

Company Registration No. 00791896 (England and Wales)

**P & R FABRICS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# **P & R FABRICS LIMITED**

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# **P & R FABRICS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 APRIL 2020***

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The directors present their annual report and financial statements for the year ended 30 April 2020.

### **Review of business**

The principal activity of the company continued to be that of the supply of fabric.

During the year one off exceptional costs have been provided for in the profit & loss account of £780,964 in relation to the group reorganisation with subsidiary company Uniform Clothing Solutions Limited.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Macleod  
Mr S T Purcell  
Mr T Purcell

### **Auditor**

Azets Audit Services (formerly trading as Booth Ainsworth Audit Services) were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr S T Purcell  
**Director**

17 April 2021

# P & R FABRICS LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets			26,760		33,450
Tangible assets	4		89,094		105,542
Investments	5		80,000		80,000
			<u>195,854</u>		<u>218,992</u>
<b>Current assets</b>					
Stocks		1,150,356		1,207,816	
Debtors	6	4,625,488		5,204,806	
Cash at bank and in hand		2,455,850		1,387,240	
		<u>8,231,694</u>		<u>7,799,862</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(4,536,995)</u>		<u>(3,000,456)</u>	
<b>Net current assets</b>			<u>3,694,699</u>		<u>4,799,406</u>
<b>Total assets less current liabilities</b>			<u>3,890,553</u>		<u>5,018,398</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(100,000)		(100,000)
<b>Provisions for liabilities</b>	10		(217,000)		(155,000)
<b>Net assets</b>			<u><u>3,573,553</u></u>		<u><u>4,763,398</u></u>
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss reserves			<u>3,573,453</u>		<u>4,763,298</u>
<b>Total equity</b>			<u><u>3,573,553</u></u>		<u><u>4,763,398</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 17 April 2021 and are signed on its behalf by:

Mr S T Purcell  
Director

Company Registration No. 00791896

## P & R FABRICS LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2020

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 May 2018</b>	100	4,924,666	4,924,766
<b>Year ended 30 April 2019:</b>			
Profit for the year	-	30,732	30,732
Other comprehensive income:			
Actuarial gains on defined benefit plans	-	1,000	1,000
Total comprehensive income for the year	-	31,732	31,732
Dividends	-	(193,100)	(193,100)
<b>Balance at 30 April 2019</b>	100	4,763,298	4,763,398
<b>Year ended 30 April 2020:</b>			
Loss for the year	-	(896,488)	(896,488)
Other comprehensive income:			
Actuarial gains on defined benefit plans	-	(62,000)	(62,000)
Total comprehensive income for the year	-	(958,488)	(958,488)
Dividends	-	(231,357)	(231,357)
<b>Balance at 30 April 2020</b>	100	3,573,453	3,573,553

# **P & R FABRICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2020**

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### **1 Accounting policies**

#### **Company information**

P & R Fabrics Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, Hunter House, Holloway Drive, Wardley Industrial Estate, Worsley, Manchester, M28 2LA. The registered number of the company is 00791896.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and so continue to adopt the going concern basis of accounting in preparing the financial statements. However at this time the full impact of the Coronavirus pandemic on the UK and the Global economy is uncertain and the effect, both immediate and long term, this may have on the company, its suppliers and customers is unknown.

In reaching their conclusion, the directors have reviewed forecasts prepared by management which includes detailed profit & loss and cash flow forecasts for the period to 30 April 2022 and have taken into consideration all information considered relevant to assessing the future performance of the company. The directors have also considered the letters of support issued and received by group companies subject to cross guarantee arrangements and the current funding position. The forecasts indicate that the group will overall remain cash positive throughout the review period and will be able to manage its business risks and variations in trading performance.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# P & R FABRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	15% reducing balance
Computers	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# P & R FABRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



# P & R FABRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

# P & R FABRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	22	14

### 3 Intangible fixed assets

Goodwill  
£

#### Cost

At 1 May 2019 and 30 April 2020

33,450

#### Amortisation and impairment

At 1 May 2019

-

Amortisation charged for the year

6,690

At 30 April 2020

6,690

#### Carrying amount

At 30 April 2020

26,760

At 30 April 2019

33,450

# P & R FABRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 4 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 May 2019	269,348
Additions	16,025
	<hr/>
At 30 April 2020	285,373
	<hr/>
<b>Depreciation and impairment</b>	
At 1 May 2019	163,806
Depreciation charged in the year	32,473
	<hr/>
At 30 April 2020	196,279
	<hr/>
<b>Carrying amount</b>	
At 30 April 2020	89,094
	<hr/>
At 30 April 2019	105,542
	<hr/>

### 5 Fixed asset investments

	2020	2019
	£	£
Shares in group undertakings and participating interests	80,000	80,000
	<hr/>	<hr/>

#### Movements in fixed asset investments

	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 May 2019 & 30 April 2020	80,000
	<hr/>
<b>Carrying amount</b>	
At 30 April 2020	80,000
	<hr/>
At 30 April 2019	80,000
	<hr/>

## P & R FABRICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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<b>6 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,024,116	955,901
Amounts owed by group undertakings	3,336,096	3,851,214
Other debtors	264,711	288,318
	<hr/>	<hr/>
	4,624,923	5,095,433
Deferred tax asset	565	565
	<hr/>	<hr/>
	<u>4,625,488</u>	<u>5,095,998</u>

## P & R FABRICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

6 Debtors		(Continued)	
		2020 £	2019 £
<b>Amounts falling due after more than one year:</b>			
Amounts owed by group undertakings		-	108,808
<b>Total debtors</b>		4,625,488	5,204,806
7 Creditors: amounts falling due within one year			
		2020 £	2019 £
Trade creditors		1,631,601	1,129,352
Amounts owed to group undertakings		2,085,115	1,085,295
Taxation and social security		277,731	136,154
Other creditors		542,548	649,655
		4,536,995	3,000,456
8 Creditors: amounts falling due after more than one year			
		2020 £	2019 £
Other creditors		100,000	100,000
9 Provisions for liabilities			
		2020 £	2019 £
Retirement benefit obligations	10	217,000	155,000

#### Defined benefit schemes

The company operates a hybrid defined benefit pension scheme, which is funded.

The assets of the scheme are held separately from those of the company, being invested in unitised funds and ordinary shares via a broker.

The pension cost and provision for the year ended 30 April 2020 are based on the advice of a professional qualified actuary. The most recent formal valuation is dated 30 April 2019.

The company expects to contribute in the region of £14,000 to its defined benefit pension scheme in the next accounting period.

# P & R FABRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### Defined benefit schemes

(Continued)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2020 £	2019 £
Present value of defined benefit obligations	727,000	714,000
Fair value of plan assets	(510,000)	(559,000)
Deficit in scheme	217,000	155,000

	2020 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 May 2019	714,000
Benefits paid	(26,000)
Actuarial gains and losses	18,000
Interest cost	13,000
Other	8,000
At 30 April 2020	727,000

The defined benefit obligations arise from plans which are wholly or partly funded.

	2020 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 May 2019	559,000
Interest income	(12,000)
Return on plan assets (excluding amounts included in net interest)	(21,000)
Benefits paid	(26,000)
Contributions by the employer	14,000
Other	(4,000)
At 30 April 2020	510,000

The actual return on plan assets was £21,000 (2019 - £10,000).

	2020 £	2019 £
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	258,000	301,000
Debt instruments	161,000	149,000
Cash and net current assets	91,000	109,000
	510,000	559,000

## **P & R FABRICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2020**

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#### **11 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Don Bancroft.

The auditor was Azets Audit Services.

#### **12 Financial commitments, guarantees and contingent liabilities**

The company is party to a limited Composite Company Multilateral Guarantee to be given by Purcell Holdings Limited, P.&R. Fabrics Limited, Uniform Clothing Solutions Limited, Work in Style Limited and Northenden Textiles Limited to secure all liabilities of each other.

#### **13 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

<b>2020</b>	<b>2019</b>
<b>£</b>	<b>£</b>
234,667	-
<u>234,667</u>	<u>-</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.