

Company Registration No. 00791896 (England and Wales)

P & R FABRICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021
PAGES FOR FILING WITH REGISTRAR

P & R FABRICS LIMITED

CONTENTS

	Page
Directors' report	1
Balance sheet	2
Notes to the financial statements	3 - 13

P & R FABRICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present their annual report and financial statements for the year ended 30 April 2021.

Review of business

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

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

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

22 January 2022

P & R FABRICS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets			84,070		26,760
Tangible assets	5		139,766		89,094
Investments	6		-		80,000
			<u>223,836</u>		<u>195,854</u>
Current assets					
Stocks		1,645,014		1,150,356	
Debtors	7	4,277,153		4,625,488	
Cash at bank and in hand		522,970		2,455,850	
		<u>6,445,137</u>		<u>8,231,694</u>	
Creditors: amounts falling due within one year	8	<u>(3,033,023)</u>		<u>(4,536,995)</u>	
Net current assets			<u>3,412,114</u>		<u>3,694,699</u>
Total assets less current liabilities			<u>3,635,950</u>		<u>3,890,553</u>
Creditors: amounts falling due after more than one year	9		(100,000)		(100,000)
Provisions for liabilities	11		(135,000)		(217,000)
Net assets			<u><u>3,400,950</u></u>		<u><u>3,573,553</u></u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>3,400,850</u>		<u>3,573,453</u>
Total equity			<u><u>3,400,950</u></u>		<u><u>3,573,553</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 22 January 2022 and are signed on its behalf by:

Mr S T Purcell
Director

Company Registration No. 00791896

P & R FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

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, United Kingdom, 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 2023 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 2021

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 2021

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 cost and replacement 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 2021

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 2021

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 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 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 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

P & R FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

3 Employees

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

	2021 Number	2020 Number
Total	11	22

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 May 2020	33,450
Additions	80,000
At 30 April 2021	113,450
Amortisation and impairment	
At 1 May 2020	6,690
Amortisation charged for the year	22,690
At 30 April 2021	29,380
Carrying amount	
At 30 April 2021	84,070
At 30 April 2020	26,760

P & R FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 May 2020	285,373
Additions	83,840
Disposals	(26,444)
	<hr/>
At 30 April 2021	342,769
	<hr/>
Depreciation and impairment	
At 1 May 2020	196,279
Depreciation charged in the year	30,724
Eliminated in respect of disposals	(24,000)
	<hr/>
At 30 April 2021	203,003
	<hr/>
Carrying amount	
At 30 April 2021	139,766
	<hr/>
At 30 April 2020	89,094
	<hr/>

6 Fixed asset investments

	2021	2020
	£	£
Shares in group undertakings and participating interests	-	80,000
	<hr/>	<hr/>

Following the transfer of assets and liabilities at fair value held by fellow subsidiary Uniform Clothing Solutions Limited, the investment has been impaired to nil.

P & R FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

6	Fixed asset investments	(Continued)	
	Movements in fixed asset investments		Shares in subsidiaries £
	Cost or valuation		
	At 1 May 2020 & 30 April 2021		80,000
	Impairment		
	At 1 May 2020		-
	Impairment losses		80,000
	At 30 April 2021		80,000
	Carrying amount		
	At 30 April 2021		-
	At 30 April 2020		80,000
7	Debtors	2021	2020
	Amounts falling due within one year:	£	£
	Trade debtors	735,125	1,024,116
	Amounts owed by group undertakings	3,396,422	3,336,096
	Other debtors	145,041	264,711
		4,276,588	4,624,923
	Deferred tax asset	565	565
		4,277,153	4,625,488

P & R FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

7	Debtors	(Continued)	
8	Creditors: amounts falling due within one year	2021	2020
		£	£
	Bank loans	50,000	-
	Trade creditors	668,721	1,631,601
	Amounts owed to group undertakings	2,085,295	2,085,115
	Taxation and social security	179,157	277,731
	Other creditors	49,850	542,548
		<u>3,033,023</u>	<u>4,536,995</u>
9	Creditors: amounts falling due after more than one year	2021	2020
		£	£
	Other creditors	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
10	Provisions for liabilities	2021	2020
		£	£
	Retirement benefit obligations	135,000	217,000
		<u>135,000</u>	<u>217,000</u>

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 2021 are based on the advice of a professional qualified actuary.

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 2021

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:

	2021 £	2020 £
Present value of defined benefit obligations	703,000	727,000
Fair value of plan assets	(568,000)	(510,000)
Deficit in scheme	135,000	217,000

	2021 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 May 2020	727,000
Benefits paid	(24,000)
Actuarial gains and losses	(19,000)
Interest cost	10,000
Other	9,000
At 30 April 2021	703,000

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

	2021 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 May 2020	510,000
Interest income	(12,000)
Return on plan assets (excluding amounts included in net interest)	(21,000)
Benefits paid	(24,000)
Contributions by the employer	14,000
Other	(4,000)
At 30 April 2021	568,000

The actual return on plan assets was £63,000 (2020 - £21,000).

	2021 £	2020 £
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	374,000	258,000
Debt instruments	146,000	161,000
Cash and net current assets	48,000	91,000
	568,000	510,000

P & R FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

12 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 and the auditor was Azets Audit Services.

13 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.

14 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:

2021	2020
£	£
146,667	234,667
<u> </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.