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ABRAHAM MOON & SONS LTD

MODIFIED ACCOUNTS

27 MARCH 1988

PEAT MARWICK McLINTOCK
City Square House, 7 Wellington Street,
LEEDS LS1 4DW



ABRAHAM MOON & SONS LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 27 March 1988.

RESULT AND DIVIDEND

The profit for the financial year ended 27 March 1988 after taxation amounted to £100,629. After adding retained profits brought forward of £715 and transferring £94,000 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 £667 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 remained difficult for most of the year which has resulted in a reduced profit.

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 accounts. 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 accounts. 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 and Mr J P T Walsh served as directors throughout the financial year.

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

Mr A Pearson resigned from the board on 31 August 1987.

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

DIRECTORS' REPORT
(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 27 March 1988 and 29 March 1987	Preference 27 March 1988 and 29 March 1987
A J P Walsh	12,417	4,334
D C Walsh	6,377	1,583
D R W Spence	3,000	-
J P T Walsh	4,850	-

AUDITORS

The directors, having been informed that the partners of Armitage & Norton were ceasing to practise in that name with effect from 30 September 1987, appointed Peat Marwick McLintock as the company's auditors from that date. Peat Marwick McLintock have indicated their willingness to continue in office and a resolution proposing their re-appointment and authorising the directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the board,



G G Lockwood

Secretary

30 June 1988.

REPORT OF THE AUDITORS TO THE DIRECTORS
OF ABRAHAM MOON & SONS LIMITED
PURSUANT TO PARAGRAPH 10 OF SCHEDULE 8
TO THE COMPANIES ACT 1985

We have examined the accounts on pages 4 to 11 which have been modified from the accounts of Abraham Moon & Sons Limited for the year ended 27 March 1988. The scope of our work was limited to determining whether the company is entitled to the benefit of Sections 247 to 249 of the Companies Act 1985 and to an examination of the modified accounts and the annual accounts on which they are based to confirm compliance with Schedule 8 to that Act.

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 27 March 1988, and the modified accounts on pages 4 to 11 have been properly prepared in accordance with Schedule 8 to that Act.

On 30 June 1988 we reported, as auditors of Abraham Moon & Sons Limited, to the members on the full accounts prepared under Section 227 of the Companies Act 1985 for the year ended 27 March 1988, and our audit report was as follows:

"We have audited the accounts on pages 4 to 12 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 27 March 1988 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Peat Marwick McLintock

Chartered Accountants

City Square House
7 Wellington Street
LEEDS
LS1 4DW

30 June 1988.

ABRAHAM MOON & SONS LTD
MODIFIED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 27 MARCH 1988

	<u>Notes</u>	<u>1988</u>	<u>1987</u>
		£	£
GROSS PROFIT		384,540	356,706
DISTRIBUTION COSTS		100,576	88,556
ADMINISTRATIVE EXPENSES		<u>176,012</u>	<u>250,483</u>
OPERATING PROFIT	3	107,952	106,223
INTEREST RECEIVED	4	<u>33,201</u>	<u>75,401</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		141,153	181,624
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	<u>40,524</u>	<u>62,656</u>
PROFIT FOR THE FINANCIAL YEAR		100,629	118,968
BALANCE BROUGHT FORWARD		<u>715</u>	<u>424</u>
		101,344	119,392
APPROPRIATIONS			
Reserves	13	94,000	112,000
Dividends	6	<u>6,677</u>	<u>6,677</u>
BALANCE CARRIED FORWARD		<u>667</u>	<u>715</u>

The notes on pages 6 to 11 form part of these accounts.

ABRAHAM MOON & SONS LTDMODIFIED BALANCE SHEET AT 27 MARCH 1988

	<u>Notes</u>	<u>1988</u>	<u>1987</u>
		£	£
FIXED ASSETS			
Tangible	7	1,936,242	2,013,420
CURRENT ASSETS			
Stocks	8	1,410,741	1,346,223
Debtors	9	920,319	684,051
Cash at bank and in hand		<u>41,640</u>	<u>135,683</u>
		2,372,700	2,165,957
CREDITORS (amounts falling due within one year)	10	<u>765,548</u>	<u>715,371</u>
NET CURRENT ASSETS		<u>1,607,152</u>	<u>1,450,586</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,543,394	3,464,006
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>516,955</u>	<u>531,519</u>
		<u>3,026,439</u>	<u>2,932,487</u>
CAPITAL AND RESERVES			
Called up share capital	12	65,772	65,772
Other reserves	13	2,960,000	2,866,000
Profit and loss account		<u>667</u>	<u>715</u>
		<u>3,026,439</u>	<u>2,932,487</u>

The notes on pages 6 to 11 form part of these accounts.

The financial statements on pages 4 to 11 were approved by the board of directors on 30 June 1988 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.

A J P Walsh)
D R W Spence) DIRECTORS

D R W Spence

ABRAHAM MOON & SONS LTD
NOTES TO THE MODIFIED ACCOUNTS

1. ACCOUNTING POLICIES

The company has adopted the following accounting policies which should be read in conjunction with the accounts set out on pages 4 to 11 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 arise in the foreseeable future.

2. PARTICULARS OF STAFF

The average weekly number of persons employed during the year was:

	<u>1988</u>	<u>1987</u>
Manufacturing	151	156
Distribution	2	2
Administration	<u>10</u>	<u>9</u>
	<u>163</u>	<u>167</u>

ABRAHAM MOON & SONS LTDNOTES TO THE MODIFIED ACCOUNTS
(Continued)2. PARTICULARS OF STAFF (Continued)

STAFF COSTS:	<u>1988</u> £	<u>1987</u> £
Wages and salaries	1,586,199	1,504,200
Social security costs	163,316	153,205
Other pension costs	<u>72,566</u>	<u>142,681</u>
	<u>1,822,081</u>	<u>1,800,086</u>

3. OPERATING PROFIT

This is stated after charging:

Directors' emoluments	184,572	258,389
Depreciation	193,351	188,534
Auditors' remuneration	<u>3,350</u>	<u>3,350</u>

Details of directors' emoluments:

Fees	10,000	5,000
Management remuneration including pension contributions	149,572	253,389
Ex-gratia payment to retiring director	<u>25,000</u>	<u>-</u>
	<u>184,572</u>	<u>258,389</u>

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

Chairman (highest paid director)	<u>47,346</u>	<u>54,712</u>
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Number of other directors whose emoluments fall within the following scale:

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

4. INTEREST RECEIVED

	<u>1988</u> £	<u>1987</u> £
Bank deposit interest	<u>33,201</u>	<u>75,401</u>

ABRAHAM MOON & SONS LTDNOTES TO THE MODIFIED ACCOUNTS
(Continued)5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for tax is made up as follows:

	<u>1988</u> £	<u>1987</u> £
CURRENT YEAR:		
Corporation tax at 32% (1987: 32%)	64,000	100,000
Deferred tax	<u>(14,851)</u>	<u>(33,456)</u>
	49,149	66,544
PRIOR YEAR:		
Deferred tax	42	4,145
Corporation tax	<u>(8,667)</u>	<u>(8,033)</u>
	<u>40,524</u>	<u>62,656</u>

6. DIVIDENDS

PROPOSED:

5.6% on cumulative preference shares for the year to 27 March 1988	865	865
11.55% on ordinary shares for the year to 27 March 1988	<u>5,812</u>	<u>5,812</u>
	<u>6,677</u>	<u>6,677</u>

ABRAHAM MOON & SONS LTDNOTES TO THE MODIFIED ACCOUNTS
(Continued)7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant, equipment and vehicles £	Total £
COST:			
30 March 1987	299,848	2,834,578	3,134,426
Additions	7,129	146,440	153,569
Disposals	-	(63,722)	(63,722)
27 March 1988	306,977	2,917,296	3,224,273
DEPRECIATION:			
30 March 1987	112,785	1,008,221	1,121,006
Provided this year	5,669	187,682	193,351
Disposals	-	(26,326)	(26,326)
27 March 1988	118,454	1,169,577	1,288,031
NET BOOK VALUE			
27 March 1988	188,523	1,747,719	1,936,242
CAPITAL COMMITMENTS		1988 £	1987 £
Contracted		29,000	-
Authorised but not contracted for		22,000	10,500

8. STOCKS

Raw materials	715,078	722,388
Work in progress	146,829	153,686
Finished goods	493,584	427,042
Stores	55,250	43,107
	1,410,741	1,346,223

9. DEBTORS

Trade debtors	822,931	606,659
Other debtors	90,332	68,803
Prepayments	7,056	8,589
	920,319	684,051

ABRAHAM MOON & SONS LTDNOTES TO THE MODIFIED ACCOUNTS
(Continued)10. CREDITORS (amounts falling due within one year)

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Bank overdraft	54,346	-
Trade creditors	339,691	375,913
Other creditors	135,573	119,407
Corporation tax	103,755	127,116
Other taxes and social security	44,264	50,114
Accruals	81,242	36,144
Proposed dividends	<u>6,677</u>	<u>6,677</u>
	<u>765,548</u>	<u>715,371</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 £
30 March 1987	533,467	(37,928)	38,450	(2,470)	531,519
PROFIT AND LOSS ACCOUNT					
Current year	(20,649)	5,798	-	-	(14,851)
Prior year	42	-	-	-	42
Transfer - current taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>245</u>	<u>245</u>
27 March 1988	<u>512,860</u>	<u>(32,130)</u>	<u>38,450</u>	<u>(2,225)</u>	<u>516,955</u>

ABRAHAM MOON & SONS LTDNOTES TO THE MODIFIED ACCOUNTS
(Continued)12. CALLED UP SHARE CAPITAL

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
AUTHORISED:		
8% (now 5.6% plus tax credit)		
cumulative preference shares		
of £1 each	20,000	20,000
Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>
	90,000	90,000
	=====	=====
ALLOTTED AND FULLY PAID:		
15,450 cumulative preference		
shares	15,450	15,450
50,322 ordinary shares	<u>50,322</u>	<u>50,322</u>
	65,772	65,772
	=====	=====

13. GENERAL RESERVE

Balance 30 March 1987	2,866,000	2,754,000
Profit and loss account	<u>94,000</u>	<u>112,000</u>
Balance 27 March 1988	<u>2,960,000</u>	<u>2,866,000</u>