

# Shaws of Darwen Limited

Registered number 06870273

Abbreviated accounts

For the year ended 31 December 2011

WEDNESDAY



A15 \*A1DXLWMG\* #182  
25/07/2012  
COMPANIES HOUSE

# SHAWS OF DARWEN LIMITED

## COMPANY INFORMATION

---

**Directors**

D Dare  
M Ashton  
A Clarfield

**Company secretary**

K Hughes

**Company number**

06870273

**Registered office**

Whitebirk Works  
Higher Waterside  
Darwen  
Lancashire  
BB3 3NX

**Auditors**

Mazars LLP  
Chartered Accountants & Statutory Auditor  
Mazars House  
Gelderd Road  
Gildersome  
Leeds  
LS27 7JN

**Bankers**

Barclays Bank PLC  
The Gateway Office  
Anchorage Quays  
Salford  
M50 3XE

# SHAWS OF DARWEN LIMITED

## CONTENTS

---

	Page
<b>Directors' Report</b>	1 - 3
<b>Independent Auditors' Report</b>	4
<b>Balance Sheet</b>	5
<b>Cash Flow Statement</b>	6
<b>Notes to the Abbreviated Accounts</b>	7 - 16

# SHAWS OF DARWEN LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

---

The directors present their report and the financial statements for the year ended 31 December 2011

### Directors' responsibilities statement

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

### Principal activities

The company manufactures architectural terracotta for the construction and renovation of landmark buildings in addition to luxury kitchen sinks and accessories for commercial and retail markets.

### Business review

Conditions in the UK remained challenging throughout the financial period, and the US construction market experienced a significant slow-down due to prevailing economic conditions. However, several significant and prestigious terracotta projects continued throughout the period. Sink and accessory sales increased, showing signs of renewed confidence in the international market.

The company continued with its strategy of expansion into export markets, adding further new territories, representation and prominent UK, Canadian and US construction projects to its portfolio.

Financial performance was broadly in line with expectations.

The order book carried forward into 2012 is significant, and several new customers, product offerings and construction projects have been recently added. As a result, the board of directors has a high level of confidence of the company's financial performance for the foreseeable future.

### Results and dividends

The profit for the year, after taxation, amounted to £257,189 (2010 - £397,148).

The directors do not recommend the payment of a dividend for the year ended 31 December 2011.

# SHAWS OF DARWEN LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

---

### Directors

The directors who served during the year were

D Dare  
M Ashton  
A Clarfield

### Principal risks and uncertainties

#### Financial risk

The company has solid reporting systems and produces timely and accurate management information, which is regularly reviewed by the directors

#### Credit risk

Debtors are closely monitored and vigorously pursued to ensure payments are made in accordance with contract terms

#### Foreign currency risk

The company derives a significant part of its income from export activities. Where possible, transactions are denominated in sterling to eliminate this risk. Otherwise, the company takes a low-risk policy of fixing currency forward for the duration of contracts

#### Commercial risk

The principal risk to the business is the stability of major customers or national economies in export territories. The directors have adopted a pro-active policy of risk management whereby the loss of individual customers, territories and/or parts of its activities would not have a significant adverse impact upon the company

#### Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company primarily uses short to medium term debt finance

### Future developments

The company will continue its strategy of developing its products, technical capability, brand strength and customer service model. Development of the company's global presence alongside the domestic market forms a key part of the company's focus for 2012 and beyond

### Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

### Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

# SHAWS OF DARWEN LIMITED

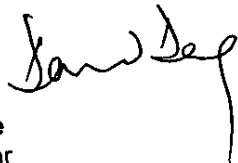
## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

---

This report was approved by the board on

19<sup>th</sup> July 2012

and signed on its behalf



**D Dare**  
Director

# SHAWS OF DARWEN LIMITED

## INDEPENDENT AUDITORS' REPORT TO SHAWS OF DARWEN LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

---

We have examined the abbreviated accounts set out on pages 5 to 16 together with the financial statements of Shaws of Darwen Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006.

It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you. This report, including our opinion, has been prepared for and only for the company's members as a body. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in this 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 work, for this report, or for the opinions we have formed.

### Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

The scope of our work for the purpose of this report does not include examining events occurring after the date of our Auditors' Report on the full financial statements.

### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

*Ian Wrightson*

Ian Wrightson (Senior Statutory Auditor)

for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditors

Mazars House  
Gelderd Road  
Gildersome  
Leeds  
LS27 7JN

Date *19<sup>th</sup> July 2012.*

# SHAWS OF DARWEN LIMITED

Registered number 06870273

## ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Intangible assets	7		50,922		53,523
Tangible assets	8		217,491		243,857
			<u>268,413</u>		<u>297,380</u>
<b>Current assets</b>					
Stocks	9	340,567		273,007	
Debtors	10	1,090,322		1,129,509	
Cash at bank		38,912		68,640	
		<u>1,469,801</u>		<u>1,471,156</u>	
<b>Creditors</b> , amounts falling due within one year	11	(799,966)		(1,015,843)	
<b>Net current assets</b>			<u>669,835</u>		<u>455,313</u>
<b>Total assets less current liabilities</b>			<u>938,248</u>		<u>752,693</u>
<b>Creditors</b> : amounts falling due after more than one year	12		(109,746)		(179,746)
<b>Provisions for liabilities</b>					
Deferred tax	13		(34,995)		(36,629)
<b>Net assets</b>			<u>793,507</u>		<u>536,318</u>
<b>Capital and reserves</b>					
Called up share capital	14		10,000		10,000
Profit and loss account	15		783,507		526,318
<b>Shareholders' funds</b>	16		<u>793,507</u>		<u>536,318</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 19<sup>th</sup> July 2012

  
D Dare  
Director

The notes on pages 7 to 16 form part of these financial statements



# SHAWS OF DARWEN LIMITED

## ABBREVIATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

---

	Note	2011 £	2010 £
Net cash flow from operating activities	17	180,855	391,663
Returns on investments and servicing of finance	18	(31,967)	(43,904)
Taxation		(76,374)	(337,679)
Capital expenditure and financial investment	18	(32,242)	(154,970)
<b>Cash inflow/(outflow) before financing</b>		<u>40,272</u>	<u>(144,890)</u>
Financing	18	(70,000)	(71,092)
<b>Decrease in cash in the year</b>		<u>(29,728)</u>	<u>(215,982)</u>

---

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2011

---

	2011 £	2010 £
Decrease in cash in the year	(29,728)	(215,982)
Cash inflow from increase in debt financing	70,000	71,092
<b>Movement in net debt in the year</b>	<u>40,272</u>	<u>(144,890)</u>
Net debt at 1 January 2011	(182,193)	(37,303)
<b>Net debt at 31 December 2011</b>	<u>(141,921)</u>	<u>(182,193)</u>

---

The notes on pages 7 to 16 form part of these financial statements

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

### 1 Accounting Policies

#### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

#### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

#### 1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates

Goodwill	-	20 years straight line
----------	---	------------------------

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	10% to 25% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings & equipment	-	25% straight line

#### 1.5 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

### 1. Accounting Policies (continued)

#### 1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

#### 1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

#### 1.9 Research and development

Research and development expenditure is written off in the year in which it is incurred

#### 1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

#### 1.11 Employee benefit trust contributions

The company purchased a trust for the benefit of employees and certain of their dependants. Monies held in this trust are held by independent trustees and are managed at their discretion

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in trust or accrued for by the company are charged to the profit and loss account in the period to which they relate

Fees incurred in the establishment of an Employee Benefit Trust are capitalised as an intangible fixed asset and amortised over its estimated useful economic life

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 2. Profit

The profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation - goodwill	2,500	2,500
Depreciation of tangible fixed assets - owned by the company	58,608	38,521
Auditors' remuneration	12,000	12,000
Difference on foreign exchange	(8,078)	116,591
Amortisation - other intangibles	101	101
	<u>                    </u>	<u>                    </u>

### 3 Staff costs

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	2,012,024	2,220,270
Social security costs	164,949	179,618
Pension costs	13,635	13,923
	<u>                    </u>	<u>                    </u>
	<u>2,190,608</u>	<u>2,413,811</u>

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

	2011 No.	2010 No.
Production	72	73
Administration	23	23
	<u>                    </u>	<u>                    </u>
	<u>95</u>	<u>96</u>

### 4. Directors' remuneration

	2011 £	2010 £
Emoluments	86,489	86,009
	<u>                    </u>	<u>                    </u>
Company pension contributions to defined contribution pension schemes	7,995	7,634
	<u>                    </u>	<u>                    </u>

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 5. Interest payable

	2011 £	2010 £
On bank loans	12,586	14,860
On other loans	2,562	9,392
On invoice discounting advances	16,819	19,652
	<u>31,967</u>	<u>43,904</u>

### 6. Taxation

	2011 £	2010 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	97,963	72,397
Adjustments in respect of prior periods	3,977	-
	<u>101,940</u>	<u>72,397</u>
<b>Deferred tax</b> (see note 13)		
Origination and reversal of timing differences	(1,634)	20,639
	<u>100,306</u>	<u>93,036</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 28% (2010 - 28%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>357,495</u>	<u>490,184</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	100,099	137,252
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	124	(19,606)
Capital allowances for year in excess of depreciation	11,013	(34,161)
Adjustment in research and development tax credit leading to a decrease in the tax charge	-	(7,111)
Changes in provisions leading to a decrease in the tax charge	(255)	-
Other differences leading to a decrease in the tax charge	(9,041)	(3,977)
	<u>101,940</u>	<u>72,397</u>

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

### 6. Taxation (continued)

#### Factors that may affect future tax charges

There were no other factors that may affect future tax charges of the company

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 7. Intangible fixed assets

	Other intangibles £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2011 and 31 December 2011	8,100	50,000	58,100
<b>Amortisation</b>			
At 1 January 2011	202	4,375	4,577
Charge for the year	101	2,500	2,601
At 31 December 2011	303	6,875	7,178
<b>Net book value</b>			
At 31 December 2011	7,797	43,125	50,922
At 31 December 2010	7,898	45,625	53,523

### 8. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 January 2011	252,041	1,300	55,782	309,123
Additions	32,242	-	-	32,242
At 31 December 2011	284,283	1,300	55,782	341,365
<b>Depreciation</b>				
At 1 January 2011	44,207	569	20,490	65,266
Charge for the year	44,485	325	13,798	58,608
At 31 December 2011	88,692	894	34,288	123,874
<b>Net book value</b>				
At 31 December 2011	195,591	406	21,494	217,491
At 31 December 2010	207,834	731	35,292	243,857

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

### 9. Stocks

	2011 £	2010 £
Raw materials	112,554	81,386
Work in progress	78,560	107,368
Finished goods	149,453	84,253
	<u>340,567</u>	<u>273,007</u>

### 10. Debtors

	2011 £	2010 £
Trade debtors	981,160	1,027,974
Other debtors	14,359	5,936
Prepayments and accrued income	94,803	95,599
	<u>1,090,322</u>	<u>1,129,509</u>

### 11. Creditors: Amounts falling due within one year

	2011 £	2010 £
Bank loans	71,087	71,087
Trade creditors	409,825	449,225
Corporation tax	97,963	72,397
Social security and other taxes	48,201	53,636
Other creditors	85,861	230,661
Accruals and deferred income	87,029	138,837
	<u>799,966</u>	<u>1,015,843</u>

Invoice discounting advances of £40,967 (2010 £56,059), included within other creditors, is secured against trade debtors of £541,480 (2010 £428,917)



# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 12. Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Bank loans	109,746	179,746

Included within the above are amounts falling due as follows

	2011 £	2010 £
<b>Between one and two years</b>		
Bank loans	70,000	70,000
<b>Between two and five years</b>		
Bank loans	39,746	109,746

Bank loans of £71,087 (2010 £71,087) falling due within one year and £109,746 (2010 £179,746) falling due after more than one year are secured under the Enterprise Finance Guarantee loan scheme and by a fixed and floating charge and debenture held by the bank over the assets of the company

### 13. Deferred taxation

	2011 £	2010 £
At beginning of year	36,629	15,990
(Released during)/charge for year	(1,634)	20,639
At end of year	34,995	36,629

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	34,995	36,629

### 14. Share capital

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 15. Reserves

	<b>Profit and loss account £</b>
At 1 January 2011	526,318
Profit for the year	257,189
	<hr/>
At 31 December 2011	783,507
	<hr/>

### 16. Reconciliation of movement in shareholders' funds

	<b>2011 £</b>	<b>2010 £</b>
Opening shareholders' funds	536,318	139,170
Profit for the year	257,189	397,148
	<hr/>	<hr/>
Closing shareholders' funds	793,507	536,318
	<hr/>	<hr/>

### 17. Net cash flow from operating activities

	<b>2011 £</b>	<b>2010 £</b>
Operating profit	389,462	534,088
Amortisation of intangible fixed assets	2,601	2,601
Depreciation of tangible fixed assets	58,608	38,521
(Increase) in stocks	(67,560)	(117,350)
Decrease in debtors	39,187	398,206
(Decrease) in creditors	(241,443)	(464,403)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>180,855</b>	<b>391,663</b>
	<hr/>	<hr/>

### 18. Analysis of cash flows for headings netted in cash flow statement

	<b>2011 £</b>	<b>2010 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	(31,967)	(43,904)
	<hr/>	<hr/>
	<b>2011 £</b>	<b>2010 £</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(32,242)	(154,970)
	<hr/>	<hr/>

# SHAWS OF DARWEN LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 18. Analysis of cash flows for headings netted in cash flow statement (continued)

	2011 £	2010 £
<b>Financing</b>		
Repayment of loans	(70,000)	(71,092)

### 19. Analysis of changes in net debt

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand	68,640	(29,728)	-	38,912
<b>Debt.</b>				
Debts due within one year	(71,087)	70,000	(70,000)	(71,087)
Debts falling due after more than one year	(179,746)	-	70,000	(109,746)
<b>Net debt</b>	<u>(182,193)</u>	<u>40,272</u>	<u>-</u>	<u>(141,921)</u>

### 20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,635 (2010 £13,923). Contributions totalling £2,330 (2010 £11,575) were payable to the fund at the balance sheet date and are included in creditors.