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ABRAHAM MOON & SONS LIMITED

MODIFIED FINANCIAL STATEMENTS

29 MARCH 1987



Armitage & Norton  
Chartered Accountants  
Leeds

ABRAHAM MOON & SONS LIMITED

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REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 29 March 1987.

RESULT AND DIVIDEND

The profit for the financial year ended 29 March 1987 after taxation amounted to £118,968. After adding retained profits brought forward of £424 and transferring £112,000 to general reserve, the directors recommend that the dividend of 5.6% on the cumulative preference shares be paid amounting to £865 and a dividend on ordinary shares be paid of 11.55% amounting to £5,812 leaving retained profits of £715 to carry forward.

PRINCIPAL ACTIVITY

The company carries on business as Woollen Manufacturers.

REVIEW OF THE YEAR

As referred to in last year's report, trading conditions were difficult which has resulted in a reduced profit for the year.

POST BALANCE SHEET EVENTS  
AND FUTURE DEVELOPMENTS

There have been no events since the balance sheet date which in the opinion of the directors require disclosure in these financial statements. The directors believe that trading conditions will continue to be difficult during the next twelve months.

FIXED ASSETS

Details of fixed assets are given in Note 7 to the modified financial statements. The directors are of the opinion that the open market value of the freehold property is in excess of the amount at which it is stated in the balance sheet.

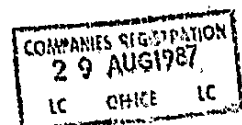
DIRECTORS

Mr A J P Walsh, Mr D C Walsh, Mr D R W Spence, Mr D R Moulson and Mr A Pearson served as directors throughout the financial year. Mr J P T Walsh was appointed as a director on 29 January 1987.

Mr D R Moulson retired from the board on 26 June 1987.

In accordance with the articles of association Mr D R W Spence retires from the board by rotation and, being eligible, offers himself for re-election.

Mr J P T Walsh retires having been appointed since the last annual general meeting and being eligible, offers himself for re-election.



## REPORT OF THE DIRECTORS (Continued)

DIRECTORS  
(continued)

The interests of directors holding office at the year end in the allotted share capital of the company were as follows:

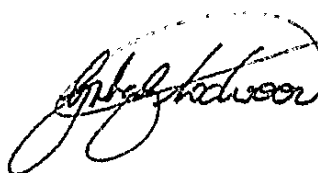
	Ordinary		Preference	
	29 March 1987	30 March 1986 or later date of appointment	29 March 1987	30 March 1986 or later date of appointment
A J P Walsh	12,417	12,417	4,334	3,334
D C Walsh	6,377	6,377	1,583	1,583
D R W Spence	3,000	3,000	-	-
D R Moulson	500	500	-	-
J P T Walsh	4,850	4,850	-	-

No other director at the year end had any interest in the share capital at any time during the year.

## AUDITORS

The company's auditors, Armitage & Norton are willing to continue in office and a resolution proposing their re-appointment and authorising the directors to fix their remuneration will be put to the annual general meeting.

BY ORDER OF THE BOARD



Secretary

26 June 1987

AUDITORS' REPORT TO THE DIRECTORS IN ACCORDANCE  
WITH PARAGRAPH 10 SCHEDULE 8 OF THE COMPANIES ACT  
1985

In our opinion the directors are entitled under Sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 29 March 1987, and the modified accounts on pages 4 to 10 have been properly prepared in accordance with Schedule 8 of that Act.

On 26 June 1987 we reported, as auditors of Abraham Moon & Sons Limited, to the members on the company's financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 29 March 1987, and our audit opinion was as follows:

"We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

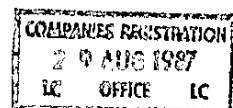
In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company at 29 March 1987 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Act 1985."

*Armitage & Norton*

Chartered Accountants

Leeds

26 June 1987



## ABRAHAM MOON &amp; SONS LIMITED

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## MODIFIED PROFIT AND LOSS ACCOUNT

YEAR ENDED 29 MARCH 1987

	Note	£	1987	£	£	1986	£
GROSS PROFIT				356,706			808,326
DISTRIBUTION COSTS		88,556			76,853		
ADMINISTRATIVE EXPENSES		161,927		250,483	164,228		241,081
OPERATING PROFIT	3			106,223			567,245
INTEREST RECEIVED	4			75,401			70,868
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				181,624			638,113
TAX ON PROFIT ON ORDINARY ACTIVITIES	5			62,656			245,855
PROFIT FOR THE FINANCIAL YEAR				118,968			392,258
BALANCE BROUGHT FORWARD				424			843
APPROPRIATIONS				119,392			393,101
Reserves	13	112,000			386,000		
Dividends	6	6,677		118,677	6,677		392,677
BALANCE CARRIED FORWARD				715			424

## ABRAHAM MOON &amp; SONS LIMITED

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## MODIFIED BALANCE SHEET

29 MARCH 1987

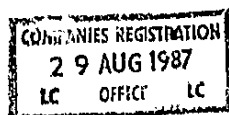
	Note	£	1987	£	£	1986	£
FIXED ASSETS							
Tangible	7		2,013,420			2,009,025	
CURRENT ASSETS							
Stocks	8	1,346,223			1,301,103		
Debtors	9	684,051			790,281		
Cash at bank and in hand		135,683			397,912		
			<u>2,165,957</u>		<u>2,489,296</u>		
CREDITORS (amounts falling due within one year)	10	715,371			1,117,553		
NET CURRENT ASSETS			<u>1,450,586</u>			<u>1,371,743</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			3,464,006			3,280,768	
PROVISIONS FOR LIABILITIES AND CHARGES	11		531,519			560,572	
			<u>2,932,487</u>			<u>2,820,196</u>	
CAPITAL AND RESERVES							
Called up share capital	12		65,772			65,772	
Other reserves	13		2,866,000			2,754,000	
Profit and loss account			715			424	
			<u>2,932,487</u>			<u>2,820,196</u>	

The financial statements on pages 4 to 10 were approved by the board of directors on 26 June 1987 and were signed on its behalf by the signatories below.

We have relied on Sections 247 to 249 of the Companies Act 1985 as entitling us to deliver modified accounts on the ground that the company is entitled to the benefit of those sections as a medium-sized company.

*[Signature]*

Directors



## NOTES TO THE MODIFIED FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The company has adopted the following accounting policies which should be read in conjunction with the financial statements set out on pages 4 to 10 which have been prepared under the historical cost convention.

## Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Government grants are deducted in arriving at cost. Depreciation is calculated to write down the cost of fixed assets to their estimated residual values over their estimated useful lives at the following annual rates:

Freehold buildings	2.5% on cost
Plant and equipment	varying rates between 4% and 12.5% on cost
Motor vehicles	25% on cost

## Stocks

Stocks are stated at the lower of cost, including attributable overheads, and net realisable value.

## Deferred taxation

Provision has been made, using the liability method, for taxation in respect of items where there is a material timing difference between their treatment for accounting and taxation purposes if, in the opinion of the directors, it is probable that a tax liability will crystallise in the foreseeable future.

## 2. PARTICULARS OF STAFF

	1987	1986
The average weekly number of persons employed during the year was:		
Manufacturing	156	162
Distribution	2	2
Administration	9	10
	<u>167</u>	<u>174</u>
	<u><u>167</u></u>	<u><u>174</u></u>
STAFF COSTS	£	£
Wages and salaries	1,504,200	1,481,298
Social security costs	153,205	147,306
Other pension costs	142,681	64,601
	<u>1,800,086</u>	<u>1,693,205</u>
	<u><u>1,800,086</u></u>	<u><u>1,693,205</u></u>

NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
(Continued)

## 3. OPERATING PROFIT

	1987 £	1986 £
This is stated after charging:		
Directors' emoluments	258,389	221,382
Depreciation	188,534	157,534
Auditors' remuneration	3,350	3,350
	<u>258,389</u>	<u>221,382</u>

## Details of directors' emoluments:

Fees	5,000	5,000
Management remuneration including pension contributions	253,389	191,382
Ex gratia payment to retiring director	-	25,000
	<u>258,389</u>	<u>221,382</u>

## Additional particulars of the directors' emoluments excluding pension contributions and ex gratia payment:

Chairman (highest paid director)	<u>54,712</u>	<u>63,253</u>
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## Number of other directors whose emoluments fell within the following scale:

£	Number	Number
Nil to 5,000	-	1
5,001 to 10,000	2	-
15,001 to 20,000	-	2
25,001 to 30,000	-	1
30,001 to 35,000	2	-
35,001 to 40,000	1	1

## 4. INTEREST RECEIVED

	£	£
Bank deposit interest	<u>75,401</u>	<u>70,868</u>



NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
(Continued)5. TAX ON PROFIT ON  
ORDINARY ACTIVITIESThe charge for tax is made  
up as follows:1987  
£1986  
£

## CURRENT YEAR

Corporation tax at 32%  
(1986 40%)  
Deferred tax100,000  
( 33,456)217,000  
37,00066,544254,000

## PRIOR YEAR

Deferred tax  
Corporation tax4,145  
( 8,033)( 6,700)  
( 1,445)62,656245,855

## 6. DIVIDENDS

## PROPOSED

5.6% on cumulative preference  
shares for the year to 29

March 1987

865

865

11.55% on ordinary shares for  
the year to 29 March 1987

5,812

5,812

6,6776,677

## 7. TANGIBLE FIXED ASSETS

Freehold  
land and  
buildings  
£Plant,  
equipment  
and  
vehicles  
£Total  
£

## COST

31 March 1986

286,203

2,674,237

2,960,440

Additions

13,645

194,427

208,072

Disposals

-

34,086

34,086

29 March 1987

299,8482,834,5783,134,426

## DEPRECIATION

31 March 1986

107,458

843,957

951,415

Provided this year

5,327

183,207

188,534

Disposals

-

18,943

18,943

29 March 1987

112,7851,008,2211,121,006

## NET BOOK VALUE

29 March 1987

187,0631,826,3572,013,420

## CAPITAL COMMITMENTS

1987  
£1986  
£Authorised but not  
contracted for10,50072,000

NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
(Continued)

		1987 £	1986 £		
8. STOCKS	Raw materials	722,388	638,465		
	Work in progress	153,686	118,986		
	Finished goods	427,042	499,230		
	Stores	43,107	44,422		
		<u>1,346,223</u>	<u>1,301,103</u>		
9. DEBTORS	Trade debtors	606,659	736,967		
	Other debtors	68,803	48,974		
	Prepayments	8,589	4,340		
		<u>684,051</u>	<u>790,281</u>		
10. CREDITORS (amounts falling due within one year)	Trade creditors	375,913	652,801		
	Other creditors	119,407	114,734		
	Corporation tax	127,116	241,866		
	Other taxes and social security	50,114	59,716		
	Accruals	36,144	41,759		
	Proposed dividends	6,677	6,677		
		<u>715,371</u>	<u>1,117,553</u>		
11. PROVISIONS	Full provision has been made for deferred tax at the rate of 35% as follows:				
	Excess of tax allowances over depreciation £	Other timing differences £	Held over capital gains £	Advance corporation tax £	Total £
31 March 1986	545,168	(20,318)	38,450	(2,728)	560,572
PROFIT AND LOSS ACCOUNT					
Current year	( 15,846)	(17,610)	-	-	( 33,456)
Prior year	4,145	-	-	-	4,145
Transfer - current taxation	-	-	-	258	258
29 March 1987	<u>533,467</u>	<u>(37,928)</u>	<u>38,450</u>	<u>(2,470)</u>	<u>531,519</u>

ABRAHAM MOON & SONS LIMITED

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NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
(Continued)

	1987 £	1986 £
12. CALLED UP SHARE CAPITAL		
AUTHORISED		
8% (now 5.6% plus tax credit) cumulative preference shares of £1 each	20,000	20,000
Ordinary shares of £1 each	70,000	70,000
	<u>90,000</u>	<u>90,000</u>
ALLOTTED AND FULLY PAID		
15,450 cumulative preference shares	15,450	15,450
50,322 ordinary shares	50,322	50,322
	<u>65,772</u>	<u>65,772</u>
13. RESERVES		
GENERAL RESERVE		
Balance 31 March 1986	2,754,000	2,368,000
Profit and loss account	112,000	386,000
Balance 29 March 1987	<u>2,866,000</u>	<u>2,754,000</u>