
	£	£
Deferred tax	52,142	72,301
		Deferred tax
		£
Balance at 1 October 2011		72,301
Reduction in ACA		(20,159)
Balance at 30 September 2012		52,142

The total deferred tax provision brought forward and carried forward relates to accelerated capital allowances. The above note discloses the effect of timing differences arising in the year. The gross level of accelerated capital allowances is currently falling, and the maximum future rate of mainstream corporation tax is now 21%. The provision reflects higher main tax rates for the next two years.

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			30.9.12	30 9 11
Number	Class	Nominal value	£	£
97,020	Ordinary	£1	97,020	97,020
3,234	B Ordinary	£1	3,234	3,234
			100,254	100,254

16 RESERVES

	Profit and loss account	Share premium	Revaluation reserve	Totals
	£	£	£	£
At 1 October 2011	2,320,086	3,780	282,578	2,606,444
Deficit for the year	(93,781)			(93,781)
At 30 September 2012	2,226,305	3,780	282,578	2,512,663

17 ULTIMATE PARENT COMPANY

The parent company is Textile Shapes and Assemblies (Europe) Limited

Notes to the Financial Statements - continued
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18 CAPITAL COMMITMENTS

	30.9.12	30 9 11
	£	£
Contracted but not provided for in the financial statements	-	-
	<u> </u>	<u> </u>

19 RELATED PARTY DISCLOSURES

The directors operate current accounts with the company. The balances due to the directors at the balance sheet date are shown in the creditors note. During the year the directors injected new loans of £60,000. These loans are being returned to the directors on an agreed repayment plan.

The company has made loans to the parent company Textile Shapes and Assemblies (Europe) Ltd. The balance due to the company is shown in the debtors note.

In the year new loans advanced were £43,529 (2011 £43,699), and in addition funding for a £60,000 dividend was provided. No repayments were received in the year.

As part of the bank facilities cross guarantees operate between the company and the parent company. In addition the directors have given limited personal guarantees in respect of the factoring facility and the bank facilities.

20 ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are the directors through their shareholdings in the holding company, Textile Shapes and Assemblies (Europe) Ltd. No individual director holds more than 22.5% of the shareholding of that company.

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.9.12	30 9 11
	£	£
(Loss)/profit for the financial year	(93,781)	60,720
Net (reduction)/addition to shareholders' funds	(93,781)	60,720
Opening shareholders' funds	2,706,698	2,645,978
Closing shareholders' funds	2,612,917	2,706,698