

Company Registration No. 02214074 (England and Wales)

M CHAPMAN & SONS (TEXTILES) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019**

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M CHAPMAN & SONS (TEXTILES) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

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 judgements and accounting estimates that are reasonable and prudent;
- 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.

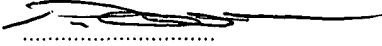
M CHAPMAN & SONS (TEXTILES) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	5		50,360		47,275
Current assets					
Stocks		2,863,866		2,472,703	
Debtors	6	1,337,457		1,333,032	
Cash at bank and in hand		1,980,301		1,705,134	
		6,181,624		5,510,869	
Creditors: amounts falling due within one year	7	(925,480)		(875,954)	
Net current assets			5,256,144		4,634,915
Total assets less current liabilities			5,306,504		4,682,190
Provisions for liabilities	8		-		(981)
Net assets			5,306,504		4,681,209
Capital and reserves					
Called up share capital	11		5,384		5,384
Share premium account			290,884		290,884
Capital redemption reserve			1,229		1,229
Profit and loss reserves			5,009,007		4,383,712
Total equity			5,306,504		4,681,209

The directors of the company have elected not to include a copy of the income statement 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 7/11/19 and are signed on its behalf by:


Mr P M Ellison
Director

M CHAPMAN & SONS (TEXTILES) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2017		5,384	290,884	1,229	4,454,526	4,752,023
Year ended 31 March 2018:						
Profit and total comprehensive income for the year		-	-	-	679,186	679,186
Dividends		-	-	-	(750,000)	(750,000)
Balance at 31 March 2018		5,384	290,884	1,229	4,383,712	4,681,209
Year ended 31 March 2019:						
Profit and total comprehensive income for the year		-	-	-	625,295	625,295
Balance at 31 March 2019		5,384	290,884	1,229	5,009,007	5,306,504

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

M Chapman & Sons (Textiles) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Bridgeroyd Works, Halifax Road, Eastwood, Todmorden, West Yorkshire, OL14 6DF.

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.

Going concern

The directors forecast that the company will continue to trade profitably for a period of more than 12 months following the date of approving the financial statements. The forecasts take into account transactions that are anticipated to take place in the foreseeable future and indicate that no additional financial resources will be required should the trading performance differ from forecast. On this basis the directors have concluded that adopting the going concern basis of accounting in preparing the annual financial statements is appropriate.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of textile goods in the ordinary nature of the business. Turnover is shown net of value added tax.

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.

Tangible fixed assets

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

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

Freehold land and buildings	10% on reducing balance
Plant and machinery	15% on reducing balance
Fixtures, fittings and equipment	25% on cost and 15% on reducing balance
Motor vehicles	25% on reducing balance

Freehold land is not depreciated.

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.

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 (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.

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.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

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 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 trade and other 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.

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.

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, 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.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

Retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2018 - 21).

3 Directors' remuneration and dividends

	2019 £	2018 £
Remuneration paid to directors	304,825	244,000
Dividends paid to directors	-	228,454
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2018 - 2).

4 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	155,703	158,771
Adjustments in respect of prior periods	1,416	-
	<u> </u>	<u> </u>
Total current tax	157,119	158,771
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(6,217)	(819)
	<u> </u>	<u> </u>
Total tax charge	150,902	157,952
	<u> </u>	<u> </u>

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2018	183,591	130,447	314,038
Additions	-	28,301	28,301
Disposals	-	(44,520)	(44,520)
At 31 March 2019	183,591	114,228	297,819
Depreciation and impairment			
At 1 April 2018	168,395	98,368	266,763
Depreciation charged in the year	720	11,941	12,661
Eliminated in respect of disposals	-	(31,965)	(31,965)
At 31 March 2019	169,115	78,344	247,459
Carrying amount			
At 31 March 2019	14,476	35,884	50,360
At 31 March 2018	15,196	32,079	47,275

6 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	914,300	962,661
Other debtors	417,921	370,371
	1,332,221	1,333,032
Deferred tax asset	5,236	-
	1,337,457	1,333,032

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	273,699	271,446
Corporation tax	155,655	158,771
Other taxation and social security	60,487	39,828
Other creditors	435,639	405,909
	925,480	875,954

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Provisions for liabilities

		2019 £	2018 £
Deferred tax liabilities	9	-	981

9 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Balances:				
Accelerated capital allowances	-	981	136	-
Short term timing differences	-	-	5,100	-
	-	981	5,236	-
Movements in the year:				2019 £
Liability at 1 April 2018				981
Credit to profit or loss				(6,217)
Liability/(Asset) at 31 March 2019				(5,236)

The deferred tax asset set out above is expected to reverse within the foreseeable future and relates primarily to short term timing differences which will reverse following utilisation of a provision.

10 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	39,580	38,706

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.

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
3,744 'A' Ordinary shares of £1 each	3,744	3,744
1,640 'B' Ordinary shares of £1 each	1,640	1,640
	<u>5,384</u>	<u>5,384</u>

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases 2019 £	2018 £
Entities with control, joint control or significant influence over the company	263,672	259,743
Entity controlled by a member of key management personnel	22,546	-
	<u>286,218</u>	<u>259,743</u>

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts owed to related parties		
Entity controlled by a member of key management personnel	17,200	-
	<u>17,200</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2019 Balance £	2018 Balance £
Amounts owed by related parties		
Entities with control, joint control or significant influence over the company	239,294	
	<u>239,294</u>	
Amounts owed in previous period		
Entities with control, joint control or significant influence over the company		137,074
		<u>137,074</u>

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Directors' transactions

Advances or credits have been granted by the directors to the company as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr I C Darrah -	-	(85,780)	57	(200)	(85,923)
		<u>(85,780)</u>	<u>57</u>	<u>(200)</u>	<u>(85,923)</u>

14 Controlling party

From 23 July 2019 the ultimate parent undertaking is M Chapman & Sons (Textiles) Holdings Limited, a company incorporated in England and Wales. The ultimate controlling party is the PRC Darrah Settlement Trust.

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 John Guest.
The auditor was RSM UK Audit LLP.