

Company registration number 00791896 (England and Wales)

P.&R. FABRICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023
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 2023

The directors present their annual report and financial statements for the year ended 30 April 2023.

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

10 January 2024

P.&R. FABRICS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2023

| | | 2023 | 2022 |
|--|-------|-------------------------|-------------------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Intangible assets | 5 | 38,690 | 61,380 |
| Tangible assets | 6 | 107,409 | 108,344 |
| | | <u>146,099</u> | <u>169,724</u> |
| Current assets | | | |
| Stocks | | 1,907,694 | 1,909,610 |
| Debtors | 7 | 4,779,205 | 4,939,625 |
| Cash at bank and in hand | | 566,841 | 624,006 |
| | | <u>7,253,740</u> | <u>7,473,241</u> |
| Creditors: amounts falling due within one year | 8 | <u>(4,194,373)</u> | <u>(4,213,721)</u> |
| Net current assets | | <u>3,059,367</u> | <u>3,259,520</u> |
| Total assets less current liabilities | | <u>3,205,466</u> | <u>3,429,244</u> |
| Creditors: amounts falling due after more than one year | 9 | (111,877) | (138,464) |
| Provisions for liabilities | 12 | - | (69,000) |
| Net assets excluding pension surplus/(deficit) | | <u>3,093,589</u> | <u>3,221,780</u> |
| Defined benefit pension surplus/(deficit) | 13 | 14,000 | - |
| Net assets | | <u><u>3,107,589</u></u> | <u><u>3,221,780</u></u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 100 | 100 |
| Profit and loss reserves | | <u>3,107,489</u> | <u>3,221,680</u> |
| Total equity | | <u><u>3,107,589</u></u> | <u><u>3,221,780</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.

P.&R. FABRICS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2023

The financial statements were approved by the board of directors and authorised for issue on 10 January 2024 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 2023

| | Share capital | Profit and loss reserves | Total |
|--|---------------|--------------------------|-----------|
| Notes | £ | £ | £ |
| Balance at 1 May 2021 | 100 | 3,342,634 | 3,342,734 |
| Year ended 30 April 2022: | | | |
| Profit for the year | - | 44,094 | 44,094 |
| Other comprehensive income: | | | |
| Actuarial gains on defined benefit plans | - | 66,000 | 66,000 |
| Total comprehensive income for the year | - | 110,094 | 110,094 |
| Dividends | - | (231,048) | (231,048) |
| Balance at 30 April 2022 | 100 | 3,221,680 | 3,221,780 |
| Year ended 30 April 2023: | | | |
| Loss for the year | - | (39,231) | (39,231) |
| Other comprehensive income: | | | |
| Actuarial gains on defined benefit plans | - | 105,000 | 105,000 |
| Total comprehensive income for the year | - | 65,769 | 65,769 |
| Dividends | - | (179,960) | (179,960) |
| Balance at 30 April 2023 | 100 | 3,107,489 | 3,107,589 |

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Purcell Holdings Limited. These consolidated financial statements are available from its registered office, 1st Floor, Hunter House, Holloway Drive, Wardley Industrial Estate, Worsley, Manchester, United Kingdom, M28 2LA. 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.

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

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.

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 2025 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.

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 5 year 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.

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.6 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.

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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 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.

1.7 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.

1.8 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.

1.9 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.

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

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.

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.

1.10 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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.

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.

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

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 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provision

The company adopts their own internal stock provisioning policy, the company needs to ensure that stock is still being valued at the lower of cost or net realisable value under FRS 102.

Pension scheme valuation

The Company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

3 Employees

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

| | 2023 Number | 2022 Number |
|-------|----------------|----------------|
| Total | 12 | 10 |

4 Taxation

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Current tax | | |
| Adjustments in respect of prior periods | (31,780) | (11,923) |

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

| 4 Taxation | | (Continued) |
|--|-----------------|-----------------|
| | 2023 £ | 2022 £ |
| Deferred tax | | |
| Origination and reversal of timing differences | 565 | - |
| | <u>565</u> | <u>-</u> |
| Total tax credit | (31,215) | (11,923) |
| | <u>(31,215)</u> | <u>(11,923)</u> |
| 5 Intangible fixed assets | | Goodwill |
| | | £ |
| Cost | | |
| At 1 May 2022 and 30 April 2023 | | 113,450 |
| | | <u>113,450</u> |
| Amortisation and impairment | | |
| At 1 May 2022 | | 52,070 |
| Amortisation charged for the year | | 22,690 |
| | | <u>74,760</u> |
| At 30 April 2023 | | 74,760 |
| | | <u>74,760</u> |
| Carrying amount | | |
| At 30 April 2023 | | 38,690 |
| | | <u>38,690</u> |
| At 30 April 2022 | | 61,380 |
| | | <u>61,380</u> |

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

6 Tangible fixed assets

| | Plant and machinery etc |
|------------------------------------|----------------------------|
| | £ |
| Cost | |
| At 1 May 2022 | 343,733 |
| Additions | 32,209 |
| Disposals | (18,950) |
| At 30 April 2023 | 356,992 |
| Depreciation and impairment | |
| At 1 May 2022 | 235,389 |
| Depreciation charged in the year | 33,144 |
| Eliminated in respect of disposals | (18,950) |
| At 30 April 2023 | 249,583 |
| Carrying amount | |
| At 30 April 2023 | 107,409 |
| At 30 April 2022 | 108,344 |

7 Debtors

| | 2023 | 2022 |
|---|-----------|-----------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 757,831 | 883,669 |
| Corporation tax recoverable | 31,780 | - |
| Amounts owed by group undertakings | 3,893,856 | 3,780,587 |
| Other debtors | 21,558 | 150,663 |
| Prepayments and accrued income | 74,180 | 124,141 |
| | 4,779,205 | 4,939,060 |
| Deferred tax asset (note 11) | - | 565 |
| | 4,779,205 | 4,939,625 |

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

8 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans | 27,816 | 10,648 |
| Trade creditors | 430,491 | 164,714 |
| Amounts owed to group undertakings | 2,335,295 | 2,335,295 |
| Taxation and social security | 114,143 | 137,230 |
| Other creditors | 1,286,628 | 1,565,834 |
| | <u>4,194,373</u> | <u>4,213,721</u> |

9 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 11,877 | 38,464 |
| Other creditors | 100,000 | 100,000 |
| | <u>111,877</u> | <u>138,464</u> |

10 Loans and overdrafts

| | 2023 | 2022 |
|-------------------------|------------------|------------------|
| | £ | £ |
| Bank loans | 39,693 | 49,112 |
| Preference shares | 100,000 | 100,000 |
| Other loans | 1,239,436 | 1,495,588 |
| | <u>1,379,129</u> | <u>1,644,700</u> |
| Payable within one year | 1,267,252 | 1,506,236 |
| Payable after one year | 111,877 | 138,464 |

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Assets | Assets |
|------------------|---------------|---------------|
| | 2023 | 2022 |
| | £ | £ |
| Balances: | | |
| Tax losses | - | 565 |

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

11 Deferred taxation (Continued)

| | 2023 £ |
|-------------------------------|-----------|
| Movements in the year: | |
| Asset at 1 May 2022 | (565) |
| Charge to profit or loss | 565 |
| Liability at 30 April 2023 | - |

12 Provisions for liabilities

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Retirement benefit obligations | - | 69,000 |

13 Retirement benefit schemes

| Defined contribution schemes | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Charge to profit or loss in respect of defined contribution schemes | 43,813 | 21,422 |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

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 2023 are based on the advice of a professional qualified actuary.

The company expects to contribute in the region of £14,000 (2022: £14,000) to its defined benefit pension scheme in the next accounting period.

| <i>Key assumptions</i> | 2023 % | 2022 % |
|------------------------|-----------|-----------|
| Discount rate | 5.0 | 3.1 |
| Inflation | 3.4 | 4.3 |

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

13 Retirement benefit schemes

(Continued)

| | | |
|--|-------------------|-------------------|
| <i>Mortality assumptions</i> | 2023 | 2022 |
| Assumed life expectations on retirement at age 65: | Years | Years |
| Retiring today | | |
| - Males | 21.1 | 21.1 |
| - Females | 23.3 | 23.2 |
| | <u> </u> | <u> </u> |
| Retiring in 2040 | | |
| - Males | 22.6 | 22.6 |
| - Females | 25.2 | 25.2 |
| | <u> </u> | <u> </u> |
| | 2023 | 2022 |
| <i>Amounts recognised in the profit and loss account</i> | £ | £ |
| Net interest on net defined benefit liability/(asset) | 41,000 | 20,000 |
| Restriction on net interest income credited to the income statement | (2,000) | (5,000) |
| | <u> </u> | <u> </u> |
| Total costs | 39,000 | 15,000 |
| | <u> </u> | <u> </u> |
| | 2023 | 2022 |
| <i>Amounts taken to other comprehensive income</i> | £ | £ |
| Actual return on scheme assets | 28,000 | 10,000 |
| Less: calculated interest element | (28,000) | (10,000) |
| | <u> </u> | <u> </u> |
| Return on scheme assets excluding interest income | - | - |
| Restriction on net interest income credited to the income statement | 2,000 | 5,000 |
| Actuarial changes related to obligations | (105,000) | (71,000) |
| | <u> </u> | <u> </u> |
| Total costs/(income) | (103,000) | (66,000) |
| | <u> </u> | <u> </u> |
| The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows: | | |
| | 2023 | 2022 |
| | £ | £ |
| Present value of defined benefit obligations | 515,000 | 622,000 |
| Fair value of plan assets | (529,000) | (553,000) |
| | <u> </u> | <u> </u> |
| (Surplus)/deficit in scheme | (14,000) | 69,000 |
| | <u> </u> | <u> </u> |

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

13 Retirement benefit schemes (Continued)

| | 2023 £ |
|--|-----------|
| <i>Movements in the present value of defined benefit obligations</i> | |
| Liabilities at 1 May 2022 | 624,000 |
| Benefits paid | (21,000) |
| Actuarial gains and losses | (105,000) |
| Interest cost | 13,000 |
| Other | 4,000 |
| At 30 April 2023 | 515,000 |

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

| | 2023 £ |
|---|-----------|
| <i>Movements in the fair value of plan assets</i> | |
| Fair value of assets at 1 May 2022 | 553,000 |
| Interest income | (28,000) |
| Benefits paid | (21,000) |
| Contributions by the employer | 14,000 |
| Other | 11,000 |
| At 30 April 2023 | 529,000 |

The actual return on plan assets was £26,000 (2022 - £5,000).

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| <i>Fair value of plan assets at the reporting period end</i> | | |
| Equity instruments | 421,000 | 367,000 |
| Debt instruments | 49,000 | 93,000 |
| Property | 19,000 | 41,000 |
| Cash and net current assets | 40,000 | 52,000 |
| | 529,000 | 553,000 |

14 Called up share capital

| | 2023 Number | 2022 Number | 2023 £ | 2022 £ |
|-------------------------------|----------------|----------------|-----------|-----------|
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |

P.&R. FABRICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

15 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 Lewis Cross and the auditor was Azets Audit Services.

16 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.

17 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:

| | 2023 | 2022 |
|--|---------|--------|
| | £ | £ |
| | 117,333 | 58,667 |

18 Directors' transactions

| Description | Opening balance | Amounts advanced | Amounts repaid | Closing balance |
|-------------------------|-----------------|------------------|----------------|-----------------|
| | £ | £ | £ | £ |
| Director's loan account | 31,674 | 33,988 | (65,298) | 364 |
| | 31,674 | 33,988 | (65,298) | 364 |

19 Parent company

The ultimate controlling party of the company is Purcell Holdings Limited. The parent company's registered office is Hunters House, Holloway Drive, Worsley, Manchester, M28 2LA.

20 Related party transactions

The company has taken advantage of the reduced disclosure requirements under FRS102 section 33 for related party transactions.

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.