

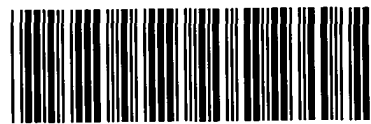
# BTQ Limited

## CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 December 2013

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COMPANIES HOUSE

# BTQ Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

A D Dorrell  
I P Mitchell  
Mrs C J Dorrell  
Mrs A C James

### SECRETARY

D Thompson

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
Hartwell House  
55-61 Victoria Street  
Bristol  
BS1 6AD

### PRINCIPAL BANKERS

Lloyds TSB Bank  
PO Box 1000  
Corn Street  
Bristol  
BX1 1LT

### REGISTERED OFFICE

Wathen Street  
Staple Hill  
Bristol  
BS16 5LL

# BTQ Limited

## STRATEGIC REPORT

for the year ended 31 December 2013

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### REVIEW OF THE BUSINESS

Despite the underlying global economic conditions demand for the group's products and services continued to be strong during the year with a good spread of overseas and UK customers, and the successful operation of managed service contracts.

#### Key performance indicators

Sales decrease of 8.95% (2012: increase of 12.9%)  
Return on sales of 4.3% (2012: 5.1%)

### PRINCIPAL RISKS AND UNCERTAINTIES AND MATTERS OF STRATEGIC IMPORTANCE

The Board of BTQ Limited via the boards of the groups operating companies considers the principle risks of the business as follows.

#### Market Conditions

Close working relations are maintained with both the group's supply chain and customers in order to monitor market and technology changes. The directors continually monitor competitor products and services in addition to related markets.

The Board believes that the geographical spread and quantity of the group's customers reduces its risk of dependence in the market place. Whilst the group recognises that the current global economic climate is impacting on public sector decision making with regard to expenditure on the group's products, the Board believes this to be mitigated by the nature of its contracts.

#### Fixed Assets

Authority limits set by the Board are in place for the purchase of fixed assets, combined with appropriate security arrangements and insurance cover.

#### Debtors and Credit Risk

The principal credit risk arises from trade debtors. Credit limits and credit terms are set for customers based on a combination of payment history and third party credit references. In order to mitigate overseas debtor risk a suitable insurance policy is used where appropriate. Credit limits are regularly reviewed in conjunction with debt ageing and collection history. The directors regard the scale, spread and type of customers as being a safeguard against the risk of default. Stringent credit control procedures are in place at order entry and dispatch stages.

#### Stocks

Authorisation limits are in place for the purchase of materials together with appropriate minimum and maximum order levels. All categories of stock are monitored in relation to market and technology changes and customers' requirements. Ageing of stock is closely analysed and due allowance provided for obsolete and slow moving items. Insurance cover is maintained for stocks.

#### Exchange Rates

Currency exposure is analysed and monitored at least monthly by the Board of each operating company. Appropriate forward contracts are placed to minimise the effect of exchange rate movements.

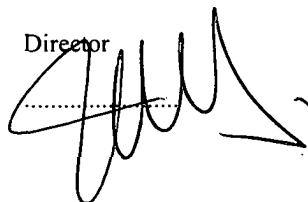
**BTQ Limited**  
STRATEGIC REPORT *(continued)*  
for the year ended 31 December 2013

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On behalf of the board

I P Mitchell

Director

A handwritten signature in black ink, appearing to be 'I P Mitchell', written over a horizontal dotted line.

13/06/2014

# BTQ Limited

## DIRECTORS' REPORT

### for the year ended 31 December 2013

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The directors submit their report and consolidated financial statements of BTQ Limited for the year ended 31 December 2013.

#### PRINCIPAL ACTIVITIES

The group's principal activities during the year continued to be the design, manufacture, supply and care of garments and equipment for people at work. The directors consider the results for the year to be satisfactory.

#### FUTURE DEVELOPMENTS

The directors remain confident that the prospects for future trading continue to be good.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £600,000. The directors recommended dividends of £101,760 during the year.

#### DISABLED PERSONS

The group will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. The group did not employ any registered disabled persons during the year.

#### EMPLOYEE INVOLVEMENT

The group encourages feedback from employees on all matters of operation and management in the running of the business.

#### DIRECTORS

The current directors are shown on page 1, there were no changes during the year or following the year end.

#### DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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# BTQ Limited

DIRECTORS' REPORT (continued)  
for the year ended 31 December 2013

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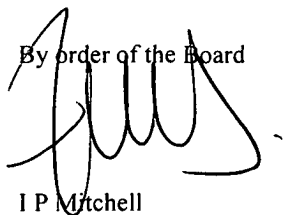
## PROVISION OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting. Baker Tilly has indicated its willingness to continue in office.

By order of the Board



I P Mitchell  
Director

Date: 13/06/2014

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTQ LIMITED

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We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 24. 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 an auditor's 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 auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2013 and of the group's profit 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 Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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
- we have not received all the information and explanations we require for our audit.



KATHRYN REID (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55 – 61 Victoria Street

Bristol

BS1 6AD

Date: 17 June 2014

**BTQ Limited**  
**GROUP PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2013

	<i>Notes</i>	2013 £'000	2012 £'000
TURNOVER	2	24,147	26,522
Operating costs		(22,931)	(24,952)
Share of profits distributed to employees		(183)	(207)
OPERATING PROFIT	3	<u>1,033</u>	<u>1,363</u>
Bank interest receivable		8	-
Bank interest payable and similar charges		(108)	(193)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>933</u>	<u>1,170</u>
Tax on profit on ordinary activities	6	(333)	(375)
PROFIT FOR THE FINANCIAL YEAR	18	<u><u>600</u></u>	<u><u>795</u></u>

The result for the year arises from the group's continuing operations.

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 December 2013

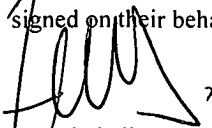
		2013 £'000	2012 £'000
Profit for the financial year attributable to members of the parent company		600	795
Exchange difference on retranslation of net assets of subsidiary undertakings	18	(131)	(193)
Total recognised gains and losses relating to the year		<u><u>469</u></u>	<u><u>602</u></u>



**BTQ Limited**  
**GROUP BALANCE SHEET**  
as at 31 December 2013

	<i>Notes</i>	2013 £'000	2012 £'000
<b>FIXED ASSETS</b>			
Intangible assets	8	213	275
Tangible assets	9	9,652	12,127
		<u>9,865</u>	<u>12,402</u>
<b>CURRENT ASSETS</b>			
Stocks	11	5,759	5,910
Debtors	12	3,610	4,589
Cash at bank and in hand		3,711	1,984
		<u>13,080</u>	<u>12,483</u>
CREDITORS: amounts falling due within one year	13	(3,840)	(3,729)
NET CURRENT ASSETS		<u>9,240</u>	<u>8,754</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,105	21,156
CREDITORS: amounts falling due after more than one year	14	(2,143)	(4,488)
PROVISION FOR LIABILITIES	16	(349)	(422)
NET ASSETS		<u>16,613</u>	<u>16,246</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	25	25
Share premium	18	48	48
Capital redemption reserve	18	1	1
Capital reserve	18	226	226
Profit and loss account	18	16,313	15,946
EQUITY SHAREHOLDERS' FUNDS		<u>16,613</u>	<u>16,246</u>

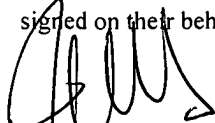
These financial statements were approved by the directors and authorised for issue on 12/06/2014 and signed on their behalf by:

  
P Mitchell  
Director

**BTQ Limited**  
**COMPANY BALANCE SHEET**  
as at 31 December 2013

	<i>Notes</i>	2013 £'000	2012 £'000
<b>FIXED ASSETS</b>			
Investments	10	8,929	8,929
<b>CURRENT ASSETS</b>			
Debtors	12	-	-
Cash at bank and in hand		91	52
		91	52
<b>CREDITORS: amounts falling due within one year</b>	13	(1,999)	(1,844)
<b>NET CURRENT LIABILITIES</b>		(1,908)	(1,792)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,021	7,137
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	25	25
Share premium	18	48	48
Capital redemption reserve	18	1	1
Profit and loss account	18	6,947	7,063
<b>EQUITY SHAREHOLDERS' FUNDS</b>		7,021	7,137

These financial statements were approved by the directors and authorised for issue on 13/06/2014 and signed on their behalf by:



I P Mitchell  
Director

**BTQ Limited**  
**GROUP CASH FLOW STATEMENT**  
for the year ended 31 December 2013

	<i>Notes</i>	2013 £'000	2012 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	5,065	4,228
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		8	-
Interest paid		(108)	(193)
		(100)	(193)
TAXATION			
Corporation tax paid		(545)	(482)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(911)	(417)
		(911)	(417)
EQUITY DIVIDENDS PAID	7	(102)	(102)
NET CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		3,407	3,034
FINANCING			
Loan repayments		(1,675)	(1,175)
NET CASH OUTFLOW FROM FINANCING		(1,675)	(1,175)
INCREASE IN CASH	19	1,732	1,859

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

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### 1 ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of BTQ Limited and all its subsidiary undertakings drawn up to 31 December each year using acquisition accounting, the results of subsidiaries are incorporated from the date that control passes. No profit and loss account is presented for BTQ Limited as permitted by section 408 of the Companies Act 2006. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced for goods and services during the year, exclusive of Value Added Tax, as adjusted for deferred income at the year-end where invoicing is in advance of the supply of goods and services.

#### GOODWILL

Goodwill arising on acquisitions prior to 31 December 1997 was set off directly against reserves. Goodwill previously eliminated against reserves has not been reinstated on implementation of FRS 10.

Positive goodwill arising on acquisitions since 1 January 1998 is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

#### FIXED ASSETS AND DEPRECIATION

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold buildings	-	40-50 years
Plant, equipment and vehicles	-	3-10 years

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

#### ASSETS HELD FOR LEASE

Any leased assets are initially recorded at cost as a fixed asset, and are written off over the period of the lease. The income generated from these assets is recognised in the profit and loss account, evenly over the period of the lease.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 1 ACCOUNTING POLICIES *(continued)*

#### INVESTMENTS

Investments in subsidiary undertakings are recorded at cost.

#### STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### DEFERRED TAXATION

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future have occurred, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

#### FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities at the balance sheet date are translated at the rate of exchange ruling at the balance sheet date.

On consolidation, the balance sheets of the overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date and the profit and loss accounts are translated at the average rate for the year. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

#### OPERATING LEASES

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 1 ACCOUNTING POLICIES *(continued)*

#### PENSION AND OTHER POST RETIREMENT BENEFITS

Only defined contribution schemes are operated. The assets of these schemes are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

#### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

### 2 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Turnover is attributable to one continuing activity, the design, manufacture, supply, and care of garments for people at work.

An analysis of turnover is given below:

	2013 £'000	2012 £'000
United Kingdom	9,181	12,967
Overseas	14,966	13,555
	<u>24,147</u>	<u>26,522</u>

During the year the Group received £5,365,791 (2012: £5,273,000) of income relating to assets leased under operating leases.

The directors have taken advantage of the exemption permitted by SSAP25 Segmental Reporting, whereby the results of the Group have not been disclosed by segment since it is believed such a disclosure would be seriously prejudicial to the interests of the Group.

### 3 OPERATING PROFIT

Operating profit is stated after charging / (crediting):

	2013 £'000	2012 £'000
Depreciation of owned fixed assets	3,327	3,253
Amortisation of goodwill	59	62
Auditor's remuneration		
- audit services	10	10
- accounts preparation services	2	2
- tax compliance services	6	6
- audit of subsidiary companies	20	20
- other services for subsidiary companies	3	3
Operating lease rentals		
- plant and machinery	141	137
- land and buildings	107	152
Foreign exchange gains	(73)	(95)
	<u></u>	<u></u>

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 4 DIRECTORS' EMOLUMENTS

	2013 £'000	2012 £'000
Emoluments (excluding pension contributions)	306	299
Pension contributions	28	26
	<u>334</u>	<u>325</u>
	<u><u>334</u></u>	<u><u>325</u></u>
Number of members of defined contribution schemes	1	1
	<u><u>1</u></u>	<u><u>1</u></u>
	2013 £'000	2012 £'000
Emoluments of highest paid director:		
Emoluments (excluding pension contributions)	152	144
Pension contributions	28	26
	<u>180</u>	<u>170</u>

### 5 STAFF COSTS

	2013 £'000	2012 £'000
Wages and salaries	5,380	5,416
Social security costs	564	549
Other pension costs	163	168
	<u>6,107</u>	<u>6,133</u>
	<u><u>6,107</u></u>	<u><u>6,133</u></u>

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

	2013 No	2012 No
Sales and administration	49	48
Production	230	242
	<u>279</u>	<u>290</u>
	<u><u>279</u></u>	<u><u>290</u></u>

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2013

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### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

<i>Group</i>	2013 £'000	2012 £'000
UK corporation tax:		
Current tax on income for the year	286	360
Adjustment in respect of prior years	2	(1)
Foreign tax:		
Current tax on income for the year	114	89
Total current tax	<u>402</u>	<u>448</u>
Deferred tax (note 16):		
Origination and reversal of timing differences	(69)	(73)
Adjustment in respect of prior years	-	-
	<u>333</u>	<u>375</u>

Factors affecting the tax charge for the year:

The tax assessed on the profit on ordinary activities for the year is higher (2012: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	<u>933</u>	<u>1,170</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012: 24%)	215	281
Effect of:		
Disallowed expenses and non-taxable income	38	24
Depreciation in excess of capital allowances, and other short term timing differences	120	111
Adjustments in respect of prior years	2	(1)
Tax differential on overseas earnings	27	24
Marginal rate relief	-	9
Current tax charge for the year	<u>402</u>	<u>448</u>



# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 7 DIVIDENDS

	2013 £'000	2012 £'000
Equity dividends on ordinary shares:		
Final dividend in respect of prior year	76	76
Interim dividend in respect of current year	26	26
	<u>102</u>	<u>102</u>

Since the balance sheet date the directors have proposed dividends totalling £50,880 (2012: £76,320) in respect of the year's results. Those dividends are not recognised as a liability at the balance sheet date.

### 8 INTANGIBLE FIXED ASSETS

<i>Group</i>	<i>Goodwill</i> £'000
Cost:	
At 1 January 2013	1,100
Foreign exchange	(13)
At 31 December 2013	<u>1,087</u>
Amortisation:	
At 1 January 2013	825
Foreign exchange	(10)
Provided in the year	59
At 31 December 2013	<u>874</u>
Net book value:	
At 31 December 2013	<u>213</u>
At 31 December 2012	<u>275</u>
<i>Company</i>	
The company held no intangible fixed assets during the year or at the year end.	

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 9 TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Freehold land and buildings £'000</i>	<i>Plant equipment and vehicles £'000</i>	<i>Total £'000</i>
Cost:			
At 1 January 2013	3,434	19,938	23,372
Exchange adjustments	(71)	(40)	(111)
Additions	31	880	911
Disposals	-	(1)	(1)
At 31 December 2013	<u>3,394</u>	<u>20,777</u>	<u>24,171</u>
Depreciation:			
At 1 January 2013	656	10,589	11,245
Exchange adjustments	(15)	(37)	(52)
Charge for the year	81	3,246	3,327
Disposals	-	(1)	(1)
At 31 December 2013	<u>722</u>	<u>13,797</u>	<u>14,519</u>
Net book value			
At 31 December 2013	<u>2,672</u>	<u>6,980</u>	<u>9,652</u>
At 31 December 2012	<u>2,778</u>	<u>9,349</u>	<u>12,127</u>

Freehold land and buildings includes £726,000 (2012: £726,000) in respect of land which is not depreciated.

Included in plant and equipment are assets available for lease with a cost of £16,982,000 (2012: £15,741,000) and net book value of £6,976,000 (2012: £8,799,000).

#### *Company*

The company held no tangible fixed assets during the year or at the year end.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 10 INVESTMENTS

<i>Company</i>	<i>Subsidiary undertakings £'000</i>
Cost and net book value: At 1 January 2013 and 31 December 2013	<u>8,929</u>

The company has shareholdings (either direct or indirect) at 31 December 2013 in the following wholly owned subsidiary undertakings:

Company	Registered	Class of Share	Business
BTQ Holdings Limited	England and Wales	Ordinary	Dormant
Bristol Managed Services Limited	England and Wales	Ordinary	Managed services
Bristol Uniforms Limited	England and Wales	Ordinary	Garment supply
Bufire Overseas Limited **	England and Wales	Ordinary	Dormant
Bristol Care Limited **	England and Wales	Ordinary	Dormant
BTQ Inc	Kentucky, USA	Common	Holding company
Topps Safety Apparel Inc *	Kentucky, USA	Common	Garment supply
Bristol Fire Apparel Inc *	Indiana, USA	Common	Garment supply
Quaker Safety Products Corporation *	Pennsylvania, USA	Common	Garment supply

\* Held by BTQ Inc.

\*\* Held by Bristol Uniforms Limited

### 11 STOCKS

<i>Group</i>	2013 £'000	2012 £'000
Raw materials and consumables	2,136	1,964
Work in progress	884	1,035
Finished goods	2,739	2,911
	<u>5,759</u>	<u>5,910</u>

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

#### *Company*

The company held no stocks during the year or at the year end.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 12 DEBTORS

<i>Group</i>	2013 £'000	2012 £'000
Trade debtors	2,736	3,585
Other debtors	43	96
Prepayments and accrued income	302	380
Deferred tax asset (note 16)	529	528
	<u>3,610</u>	<u>4,589</u>

The deferred tax asset is recoverable after more than one year.

### 13 CREDITORS: Amounts falling due within one year

<i>Group</i>	2013 £'000	2012 £'000
Bank loans	1,052	1,074
Trade creditors	903	859
Corporation tax	90	228
Other taxes and social security costs	147	130
Accruals and deferred income	880	723
Other creditors	768	715
	<u>3,840</u>	<u>3,729</u>

A US subsidiary has a line of credit of US\$0.5m (2012: US\$0.5m) available to it which incurs an interest charge at the higher of the US prime rate and 4.5%. No borrowings had been made against this line of credit at 31 December 2013 (2012: \$nil). Any borrowings are secured against that company's assets.

A second subsidiary has a line of credit of US\$1.25m (2012: US\$1.0m) available to it which bears interest at the greater of the US prime rate or 5%. Borrowings against the line of credit was US\$nil as at 31 December 2013 (2012: US\$nil) and is secured against substantially all the assets of the subsidiary.

<i>Company</i>	2013 £'000	2012 £'000
Amounts owed to group undertakings	1,961	1,830
Accruals and deferred income	38	11
Corporation tax	-	3
	<u>1,999</u>	<u>1,844</u>

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 14 CREDITORS: Amounts falling due after more than one year

<i>Group</i>	2013 £'000	2012 £'000
Other creditors	1,717	2,400
Bank loans	426	2,088
	<u>2,143</u>	<u>4,488</u>

The 'Other creditor' (see above and note 13) includes balances due under non-recourse financing arrangements with commercial lenders in respect of sales contracts. The balance matures over the following periods:

	2013 £'000	2012 £'000
Amounts repayable:		
In less than one year	655	627
In more than one year but not more than two years	655	627
In more than two years but not more than five years	1,062	1,773
	<u>2,372</u>	<u>3,027</u>

#### *Company*

The company had no creditors falling due after more than one year at either year end.

### 15 BORROWINGS

The group is party to a number of loan agreements which incur interest at variable rates and are secured against the underlying assets. They are due for repayment as follows:

	2013 £'000	2012 £'000
Amounts falling due within one year	1,052	1,074
In two to five years	426	2,088
	<u>1,478</u>	<u>3,162</u>

The bank loans are secured by way of a fixed and floating charge over the assets of the subsidiaries' businesses.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 16 PROVISIONS FOR LIABILITIES

<i>Group</i>	2013	2012
Deferred taxation	£'000	£'000
At 1 January	(106)	(21)
Exchange differences and adjustments in respect of prior years	(5)	(12)
Movement in year	(69)	(73)
Net deferred tax as at 31 December	<u>(180)</u>	<u>(106)</u>
<i>Presented as follows:</i>		
Included in liabilities	349	422
Included in debtors	(529)	(528)
Net deferred tax as at 31 December	<u>(180)</u>	<u>(106)</u>

Deferred taxation provided in the accounts and the full potential liability consists of:

	2013	2012
	£'000	£'000
Accelerated capital allowances	(520)	(515)
Short term timing differences	(9)	(2)
Overseas short term timing differences	349	411
	<u>(180)</u>	<u>(106)</u>

#### *Company*

The company had no deferred tax provisions at the year end.

### 17 SHARE CAPITAL

	2013	2012
	£'000	£'000
<i>Allotted, called up and fully paid</i> 25,440 (2012: 25,440) Ordinary shares of £1 each	<u>25</u>	<u>25</u>

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

### 18 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2012	25	48	1	226	15,446	15,746
Profit for the financial year	-	-	-	-	795	795
Exchange adjustments	-	-	-	-	(193)	(193)
Dividends	-	-	-	-	(102)	(102)
At 1 January 2013	25	48	1	226	15,946	16,246
Profit for the financial year	-	-	-	-	600	600
Exchange adjustments	-	-	-	-	(131)	(131)
Dividends	-	-	-	-	(102)	(102)
At 31 December 2013	25	48	1	226	16,313	16,613

<i>Company</i>	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2012	25	48	1	7,225	7,299
Loss for the financial year	-	-	-	(60)	(60)
Dividends	-	-	-	(102)	(102)
At 1 January 2013	25	48	1	7,063	7,137
Loss for the financial year	-	-	-	(14)	(14)
Dividends	-	-	-	(102)	(102)
At 31 December 2013	25	48	1	6,947	7,021

As permitted by the Companies Act 2006 the profit and loss account of the parent company is not presented as part of these accounts. The loss on ordinary activities after taxation for the financial year dealt with in the accounts of the company amounted to £14,000 (2012: £60,000).

### 19 CASH FLOW STATEMENT

#### a) Reconciliation of operating profit to net cash inflow from operating activities

	2013 £'000	2012 £'000
Operating profit	1,033	1,363
Depreciation charges	3,327	3,253
Amortisation of goodwill	59	62
Movement in stocks	151	998
Movement in debtors	980	(198)
Movement in creditors	(412)	(1,138)
Exchange gain	(73)	(112)
Net cash inflow from operating activities	5,065	4,228

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

b) Reconciliation of net cash flow to movement in net cash/ (debt)	2013 £'000	2012 £'000
Increase in cash	1,732	1,859
Loan repayments	1,675	1,175
<b>MOVEMENT IN NET DEBT</b>	<b>3,407</b>	<b>3,034</b>
Exchange adjustments	4	22
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>3,411</b>	<b>3,056</b>
<b>NET DEBT AT 1 JANUARY</b>	<b>(1,178)</b>	<b>(4,234)</b>
<b>NET CASH/ (DEBT) AT 31 DECEMBER</b>	<b>2,233</b>	<b>(1,178)</b>

c) Analysis of net cash/ (debt)	At 1 January 2013 £'000	Cashflow £'000	Non cash movements £'000	At 31 December 2013 £'000
Cash at bank and in hand	1,984	1,732	(5)	3,711
	1,984	1,732	(5)	3,711
Bank loans due within 1 year	(1,074)	22	-	(1,052)
Bank loans due after 1 year	(2,088)	1,653	9	(426)
<b>Net cash/ (debt)</b>	<b>(1,178)</b>	<b>3,407</b>	<b>4</b>	<b>2,233</b>

Non-cash movements comprise exchange differences on foreign differences on foreign subsidiary cash balances and transfers between categories of bank loan.

## 20 COMMITMENTS

At 31 December 2013 the group had annual commitments under non-cancellable operating leases set out below:

	Land and Buildings		Other	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Leases expiring:				
Within one year	-	102	32	82
In two to five years	105	407	53	50
	<b>105</b>	<b>509</b>	<b>85</b>	<b>132</b>

The group enters into agreements whereby purchases of materials within a fixed period will be at a fixed price. The value of the outstanding, unprovided commitments at the year-end was £531,696 (2012: £3,184,000).



# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2013

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### 21 PENSION SCHEMES

The group operates two pension schemes.

In the UK a defined contribution scheme is operated. The assets of the scheme are held separately from those of the group. The contributions to the scheme are charged to the profit and loss account as they become payable.

A US trading subsidiary operates an elective contribution plan, in which the subsidiary contributes an amount of 25% of the employees' contributions up to 5% of their compensation. The contributions to the scheme are charged to the profit and loss account as they become payable.

### 22 ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

In the opinion of the directors there is no ultimate controlling party. The group is taking advantage of the exemption included in FRS8 not to disclose transactions between companies which are part of the BTQ Group.

During the year dividends were paid to the following directors:

	2013 £'000	2012 £'000
A D Dorrell	43	43
Mrs C I Dorrell	13	13
Mrs A C James	21	21
	<u>77</u>	<u>77</u>

In the opinion of the directors there are no other related party transactions which are required to be disclosed under the requirements of FRS8.

### 23 CONTINGENT LIABILITIES

A US subsidiary has had two product liability lawsuits brought against it specifying an asbestos related liability. As the company has never manufactured any product containing asbestos, management believe these claims are without merit and therefore has not provided any sums with regard to these claims.

The company has also had a product liability lawsuit brought against it specifying personal injuries caused by the defective manufacture of bunker pants. Management believe the claim is without merit and therefore has not provided any sums with regard to this claim.