

Registered number  
05573731

Abraham Moon Holdings Limited

Report and Accounts

31 December 2011



**Abraham Moon Holdings Limited**  
**Directors' Report**  
**for the year ended 31 December 2011**

The directors present their report and accounts for the year ended 31 December 2011

**Principal activity**

The company's principal activity during the year continued to be that of a holding company  
The group's principal activity during the year continued to be that of woollen manufacturing

**Results and dividends**

The group profit for the year, after taxation, amounted to £2,165,583. The company has not traded during the year. No dividends will be distributed for the year ended 31 December 2011.

**Review of business**

The results for the year and the financial position of the company and group are shown in the annexed financial statements.

An outstanding year's trading for the group through strong growth in each of the company's divisions. Profitability was enhanced by the sale of certain fixed assets and foreign exchange dealings.

**Principal risks**

The company continues to operate predominantly in export markets and assesses its exposure on a regular basis. Its credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements. The company monitors cash flow as part of its day to day control procedures. An additional risk in the coming year is escalating raw material prices.

**Directors**

The following directors served during the year

J P T Walsh  
G G Lockwood

**Directors' responsibilities**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

**Abraham Moon Holdings Limited**  
**Directors' Report**  
**for the year ended 31 December 2011**

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 (UK 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 its profit or loss 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 estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

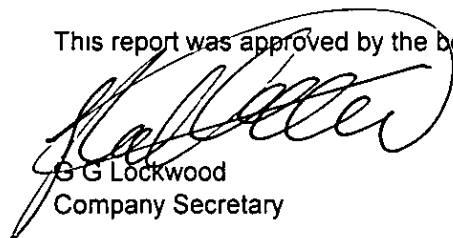
The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

**Statement as to disclosure of information to auditors**

So far as the directors are aware

- there is no relevant audit information (as defined by Section 418 Companies Act 2006) of which the group's auditors are unaware,
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on 25 September 2012



G G Lockwood  
Company Secretary

## **Abraham Moon Holdings Limited**

### **Independent auditors' report to the shareholders of Abraham Moon Holdings Limited**

We have audited the financial statements of Abraham Moon Holdings Limited for the year ended 31 December 2011 which comprise the Group & Company Profit and Loss Account, the Group & Company Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the company's state of affairs at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by Companies Act 2006**

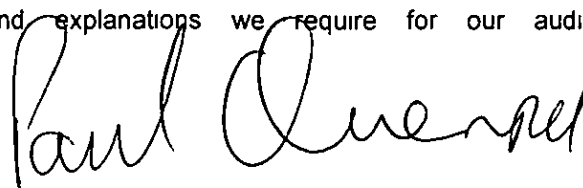
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Queripel (Senior Statutory Auditor)  
for and behalf of Queripel & Kettlewell Limited  
The Barn, Hall Mews, Boston Spa, Wetherby, LS23 6DT



25 September 2012

**Abraham Moon Holdings Limited**  
**Profit and Loss Account - GROUP**  
**for the year ended 31 December 2011**

	Notes	2011 £	2010 £
<b>Turnover</b>	2	14,691,619	12,404,792
Cost of sales		(6,911,883)	(5,979,801)
<b>Gross profit</b>		<u>7,779,736</u>	<u>6,424,991</u>
Administrative expenses		(5,241,687)	(5,431,221)
Other operating income		140,747	86,502
<b>Operating profit/(loss)</b>	3	<u>2,678,796</u>	<u>1,080,272</u>
Interest receivable		269	15,981
Interest payable	5	(86,761)	(62,118)
<b>Profit/loss on ordinary activities before taxation</b>		<u>2,592,304</u>	<u>1,034,135</u>
Tax on profit on ordinary activities	6	(426,721)	(209,809)
<b>Profit/loss for the financial year</b>		<u>2,165,583</u>	<u>824,326</u>
Minority interests		-	-
<b>Retained profit/loss for the year attributable to shareholders</b>		<u>2,165,583</u>	<u>824,326</u>

**Continuing operations**

None of the group's activities were acquired or discontinued during the above two financial years

**Statement of total recognised gains and losses**

The group has no recognised gains or losses other than the profit/(loss) for the above two financial years

**Abraham Moon Holdings Limited**  
**Profit and Loss Account - COMPANY**  
**for the year ended 31 December 2011**

	Notes	2011 £	2010 £
Turnover	2	-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		-	-
<b>Operating profit</b>	3	-	-
Interest receivable		-	-
Interest payable	5	-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		-	-

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit/(loss) for the above two financial years

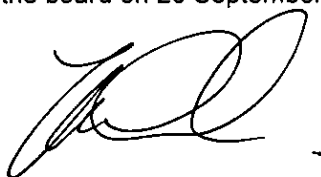
**Abraham Moon Holdings Limited**  
**Balance Sheet - GROUP**  
**as at 31 December 2011**

Registered number 05573731

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Intangible assets	7	-	12,000
Tangible assets	8	<u>2,332,722</u>	<u>2,608,827</u>
		2,332,722	2,620,827
<b>Current assets</b>			
Stocks	10	6,775,450	4,320,881
Debtors	11	3,654,723	2,495,835
Cash at bank and in hand		<u>875,687</u>	<u>721,024</u>
		11,305,860	7,537,740
<b>Creditors: amounts falling due within one year</b>	12	(5,436,460)	(4,112,476)
<b>Net current assets</b>		5,869,400	3,425,264
<b>Total assets less current liabilities</b>		<u>8,202,122</u>	<u>6,046,091</u>
<b>Provisions for liabilities</b>	13	(373,718)	(383,270)
<b>Net assets</b>		<u>7,828,404</u>	<u>5,662,821</u>
<b>Capital and reserves</b>			
Called up share capital	14	31,768	31,768
Capital redemption reserve		34,004	34,004
Profit and loss account	15	7,762,632	5,597,049
<b>Equity Shareholders' funds</b>	16	<u>7,828,404</u>	<u>5,662,821</u>

Approved by the board on 25 September 2012

J P T Walsh  
Director



**Abrham Moon Holdings Limited**  
**Balance Sheet - COMPANY**  
**as at 31 December 2011**

Registered number 05573731

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Investments	9	31,768	31,768
<b>Net current assets</b>		-	-
<b>Net assets</b>		<u>31,768</u>	<u>31,768</u>
<b>Capital and reserves</b>			
Called up share capital	14	31,768	31,768
Profit and loss account	15	-	-
<b>Shareholders' funds</b>	16	<u>31,768</u>	<u>31,768</u>

Approved by the board on 25 September 2012

J P T Walsh  
Director





**Abraham Moon Holdings Limited**  
**Cash Flow Statement**  
**for the year ended 31 December 2011**

	Notes	2011 £	2010 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit/(loss)		2,678,796	1,080,272
Depreciation charges		384,295	344,054
Profit on disposal of fixed assets		(871,134)	(16,346)
Increase in stocks		(2,454,569)	(631,362)
Increase in debtors		(1,158,888)	(764,972)
Increase in creditors		1,094,328	1,226,232
<b>Net cash (outflow)/inflow from operating activities</b>		<u>(327,172)</u>	<u>1,237,878</u>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash (outflow)/inflow from operating activities</b>		(327,172)	1,237,878
<b>Returns on investments and servicing of finance</b>	17	(86,492)	(46,137)
<b>Taxation</b>		(191,224)	-
<b>Capital expenditure</b>	17	769,949	(696,582)
<b>(Decrease)/increase in cash</b>		<u>165,061</u>	<u>495,159</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Increase/(decrease) in cash in the period</b>		165,061	495,159
<b>Increase in hire purchase debt</b>		-	(31,554)
<b>Change in net debt</b>	18	<u>165,061</u>	<u>463,605</u>
<b>Net debt 1 January</b>		689,470	225,865
<b>(Net debt)/net funds at 31 December</b>		<u>854,531</u>	<u>689,470</u>

**Abraham Moon Holdings Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2011**

**1 Accounting policies**

**Accounting convention**

The financial statements have been prepared under the historical cost convention. The consolidated accounts include the accounts of the parent company and its subsidiary.

**Turnover**

Turnover represents sales of goods to customers at invoiced amounts less VAT where applicable.

**Intangible fixed assets**

Goodwill, purchased in 2007 with an expected life of 10 years, has been written off during the year.

**Tangible fixed assets**

Depreciation is provided to write off the cost of tangible fixed assets evenly over their expected useful life. No depreciation is charged in the year of purchase. It is calculated at the following rates:

Motor vehicles	25% pa
Leasehold property	6% pa
Plant and machinery	varying rates between 4% and 12.5% pa

**Stocks**

Stocks and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and appropriate proportion of overheads.

**Deferred taxation**

Deferred taxation is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account at arriving at the operating result.

**Hire purchase & leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other retirement benefits**

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

**2 Turnover**

Turnover is wholly attributable to the principal activity of the group. The analysis of turnover by geographical markets required by the Companies Act 2006 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the group.

3 Operating (loss)/profit This is stated after charging	GROUP		COMPANY	
	2011 £	2010 £	2011 £	2010 £
Other operating leases	275,129	269,434	-	-
Depreciation of owned fixed assets	377,290	342,054	-	-
Profit on disposal of fixed assets	(871,134)	(16,346)	-	-
Goodwill amortisation	12,000	2,000	-	-
Auditors' remuneration	8,750	8,750	-	-
Foreign exchange differences	(140,747)	(86,502)	-	-
4 Staff costs	GROUP		COMPANY	
	2011 £	2010 £	2011 £	2010 £
Wages and salaries	4,006,309	3,613,287	-	-
Social security costs	392,876	369,980	-	-
Other pension costs	156,931	208,027	-	-
Total	4,556,116	4,191,294	-	-
Average number of employees during the year	Number		Number	
	2011	2010	2011	2010
Administration	12	11	-	-
Manufacturing	163	158	-	-
Distribution	2	2	-	-
Total	177	171	-	-

Abraham Moon Holdings Limited  
Notes to the Accounts  
for the year ended 31 December 2011

	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
<b>5 Interest payable</b>				
Bank interest	11,076	8,779	-	-
Loan interest	75,685	53,339	-	-
<b>Total</b>	<b>86,761</b>	<b>62,118</b>	<b>-</b>	<b>-</b>

	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
<b>6 Taxation</b>				
<b>Analysis of charge in period</b>				
Current tax	436,273	191,224	-	-
Deferred tax	(9,552)	18,585	-	-
<b>Tax on profit/(loss) on ordinary activities</b>	<b>426,721</b>	<b>209,809</b>	<b>-</b>	<b>-</b>

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
Profit/(loss) on ordinary activities before tax	2,592,304	1,034,135	-	-
Standard rate of corporation tax in the UK	26.5%	28%	26.5%	28%
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	686,961	289,558	-	-
Effects of				
Expenses not deductible for tax purposes	4,201	1,779	-	-
Capital allowances for period in excess of depreciation	(23,926)	(163)	-	-
Increase/(decrease) in tax losses	-	(99,950)	-	-
Capital gains tax rolled over	(230,781)	-	-	-
<b>Current tax charge for period</b>	<b>436,273</b>	<b>191,224</b>	<b>-</b>	<b>-</b>

	GROUP 2011 £	COMPANY 2011 £
<b>7 Intangible fixed assets</b>		
<b>Cost</b>		
At 1 January & 31 December 2011	20,000	-
<b>Amortisation</b>		
At 1 January 2011	8,000	-
Amortisation for year	12,000	-
At 31 December 2011	20,000	-
<b>Net book value</b>		
At 31 December 2011	-	-
At 31 December 2010	12,000	-

	Freehold property £	Short leasehold £	Plant & machinery £	Total £
<b>8 Tangible fixed assets</b>				
<b>GROUP</b>				
<b>Cost</b>				
At 1 January 2011	230,000	86,978	8,386,407	8,703,385
Additions	64,188	250	356,248	420,686
Disposals	(294,188)	-	(74,416)	(368,604)
At 31 December 2011	-	87,228	8,668,239	8,755,467
<b>Depreciation</b>				
At 1 January 2011	-	14,106	6,080,452	6,094,558
Charge for the year	-	4,875	372,415	377,290
Disposals	-	-	(49,103)	(49,103)
At 31 December 2011	-	18,981	6,403,764	6,422,745
<b>Net book value</b>				
At 31 December 2011	-	68,247	2,264,475	2,332,722
At 31 December 2010	230,000	72,872	2,305,955	2,608,827

**Abraham Moon Holdings Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2011**

**9 Fixed asset investment**  
**COMPANY**

	Investment in subsidiary £
Cost	
At 1 January 2011	31,768
Additions	-
At 31 December 2011	<u>31,768</u>

The company owns 100% of the share capital of the Abraham Moon & Sons Limited

Company	Nature of business	2011 Net assets £	2011 Profit for year £
Abraham Moon & Sons Limited	Woollen manufacturing	<u>7,828,404</u>	<u>2,165,583</u>

10 Stocks	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
Raw materials	3,129,964	2,253,211	-	-
Stores	69,576	66,286	-	-
Work in progress	810,492	730,223	-	-
Finished goods	<u>2,765,418</u>	<u>1,271,161</u>	<u>-</u>	<u>-</u>
Total	<u>6,775,450</u>	<u>4,320,881</u>	<u>-</u>	<u>-</u>

11 Debtors	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
Trade debtors	2,284,984	2,209,164	-	-
Prepayments and accrued income	647,279	286,671	-	-
Other debtors	<u>722,460</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,654,723</u>	<u>2,495,835</u>	<u>-</u>	<u>-</u>

12 Creditors amounts falling due within one year	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
Hire purchase contracts	21,156	31,554	-	-
Trade creditors	796,746	415,392	-	-
Corporation tax	436,273	191,224	-	-
Social security & other taxes	114,091	190,822	-	-
VAT	359,198	183,375	-	-
Other creditors	102,214	135	-	-
Associated company	2,111,498	2,268,557	-	-
Accruals and deferred income	<u>1,495,284</u>	<u>831,417</u>	<u>-</u>	<u>-</u>
Total	<u>5,436,460</u>	<u>4,112,476</u>	<u>-</u>	<u>-</u>

13 Provisions for liabilities	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
Deferred tax				
Balance at 1 January 2011	383,270	364,685	-	-
Movement in the year	(9,552)	18,585	-	-
Balance at 31 December 2011	<u>373,718</u>	<u>383,270</u>	<u>-</u>	<u>-</u>

14 Share capital	2011 No	2010 No	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
Allotted, called up and fully paid						
Ordinary shares of £1 each	31,768	31,768	<u>31,768</u>	<u>31,768</u>	<u>31,768</u>	<u>31,768</u>

15 Profit and loss account	GROUP 2011 £	2010 £	COMPANY 2011 £	2010 £
At 1 January 2011	5,597,049	4,772,723	-	-
Profit for the financial year	<u>2,165,583</u>	<u>824,326</u>	<u>-</u>	<u>-</u>
At 31 December 2011	<u>7,762,632</u>	<u>5,597,049</u>	<u>-</u>	<u>-</u>

**Abraham Moon Holdings Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2011**

	GROUP		COMPANY	
	2011	2010	2011	2010
	£	£	£	£
<b>16 Reconciliation of movement in shareholders' funds</b>				
At 1 January 2011	5,662,821	4,838,495	31,768	31,768
Profit for the financial year	2,165,583	824,326	-	-
At 31 December 2011	<u>7,828,404</u>	<u>5,662,821</u>	<u>31,768</u>	<u>31,768</u>

<b>17 Gross cash flows</b>	2011	2010
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	269	15,981
Interest paid	<u>(86,761)</u>	<u>(62,118)</u>
Total	<u>(86,492)</u>	<u>(46,137)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(420,686)	(712,932)
Receipts from sales of tangible fixed assets	1,190,635	<u>16,350</u>
Total	<u>769,949</u>	<u>(696,582)</u>

<b>18 Analysis of changes in net debt</b>	At 1 Jan 2011	Cash flows	At 31 Dec 2011
	£	£	£
Cash at bank	721,024	154,663	875,687
Hire purchase	<u>(31,554)</u>	<u>10,398</u>	<u>(21,156)</u>
Total	<u>689,470</u>	<u>165,061</u>	<u>854,531</u>

**19 Other financial commitments**

**GROUP**

At the year end the group had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	Land and buildings
	2011	2010
	£	£
Operating leases which expire		
In more than five years	250,000	250,000

**20 Related parties**

At the year end the group was owed £2,111,498 (2010 - £2,268,557) by Tempest Bailey Limited, a company under common control  
During the year the group paid rent of £250,000 to Tempest Bailey Limited, recharged expenses of £188,926 and paid loan interest of £75,685

**21 Controlling party**

The ultimate controlling party is Mr J P T Walsh