

BTQ Limited
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended
31 December 2012

SATURDAY



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22/06/2013
COMPANIES HOUSE

BTQ Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

A J Ring

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

DIRECTORS' REPORT

The directors submit their report and consolidated financial statements of BTQ Limited for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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.

RESULTS, DIVIDENDS, KPI'S AND FUTURE DEVELOPMENTS

The profit for the year, after taxation, amounted to £795,000 (2011 £796,000). The directors recommended and paid a dividend amounting to £102,000 (2011 £25,440) during the year, and since the balance sheet date have proposed a final dividend of £76,320 (2011 £76,320) in respect of the year's results.

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 roll-out of several managed service contracts. The directors remain confident that the prospects for future trading continue to be good.

Key performance indicators

Sales increase of 12.9% (2011 decrease of 14.3%)

Return on sales of 5.1% (2011 6.1%)

PRINCIPAL RISKS

The board of BTQ Limited, via the boards of the group's operating companies, considers the principal risks of the business as follows:

Market Conditions

Good working relations are maintained with both the group's supply chain and customers in order to monitor market changes. In each market, competitor's performance, products and services are monitored.

Each company monitors the proportion of its turnover with its largest customers to ensure that the company does not become over dependant on any single customer or group of companies.

Fixed Assets

Authority limits are set by the boards annually and monitored throughout the year for the purchase of fixed assets. Appropriate security arrangements and insurances are in place.

Debtors and Credit Risk

The principal risk arises from trade debtors. Credit limits and credit terms are based on a combination of payment history and third party credit references. Where relevant, overseas debtor risks are insured by an appropriate insurance policy. All credit limits are reviewed regularly taking account of debt ageing and credit history. Credit control procedures are in place at order entry and despatch stages.

The boards believe that the above controls and spread of customers are a safeguard against the risk of default.

Stocks

Authorisation limits are in place for the purchase of raw materials together with appropriate reorder levels. All categories of stock are monitored frequently to take account of market changes and customers' requirements.

Ageing of stock is closely monitored and due allowance made for obsolete and slow moving items. Insurance covers are in place for stocks.

Exchange Rates

Each board, as appropriate, monitors at least monthly its currency exposure. Suitable forward exchange contracts are placed to minimise the effects of exchange rate movements.

BTQ Limited

DIRECTORS' REPORT *(continued)*

DIRECTORS

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

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the group made no political donations but did make various charitable donations totalling £750 (2011 £2,485)

DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 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

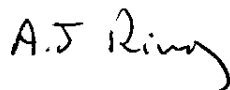
PROVISION OF INFORMATION TO THE AUDITOR

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



A J Ring
Secretary

Date 6 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTQ LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 5 to 22. 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 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

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

Opinion on the 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 2012 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 matters 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 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.

Baker Tilly UK Audit LLP

RUTH FOREMAN (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 *19 June 2013*

BTQ Limited
GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	<i>Notes</i>	2012 £'000	2011 £'000
TURNOVER	2	26,522	23,493
Other operating income		-	-
Operating costs		(24,952)	(21,872)
Share of profits distributed to employees		(207)	(194)
OPERATING PROFIT	3	1,363	1,427
Bank Interest receivable		-	-
Bank Interest payable and similar charges		(193)	(202)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,170	1,225
Tax on profit on ordinary activities	6	(375)	(429)
PROFIT FOR THE FINANCIAL YEAR	18	795	796

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

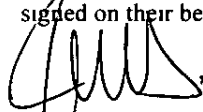
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2012

		2012 £'000	2011 £'000
Profit for the financial year attributable to members of the parent company		795	796
Exchange difference on retranslation of net assets of subsidiary undertakings	18	(193)	62
Total recognised gains and losses relating to the year		602	858

BTQ Limited
GROUP BALANCE SHEET
as at 31 December 2012

	<i>Notes</i>	2012 £'000	2011 £'000
FIXED ASSETS			
Intangible assets	8	275	341
Tangible assets	9	12,127	15,061
		<u>12,402</u>	<u>15,402</u>
CURRENT ASSETS			
Stocks	11	5,910	6,908
Debtors	12	4,589	4,321
Cash at bank and in hand		1,984	759
		<u>12,483</u>	<u>11,988</u>
CREDITORS amounts falling due within one year	13	<u>(3,729)</u>	<u>(4,858)</u>
NET CURRENT ASSETS		<u>8,754</u>	<u>7,130</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,156	22,532
CREDITORS amounts falling due after more than one year	14	(4,488)	(6,349)
PROVISION FOR LIABILITIES AND CHARGES	16	(422)	(437)
NET ASSETS		<u>16,246</u>	<u>15,746</u>
CAPITAL AND RESERVES			
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	15,946	15,446
EQUITY SHAREHOLDERS' FUNDS		<u>16,246</u>	<u>15,746</u>

These financial statements were approved by the directors and authorised for issue on 6 June 2013 and signed on their behalf by

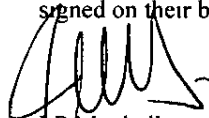

I P Mitchell
Director

BTQ Limited
COMPANY BALANCE SHEET
as at 31 December 2012

	<i>Notes</i>	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	10	8,929	8,929
CURRENT ASSETS			
Debtors	12	-	103
Cash at bank and in hand		52	55
		<u>52</u>	<u>158</u>
CREDITORS amounts falling due within one year	13	<u>(1,844)</u>	<u>(1,788)</u>
NET CURRENT LIABILITIES		<u>(1,792)</u>	<u>(1,630)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>7,137</u></u>	<u><u>7,299</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	25	25
Share premium	18	48	48
Capital redemption reserve	18	1	1
Profit and loss account	18	7,063	7,225
EQUITY SHAREHOLDERS' FUNDS		<u><u>7,137</u></u>	<u><u>7,299</u></u>

These financial statements were approved by the directors and authorised for issue on
signed on their behalf by

6 June 2013 and



P Mitchell
Director

BTQ Limited
GROUP CASH FLOW STATEMENT
for the year ended 31 December 2012

	<i>Notes</i>	2012 £'000	2011 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	4,228	6,112
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	-
Interest paid		(193)	(202)
		(193)	(202)
TAXATION			
Corporation tax paid		(482)	(726)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(417)	(5,804)
Payments to acquire intangible fixed assets		-	8
		(417)	(5,796)
EQUITY DIVIDENDS PAID	7	(102)	(127)
NET CASH INFLOW/ (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		3,034	(739)
FINANCING			
New bank loans		-	1,051
Loan repayments		(1,175)	(979)
NET CASH (OUTFLOW)/ INFLOW FROM FINANCING		(1,175)	72
INCREASE/ (DECREASE) IN CASH	19	1,859	(667)

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

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. 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.

INVESTMENTS

Investments in subsidiary undertakings are recorded at cost.

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2012

1 ACCOUNTING POLICIES *(continued)*

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

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

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2012

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

	2012 £'000	2011 £'000
United Kingdom	12,967	9,451
Overseas	13,555	14,042
	<u>26,522</u>	<u>23,493</u>

During the year the Group received £5,273,000 (2011 £4,690,000) of income relating to leased assets.

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

	2012 £'000	2011 £'000
Depreciation of owned fixed assets	3,253	2,564
Loss on disposal of fixed assets	-	107
Write off of intangible assets	-	5
Amortisation of goodwill	62	58
Auditor's remuneration		
- audit services	10	9
- accounts preparation services	2	2
- tax compliance services	6	6
- audit of subsidiary companies	20	19
- other services for subsidiary companies	3	3
Operating lease rentals		
- plant and machinery	137	70
- land and buildings	152	152
Foreign exchange (gains)/ losses	(95)	52
	<u></u>	<u></u>

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2012

4 DIRECTORS' EMOLUMENTS

	2012 £'000	2011 £'000
Emoluments (excluding pension contributions)	299	304
Pension contributions	26	24
	<hr/>	<hr/>
Number of members of defined contribution schemes	1	1
	<hr/>	<hr/>
	2012 £'000	2011 £'000
Emoluments of highest paid director		
	2012 £'000	2011 £'000
Emoluments (excluding pension contributions)	144	139
Pension contributions	26	24
	<hr/>	<hr/>

5 STAFF COSTS

	2012 £'000	2011 £'000
Wages and salaries	5,416	5,860
Social security costs	549	575
Other pension costs	168	180
	<hr/>	<hr/>
	6,133	6,615
	<hr/>	<hr/>

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

	2012 No	2011 No
Sales and administration	48	58
Production	242	272
	<hr/>	<hr/>
	290	330
	<hr/>	<hr/>

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2012

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

<i>Group</i>	2012 £'000	2012 £'000
UK corporation tax		
Current tax on income for the year	360	308
Adjustment in respect of prior years	(1)	8
Foreign tax		
Current tax on income for the year	89	151
Total current tax	<u>448</u>	<u>467</u>
Deferred tax (note 16)		
Origination and reversal of timing differences	(73)	(38)
Adjustment in respect of prior years	-	-
	<u>375</u>	<u>429</u>

Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher (2011 higher) than the standard rate of corporation tax in the UK. The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	<u>1,170</u>	<u>1,225</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 % (2011 26%)	281	319
Effect of		
Disallowed expenses and non-taxable income	24	36
Depreciation in excess of capital allowances, and other short term timing differences	111	42
Adjustments in respect of prior years	(1)	8
Tax differential on overseas earnings	24	67
Utilisation of tax losses	-	(3)
Marginal rate relief	9	(2)
Current tax charge for the year	<u>448</u>	<u>467</u>

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 December 2012

7 DIVIDENDS

	2012 £'000	2011 £'000
Equity dividends on ordinary shares		
Final dividend in respect of prior year	76	102
Interim dividend in respect of current year	26	25
	<hr/>	<hr/>
	102	127
	<hr/>	<hr/>

Since the balance sheet date the directors have proposed dividends totalling £76,320 (2011 £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>
Cost	£'000
At 1 January 2012	1,120
Foreign exchange	(20)
	<hr/>
At 31 December 2012	1,100
	<hr/>
Amortisation	
At 1 January 2012	779
Foreign exchange	(16)
Provided in the year	62
	<hr/>
At 31 December 2012	825
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Net book value	
At 31 December 2012	275
	<hr/>
At 31 December 2011	341
	<hr/>

Company

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 2012

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 2012	3,493	20,912	24,405
Exchange adjustments	(33)	(102)	(135)
Additions	2	415	417
Disposals	(28)	(1,287)	(1,315)
At 31 December 2012	<u>3,434</u>	<u>19,938</u>	<u>23,372</u>
Depreciation			
At 1 January 2012	668	8,676	9,344
Exchange adjustments	(56)	20	(36)
Charge for the year	72	3,181	3,253
Disposals	(28)	(1,287)	(1,315)
At 31 December 2012	<u>656</u>	<u>10,590</u>	<u>11,246</u>
Net book value			
At 31 December 2012	<u>2,778</u>	<u>9,349</u>	<u>12,127</u>
At 31 December 2011	<u>2,825</u>	<u>12,236</u>	<u>15,061</u>

Freehold land and buildings includes £726,000 (2011 £726,000) in respect of land which is not depreciated

Included in plant and equipment are assets available for lease with a cost of £15,741,000 (2011 £16,728,000) and net book value of £8,799,000 (2011 £11,487,000)

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 2012

10 INVESTMENTS

<i>Company</i>	<i>Subsidiary undertakings £'000</i>
Cost and net book value	
At 1 January 2011	7,407
Additions	1,522
At 1 January 2012	8,929
Additions	-
At 31 December 2012	8,929

The company has shareholdings (either direct or indirect) at 31 December 2012 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	Common	Holding company
Topps Safety Apparel Inc *	Kentucky	Common	Garment supply
Bristol Fire Apparel Inc *	Indiana	Common	Garment supply
Quaker Safety Products Corporation *	Pennsylvania	Common	Garment supply

* Held by BTQ Inc

** Held by Bristol Uniforms Limited

11 STOCKS

<i>Group</i>	2012 £'000	2011 £'000
Raw materials and consumables	1,964	2,768
Work in progress	1,035	915
Finished goods	2,911	3,225
	<u>5,910</u>	<u>6,908</u>

The difference between purchase price or production cost of stocks and their replacement costs is not 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 2012

12 DEBTORS

<i>Group</i>	2012 £'000	2011 £'000
Trade debtors	3,585	3,285
Other debtors	96	171
Prepayments and accrued income	380	407
Deferred tax asset (note 16)	528	458
	<u>4,589</u>	<u>4,321</u>

The deferred tax asset is recoverable after more than one year

<i>Company</i>	2012 £'000	2012 £'000
Other debtors	-	4
Amounts due from group undertakings	-	99
	<u>-</u>	<u>103</u>

13 CREDITORS Amounts falling due within one year

<i>Group</i>	2012 £'000	2011 £'000
Bank loans and overdraft	1,074	1,698
Trade creditors	859	1,352
Corporation tax	228	249
Other taxes and social security costs	130	100
Accruals and deferred income	723	738
Other creditors	715	721
	<u>3,729</u>	<u>4,858</u>

A US subsidiary has a line of credit of US\$0.5m (2011 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 2012 (2011 \$nil). Any borrowings are secured against that company's assets.

A second subsidiary has a line of credit of US\$1.0m (2011 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 2012 (2011 US\$nil) and is secured against substantially all the assets of the subsidiary.

<i>Company</i>	2012 £'000	2011 £'000
Amounts owed to group undertakings	1,830	1,771
Accruals and deferred income	11	13
Corporation tax	3	4
	<u>1,844</u>	<u>1,788</u>

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2012

14 CREDITORS Amounts falling due after more than one year

<i>Group</i>	2012 £'000	2011 £'000
Other creditors	2,400	3,054
Bank loans	2,088	3,295
	<u>4,488</u>	<u>6,349</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 period:

	2012 £'000	2011 £'000
Amounts repayable		
In less than one year	627	627
In more than one year but not more than two years	627	627
In more than two years but not more than five years	1,773	1,880
In more than five years	-	547
	<u>3,027</u>	<u>3,681</u>

Company

The company had no creditors falling due after more than one year at the 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:

	2012 £'000	2011 £'000
Amounts falling due within one year	1,074	1,698
In two to five years	2,088	3,295
	<u>3,162</u>	<u>4,993</u>

The bank loans and overdrafts 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 2012

16 PROVISIONS FOR LIABILITIES AND CHARGES

<i>Group</i>	2012	2011
Deferred taxation	£'000	£'000
At 1 January	(21)	17
Exchange differences and adjustments in respect of prior years	(12)	-
Movement in year	(73)	(38)
Net deferred tax as at 31 December	<u>(106)</u>	<u>(21)</u>
<i>Presented as follows</i>		
Included in liabilities	422	437
Included in debtors	(528)	(458)
Net deferred tax as at 31 December	<u>(106)</u>	<u>(21)</u>

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

	2012	2011
	£'000	£'000
Accelerated capital allowances	(515)	(444)
Short term timing differences	(2)	(3)
Overseas short term timing differences	411	426
	<u>(106)</u>	<u>(21)</u>

Company

The company had no deferred tax provisions during the year or at the year end

17 SHARE CAPITAL

	2012	2011
	£'000	£'000
<i>Allotted, called up and fully paid</i> 25,440 (2011 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 2012

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 2011	25	48	1	226	14,715	15,015
Profit for the financial year	-	-	-	-	796	796
Exchange adjustments	-	-	-	-	62	62
Dividends	-	-	-	-	(127)	(127)
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 31 December 2012	25	48	1	226	15,946	16,246

<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 2011	25	48	1	5,829	5,903
Profit for the financial year	-	-	-	1,523	1,523
Dividends	-	-	-	(127)	(127)
At 1 January 2012	25	48	1	7,225	7,299
Profit for the financial year	-	-	-	(60)	(60)
Dividends	-	-	-	(102)	(102)
At 31 December 2012	25	48	1	7,063	7,137

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 profit on ordinary activities after taxation for the financial year dealt with in the accounts of the company amounted to a loss of £60,000 (2011 profit of £1,523,000)

19 CASH FLOW STATEMENT

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

	2012 £'000	2011 £'000
Operating profit	1,363	1,427
Depreciation charges	3,253	2,564
Loss on disposal of fixed assets	-	107
Amortisation of goodwill	62	58
Write off of intangible assets	-	5
Movement in stocks	998	(77)
Movement in debtors	(198)	1,282
Movement in creditors	(1,138)	694
Exchange loss	(112)	52
Net cash inflow from operating activities	4,228	6,112

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2012

b) Reconciliation of net cash flow to movement in net debt

	2012 £'000	2011 £'000
Increase / (decrease) in cash	1,859	(667)
New loans	-	(1,051)
Loan repayments	1,175	979
MOVEMENT IN NET DEBT	3,034	(739)
Exchange adjustments	22	2
MOVEMENT IN NET DEBT IN THE YEAR	3,056	(737)
NET DEBT AT 1 JANUARY	(4,234)	(3,497)
NET DEBT AT 31 DECEMBER	(1,178)	(4,234)

c) Analysis of net debt

	At 1 January 2012 £'000	Cashflow £'000	Non cash movements £'000	At 31 December 2012 £'000
Cash at bank and in hand	759	1,229	(4)	1,984
Bank overdrafts	(630)	630	-	-
	<u>129</u>	<u>1,859</u>	<u>(4)</u>	<u>1,984</u>
Bank loans due within 1 year	(1,068)	(7)	1	(1,074)
Bank loans	(3,295)	1,182	25	(2,088)
Net debt	(4,234)	3,034	22	(1,178)

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 2012 the group had annual commitments under non-cancellable operating leases set out below

	Land and Buildings		Other	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Leases expiring				
Within one year	102	-	82	5
In two to five years	407	102	50	60
	<u>509</u>	<u>102</u>	<u>132</u>	<u>65</u>

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 year-end was £3,148k (2011 £472k)

BTQ Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2012

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 RELATED PARTY TRANSACTIONS

The company 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

	2012 £'000	2011 £'000
A D Dorrell	43	53
Mrs C I Dorrell	13	16
Mrs A C James	21	27
	<hr/>	<hr/>
	77	96
	<hr/>	<hr/>

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.

The same company also has a contingent liability of \$24,273 pertaining to site-work improvements at its new manufacturing site. The company has executed an irrevocable standby letter of credit and placed this amount on deposit at a commercial bank.