

Company Registration No. 02214074 (England and Wales)

M CHAPMAN & SONS (TEXTILES) LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022**

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M CHAPMAN & SONS (TEXTILES) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	5		145,551		157,982
Current assets					
Stocks		2,757,469		2,238,999	
Debtors	6	1,266,989		838,764	
Cash at bank and in hand		2,122,800		2,133,716	
		6,147,258		5,211,479	
Creditors: amounts falling due within one year	7	(1,089,966)		(629,691)	
Net current assets			5,057,292		4,581,788
Total assets less current liabilities			5,202,843		4,739,770
Provisions for liabilities	8		(21,346)		(17,140)
Net assets			5,181,497		4,722,630
Capital and reserves					
Called up share capital			5,384		5,384
Share premium account			290,884		290,884
Capital redemption reserve			1,229		1,229
Profit and loss reserves			4,884,000		4,425,133
Total equity			5,181,497		4,722,630

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

M CHAPMAN & SONS (TEXTILES) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2022

02/11/22

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

Debbie Ellison

.....
Mrs D J Ellison

Director

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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

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 a period of at least 12 months from the date of approving the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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
Computer equipment	25% on cost

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 2022

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 2022

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 2022

1 Accounting policies (Continued)

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.

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:

	2022 Number	2021 Number
Total	21	21

3 Directors' remuneration

	2022 £	2021 £
Remuneration paid to directors	412,248	310,222

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

4 Dividends

	2022 £	2021 £
Interim paid	100,000	100,000

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2021	217,970	207,205	425,175
Additions	-	30,056	30,056
	<u>217,970</u>	<u>237,261</u>	<u>455,231</u>
At 31 March 2022	217,970	237,261	455,231
Depreciation and impairment			
At 1 April 2021	174,650	92,543	267,193
Depreciation charged in the year	4,332	38,155	42,487
	<u>178,982</u>	<u>130,698</u>	<u>309,680</u>
At 31 March 2022	178,982	130,698	309,680
Carrying amount			
At 31 March 2022	<u>38,988</u>	<u>106,563</u>	<u>145,551</u>
At 31 March 2021	<u>43,320</u>	<u>114,662</u>	<u>157,982</u>

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	608,224	498,446
Other debtors	658,765	340,318
	<u>1,266,989</u>	<u>838,764</u>

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	473,363	189,855
Corporation tax	132,044	47,915
Other taxation and social security	19,657	20,955
Other creditors	464,902	370,966
	<u>1,089,966</u>	<u>629,691</u>

8 Provisions for liabilities

	2022	2021
	£	£
Deferred tax liabilities	21,346	17,140

9 Deferred taxation

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

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Accelerated capital allowances	21,411	17,140
Short term timing differences	(65)	-
	<u>21,346</u>	<u>17,140</u>

Movements in the year:

	2022
	£
Liability at 1 April 2021	17,140
Charge to profit or loss	4,206
Liability at 31 March 2022	<u>21,346</u>

M CHAPMAN & SONS (TEXTILES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Deferred taxation (Continued)

The deferred tax liability set out above is expected to reverse within the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

10 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	35,367	33,352

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.

11 Related party transactions

Transactions with related parties

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

	Purchases 2022	2021
	£	£
Entities with control, joint control or significant influence over the company	19,523	4,797

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022	2021
	£	£
Entities with control, joint control or significant influence over the company	-	14,298

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2022	2021
	£	£
Entities with control, joint control or significant influence over the company	5,225	-

Other information

Included in Other Creditors is an amount of £Nil (2021 - £50,000) owed to a director who resigned during the previous period.

12 Controlling party

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.