

REGISTERED NUMBER: 05573731 (England and Wales)

Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 December 2016  
for  
Abraham Moon Holdings Limited

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Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2016

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Consolidated Profit and loss account	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Statement of Changes in Equity	9
Company Statement of Changes in Equity	10
Consolidated Cash Flow Statement	11
Notes to the Consolidated Cash Flow Statement	12
Notes to the Consolidated Financial Statements	13

Abraham Moon Holdings Limited

Company Information  
for the Year Ended 31 December 2016

**DIRECTORS:**

J P T Walsh  
L K Brophy

**SECRETARY:**

L K Brophy

**REGISTERED OFFICE:**

Netherfield Mills  
Netherfield Road  
Guiseley  
Leeds  
West Yorkshire  
LS20 9PA

**REGISTERED NUMBER:**

05573731 (England and Wales)

**AUDITORS:**

Queripel and Kettlewell Limited  
The Barn  
Hall Mews  
Boston Spa  
Wetherby  
West Yorkshire  
LS23 6DT

Group Strategic Report  
for the Year Ended 31 December 2016

The directors present their strategic report of the company and the group for the year ended 31 December 2016.

**REVIEW OF BUSINESS**

The Group had another successful year with growth in Cash reserves and Shareholders Funds. Turnover was down slightly at £20,948K, however gross margins improved and the Group continues to focus on the quality of its products and manufacturing efficiencies. The Group made an unrealised forward foreign exchange loss at the year end as it sold forward part of its future US Dollar and Euro expected income to protect the Sterling value as the majority of its costs are in Sterling. The Group continues to invest in new capital equipment and has reduced its secured debt by £190K.

The Group uses the following financial key performance indicators to monitor performance :

	2016 £000	2015 £000
Turnover	20,948	21,184
Profit before tax	2,561	2,605
Increase in cash & cash equivalents	1,029	2,042
Stocks	12,368	11,028

**PRINCIPAL RISKS AND UNCERTAINTIES**

The main risks and uncertainties centre on customer demand, raw material pricing and supply, foreign currency, liquidity and credit risk. The Group works closely with key raw material suppliers to ensure a consistent and reliable supply of high quality raw materials. Where appropriate, the Group enter forward contracts for raw materials and foreign currency and seek to match foreign currency purchases with income from overseas sales in external currencies. The Group monitors cash flow as part of its day to day control procedures. Credit risk is managed by carrying out credit checks on new and existing customers and by monitoring payment performance.

**FUTURE DEVELOPMENTS**

The Group continues to invest in new plant and machinery in order to keep the quality of its products very high. The Group intends to invest in another retail outlet to add to its shop at The Courtyard in Settle, North Yorkshire and the new Mill Shop which opened in November 2016. The Group will also focus on improving cash generation and intends to reduce its overall secured debt.

**POSSIBLE IMPACT OF 'BREXIT'**

It is still too early to assess the medium and long term impact of 'Brexit', however the Group believes that its export sales and raw material import opportunities will help to mitigate any major adverse economic impact. To date, there has been minimal impact on sales due to the Group's wide exposure to different geographic markets.

**ON BEHALF OF THE BOARD:**



J P T Walsh - Director

1 September 2017

Report of the Directors  
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of woollen fabric manufacturing.

**DIVIDENDS**

An interim dividend of £100,000 was paid in December 2016.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

J P T Walsh  
L K Brophy

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

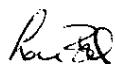
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Queripel and Kettlewell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



L K Brophy - Secretary

1 September 2017

Report of the Independent Auditors to the Members of  
Abraham Moon Holdings Limited

We have audited the financial statements of Abraham Moon Holdings Limited for the year ended 31 December 2016 on pages six to twenty two. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the 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 a Report of the Auditors 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 page three, 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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Directors.

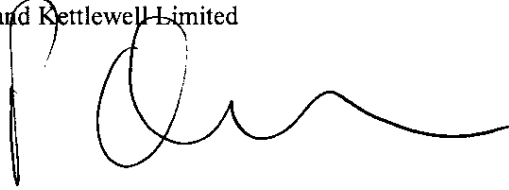
Report of the Independent Auditors to the Members of  
Abraham Moon Holdings Limited

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 on behalf of Queripel and Kettlewell Limited  
The Barn  
Hall Mews  
Boston Spa  
Wetherby  
West Yorkshire  
LS23 6DT

A handwritten signature in black ink, appearing to be 'P. Queripel', written over the printed name and address.

1 September 2017

Queripel & Kettlewell Limited, Statutory Auditors

Consolidated Profit and loss account  
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
<b>TURNOVER</b>	3	20,947,606	21,183,639
Cost of sales		10,403,413	11,365,092
<b>GROSS PROFIT</b>		10,544,193	9,818,547
Administrative expenses		7,192,246	7,238,337
		3,351,947	2,580,210
Other operating income		27,964	81,067
<b>OPERATING PROFIT</b>	5	3,379,911	2,661,277
Unrealised forward foreign exchange contract loss	6	783,120	-
		2,596,791	2,661,277
Interest receivable and similar income		1,238	92
		2,598,029	2,661,369
Interest payable and similar expenses	7	36,751	56,124
<b>PROFIT BEFORE TAXATION</b>		2,561,278	2,605,245
Tax on profit	8	521,409	458,359
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,039,869	2,146,886
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		2,039,869	2,146,886
Profit attributable to: Owners of the parent		2,039,869	2,146,886
Total comprehensive income attributable to: Owners of the parent		2,039,869	2,146,886



Consolidated Balance Sheet  
31 December 2016

	Notes	31.12.16		31.12.15	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		8,473,850		8,692,361
Investments	12		-		-
			<u>8,473,850</u>		<u>8,692,361</u>
<b>CURRENT ASSETS</b>					
Stocks	13	12,367,864		11,028,361	
Debtors	14	2,140,738		2,183,735	
Investments	15	1		1	
Cash at bank		2,790,291		1,761,547	
		<u>17,298,894</u>		<u>14,973,644</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	16	4,432,330		3,923,318	
<b>NET CURRENT ASSETS</b>			<u>12,866,564</u>		<u>11,050,326</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			21,340,414		19,742,687
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(1,725,956)		(2,038,117)
<b>PROVISIONS FOR LIABILITIES</b>	21		(333,307)		(353,288)
<b>ACCRUALS AND DEFERRED INCOME</b>	22		(140,000)		(150,000)
<b>NET ASSETS</b>			<u><u>19,141,151</u></u>		<u><u>17,201,282</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		37,184		37,184
Share premium	24		2,992,225		2,992,225
Capital redemption reserve	24		34,004		34,004
Other reserves	24		14,137,619		14,137,619
Retained earnings	24		1,940,119		250
<b>SHAREHOLDERS' FUNDS</b>			<u><u>19,141,151</u></u>		<u><u>17,201,282</u></u>

The financial statements were approved by the Board of Directors on 1 September 2017 and were signed on its behalf by:



J P T Walsh - Director

Company Balance Sheet  
31 December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		-		-
Investments	12		63,536		3,795,468
			<u>63,536</u>		<u>3,795,468</u>
<b>CURRENT ASSETS</b>					
Debtors	14	3,613,450		-	
<b>CREDITORS</b>					
Amounts falling due within one year	16	50,000		116,550	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>3,563,450</u>		<u>(116,550)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,626,986</u>		<u>3,678,918</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		599,509		649,509
<b>NET ASSETS</b>			<u>3,027,477</u>		<u>3,029,409</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		37,184		37,184
Share premium	24		2,992,225		2,992,225
Retained earnings	24		(1,932)		-
<b>SHAREHOLDERS' FUNDS</b>			<u>3,027,477</u>		<u>3,029,409</u>
Company's profit for the financial year			<u>98,068</u>		<u>100,000</u>

The financial statements were approved by the Board of Directors on 1 September 2017 and were signed on its behalf by:



J P T Walsh - Director

Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 January 2015</b>	31,768	228	-
<b>Changes in equity</b>			
Issue of share capital	5,416	-	2,992,225
Dividends	-	(100,000)	-
Total comprehensive income	-	100,022	-
<b>Balance at 31 December 2015</b>	<u>37,184</u>	<u>250</u>	<u>2,992,225</u>
<b>Changes in equity</b>			
Dividends	-	(100,000)	-
Total comprehensive income	-	2,039,869	-
<b>Balance at 31 December 2016</b>	<u>37,184</u>	<u>1,940,119</u>	<u>2,992,225</u>
	Capital redemption reserve £	Other reserves £	Total equity £
<b>Balance at 1 January 2015</b>	34,004	12,090,755	12,156,755
<b>Changes in equity</b>			
Issue of share capital	-	-	2,997,641
Dividends	-	-	(100,000)
Total comprehensive income	-	2,046,864	2,146,886
<b>Balance at 31 December 2015</b>	<u>34,004</u>	<u>14,137,619</u>	<u>17,201,282</u>
<b>Changes in equity</b>			
Dividends	-	-	(100,000)
Total comprehensive income	-	-	2,039,869
<b>Balance at 31 December 2016</b>	<u>34,004</u>	<u>14,137,619</u>	<u>19,141,151</u>

Company Statement of Changes in Equity  
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 January 2015</b>	31,768	-	-	31,768
<b>Changes in equity</b>				
Issue of share capital	5,416	-	2,992,225	2,997,641
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	100,000	-	100,000
<b>Balance at 31 December 2015</b>	37,184	-	2,992,225	3,029,409
<b>Changes in equity</b>				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	98,068	-	98,068
<b>Balance at 31 December 2016</b>	37,184	(1,932)	2,992,225	3,027,477

Consolidated Cash Flow Statement  
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,188,305	4,716,076
Interest paid		(29,009)	(51,345)
Interest element of hire purchase payments paid		(7,742)	(4,779)
Tax paid		(518,986)	(389,929)
Net cash from operating activities		<u>1,632,568</u>	<u>4,270,023</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(429,537)	(3,704,408)
Sale of tangible fixed assets		22,270	19,250
Interest received		1,238	92
Net cash from investing activities		<u>(406,029)</u>	<u>(3,685,066)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	1,690,770
Loan repayments in year		-	(112,387)
Capital repayments in year		(97,795)	-
Share issue		-	5,416
Equity dividends paid		(100,000)	(100,000)
Net cash from financing activities		<u>(197,795)</u>	<u>1,483,799</u>
<b>Increase in cash and cash equivalents</b>		<u>1,028,744</u>	<u>2,068,756</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,761,547	(307,209)
<b>Cash and cash equivalents at end of year</b>	2	<u><u>2,790,291</u></u>	<u><u>1,761,547</u></u>

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2016

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.16	31.12.15
	£	£
Profit before taxation	2,561,278	2,605,245
Depreciation charges	643,933	532,942
(Profit)/loss on disposal of fixed assets	(22,270)	11,331
Government grants	(10,000)	(8,900)
Finance costs	36,751	56,124
Finance income	(1,238)	(92)
	<u>3,208,454</u>	<u>3,196,650</u>
Increase in stocks	(1,339,503)	(852,074)
Decrease in trade and other debtors	43,140	848,910
Increase in trade and other creditors	276,214	1,522,590
	<u>2,188,305</u>	<u>4,716,076</u>
<b>Cash generated from operations</b>		

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2016**

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>2,790,291</u>	<u>1,761,547</u>

**Year ended 31 December 2015**

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	1,761,547	-
Bank overdrafts	-	(307,209)
	<u>1,761,547</u>	<u>(307,209)</u>

Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2016

**1. STATUTORY INFORMATION**

Abraham Moon Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standard 102 (FRS 102) and the Companies Act 2006.

**Basis of consolidation**

The consolidated accounts are prepared in accordance with the Group's accounting policies and include the accounts of the Parent Company and all subsidiaries. Group companies are consolidated from the date the Group acquires control. Subsidiaries are entities over which the Parent Company has a controlling influence.

**Significant judgements and estimates**

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The main judgement concerns the likely future demand of the Group's products and how that impacts on the carrying value of stock. The directors have based their judgement on their considerable experience and understanding of the product and its market place.

**Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer. Revenue is measured as the fair value of the consideration receivable excluding discounts and VAT.

**Tangible fixed assets**

Tangible fixed assets are stated at historic cost less accumulated depreciation and any impairment losses. Historic cost includes expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

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

Freehold property - 2% pa

Motor vehicles - 25% pa

Plant & machinery - varying rates between 4% and 12.5%

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the purchase cost. Work in progress and finished goods include an appropriate proportion of fixed and variable overheads. At each balance sheet date, stocks are assessed for impairment. If the value of stocks is impaired, the carrying amount is reduced accordingly and the impairment loss is charged to the profit and loss account.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the profit & loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

2. **ACCOUNTING POLICIES - continued**

**Taxation**

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

Foreign currency transactions are translated into the functional currency using the prevailing exchange rate at the date of the transactions. At the year end, foreign currency monetary items are translated using the year end exchange rate. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation of foreign currency monetary assets or liabilities are recognised in the profit and loss account.

**Hire purchase and leasing commitments**

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

**Pension costs**

The Group operates a defined contribution pension scheme for its employees. Contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are accrued as a liability in the balance sheet. The assets of the scheme are held separately from the Group in an independently administered fund.

**Financial instruments**

**Basic financial instruments**

The Group enters into basic financial instrument transactions resulting in the recognition of financial assets and liabilities such as trade debtors and trade creditors and loans from banks. Debt instruments that are payable or receivable within one year, typically trade debtors or trade creditors, are measured at the undiscounted amount of cash or other consideration expected to be received or paid. If a short term instrument constitutes a financing transaction, such as the payment of a trade debt beyond normal business terms or financed at a non-market rate of interest, the financial asset or liability is initially measured at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**Other financial instruments**

The Group enters into forward currency contracts which are initially valued at the transaction price. The fair value of the contracts is recalculated at the year end using the spot rate of exchange. Where the year end value is materially different from the transaction price of the contracts, the movement in value is charged to the profit and loss account.

3. **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.

4. **EMPLOYEES AND DIRECTORS**

	31.12.16	31.12.15
	£	£
Wages and salaries	5,422,098	5,155,719
Social security costs	510,431	504,589
Other pension costs	184,726	152,140
	<u>6,117,255</u>	<u>5,812,448</u>



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

**4. EMPLOYEES AND DIRECTORS - continued**

The average monthly number of employees during the year was as follows:

	31.12.16	31.12.15
Administration	35	22
Manufacturing	202	195
Distribution	5	3
	<u>242</u>	<u>220</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 242.

	31.12.16	31.12.15
	£	£
Directors' remuneration	572,260	616,682
Directors' pension contributions to money purchase schemes	<u>87,257</u>	<u>46,905</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>4</u>
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Information regarding the highest paid director is as follows:

	31.12.16	31.12.15
	£	£
Emoluments etc	<u>146,308</u>	<u>161,178</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.12.16	31.12.15
	£	£
Other operating leases	86,955	188,845
Depreciation - owned assets	648,048	532,942
(Profit)/loss on disposal of fixed assets	(22,270)	11,331
Auditors' remuneration	10,700	10,700
Foreign exchange differences	<u>65,923</u>	<u>(18,053)</u>

**6. EXCEPTIONAL ITEM**

During the year the Group entered into forward foreign exchange contracts by selling forward part of its future expected Dollar and Euro income to protect its Sterling value. This involved contracts for 750K of Euros through to 2017 and 6,750K of Dollars through to 2019. As required under FRS 102, the contracts were revalued at the year end resulting in an unrealised loss of £783,120 which has been charged to the profit and loss account as an exceptional item.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.16	31.12.15
	£	£
Bank interest	989	11,252
Bank loan interest	28,020	14,613
Interest on late paid tax	-	5,358
Associate loan interest	-	20,122
Hire purchase interest	7,742	4,779
	<u>36,751</u>	<u>56,124</u>

**8. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.16	31.12.15
	£	£
Current tax:		
UK corporation tax	541,390	479,746
Tax overpaid in earlier years	-	(5,358)
Total current tax	<u>541,390</u>	<u>474,388</u>
Deferred tax	<u>(19,981)</u>	<u>(16,029)</u>
Tax on profit	<u>521,409</u>	<u>458,359</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.16	31.12.15
	£	£
Profit before tax	<u>2,561,278</u>	<u>2,605,245</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.247%)	512,256	527,484
Effects of:		
Expenses not deductible for tax purposes	1,477	9,897
Capital allowances in excess of depreciation	-	(57,635)
Depreciation in excess of capital allowances	27,657	-
Adjustments to tax charge in respect of previous periods	-	(5,358)
Deferred tax	<u>(19,981)</u>	<u>(16,029)</u>
Total tax charge	<u>521,409</u>	<u>458,359</u>

**9. INDIVIDUAL PROFIT AND LOSS ACCOUNT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

10. **DIVIDENDS**

	31.12.16 £	31.12.15 £
Ordinary shares of £1 each		
Interim	<u>100,000</u>	<u>100,000</u>

11. **TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 January 2016	5,342,736	9,926,711	15,269,447
Additions	136,562	292,975	429,537
Disposals	-	(55,769)	(55,769)
At 31 December 2016	<u>5,479,298</u>	<u>10,163,917</u>	<u>15,643,215</u>
<b>DEPRECIATION</b>			
At 1 January 2016	150,687	6,426,399	6,577,086
Charge for year	107,426	540,622	648,048
Eliminated on disposal	-	(55,769)	(55,769)
At 31 December 2016	<u>258,113</u>	<u>6,911,252</u>	<u>7,169,365</u>
<b>NET BOOK VALUE</b>			
At 31 December 2016	<u>5,221,185</u>	<u>3,252,665</u>	<u>8,473,850</u>
At 31 December 2015	<u>5,192,049</u>	<u>3,500,312</u>	<u>8,692,361</u>

12. **FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2016 and 31 December 2016	<u>3,795,468</u>
<b>PROVISIONS</b>	
Provision for year	<u>3,731,932</u>
At 31 December 2016	<u>3,731,932</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>63,536</u>
At 31 December 2015	<u>3,795,468</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

12. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Abraham Moon & Sons Limited**

Registered office:

Nature of business: Woollen fabric manufacturing

	%
Class of shares:	holding
Ordinary	100.00

**Tempest Bailey Limited**

Registered office:

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Under Section 479c Companies Act 2006, the company has guaranteed the liabilities of Tempest Bailey Limited at its financial year end of 31 December 2016. Accordingly Tempest Bailey Limited has claimed exemption from audit under Section 479a for its year ended 31 December 2016.

13. **STOCKS**

	<b>Group</b>	
	31.12.16	31.12.15
	£	£
Raw materials	4,816,016	4,682,261
Stores	80,134	76,875
Work-in-progress	835,050	976,274
Finished goods	6,636,664	5,292,951
	<u>12,367,864</u>	<u>11,028,361</u>

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Trade debtors	1,784,728	1,913,837	-	-
Amounts owed by group undertakings	-	-	3,613,450	-
Other debtors	45	27,908	-	-
Tax	143	-	-	-
Prepayments and accrued income	355,822	241,990	-	-
	<u>2,140,738</u>	<u>2,183,735</u>	<u>3,613,450</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

15. CURRENT ASSET INVESTMENTS

	<b>Group</b>	
	31.12.16	31.12.15
	£	£
Other	1	1
	<u>1</u>	<u>1</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group</b>		<b>Company</b>	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Bank loans and overdrafts (see note 18)	160,348	91,980	-	-
Other loans (see note 18)	50,000	50,000	50,000	50,000
Hire purchase contracts (see note 19)	101,811	97,795	-	-
Trade creditors	1,222,939	1,478,053	-	-
Amounts owed to group undertakings	-	-	-	66,550
Tax	512,346	489,799	-	-
Social security and other taxes	105,064	128,606	-	-
VAT	332,928	132,793	-	-
Other creditors	999,878	189,469	-	-
Accruals and deferred income	946,166	1,258,473	-	-
Accrued expenses	850	6,350	-	-
	<u>4,432,330</u>	<u>3,923,318</u>	<u>50,000</u>	<u>116,550</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<b>Group</b>		<b>Company</b>	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Bank loans (see note 18)	948,835	1,109,185	-	-
Other loans (see note 18)	599,509	649,509	599,509	649,509
Hire purchase contracts (see note 19)	177,612	279,423	-	-
	<u>1,725,956</u>	<u>2,038,117</u>	<u>599,509</u>	<u>649,509</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

**18. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	160,348	91,980	-	-
Loan notes	50,000	50,000	50,000	50,000
	<u>210,348</u>	<u>141,980</u>	<u>50,000</u>	<u>50,000</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	64,750	93,500	-	-
Loan notes	50,000	50,000	50,000	50,000
	<u>114,750</u>	<u>143,500</u>	<u>50,000</u>	<u>50,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	222,801	277,358	-	-
No description	133,116	150,000	133,116	150,000
	<u>355,917</u>	<u>427,358</u>	<u>133,116</u>	<u>150,000</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	661,284	738,327	-	-
Loan notes	416,393	449,509	416,393	449,509
	<u>1,077,677</u>	<u>1,187,836</u>	<u>416,393</u>	<u>449,509</u>

**19. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	31.12.16	31.12.15
	£	£
Net obligations repayable:		
Within one year	101,811	97,795
Between one and five years	177,612	279,423
	<u>279,423</u>	<u>377,218</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

19. **LEASING AGREEMENTS - continued**

**Group**

	Non-cancellable operating leases	
	31.12.16	31.12.15
	£	£
Within one year	57,490	57,490
Between one and five years	198,522	229,960
In more than five years	5,204	31,256
	<u>261,216</u>	<u>318,706</u>

20. **SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	31.12.16	31.12.15
	£	£
Bank loans	1,109,183	1,201,165
Hire purchase contracts	279,423	377,218
	<u>1,388,606</u>	<u>1,578,383</u>

Bank loans are secured by a fixed charge over the the Group's assets.

21. **PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	31.12.16	31.12.15
	£	£
Deferred tax	<u>333,307</u>	<u>353,288</u>

**Group**

	Deferred tax
	£
Balance at 1 January 2016	353,288
Credit to Profit and loss account during year	(19,981)
Balance at 31 December 2016	<u>333,307</u>

There is unlikely to be any reversal of the deferred tax provision in 2017 due to the amount of expected capital expenditure.

22. **ACCRUALS AND DEFERRED INCOME**

	<b>Group</b>	
	31.12.16	31.12.15
	£	£
Deferred government grants	<u>140,000</u>	<u>150,000</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2016

**23. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31.12.16	31.12.15
Number:	Class:		£	£
37,184	Ordinary	£1	<u>37,184</u>	<u>37,184</u>

**24. RESERVES**

**Group**

	Retained earnings £	Share premium £	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2016	250	2,992,225	34,004	14,137,619	17,164,098
Profit for the year	2,039,869				2,039,869
Dividends	(100,000)				(100,000)
At 31 December 2016	<u>1,940,119</u>	<u>2,992,225</u>	<u>34,004</u>	<u>14,137,619</u>	<u>19,103,967</u>

**Company**

	Retained earnings £	Share premium £	Totals £
At 1 January 2016	-	2,992,225	2,992,225
Profit for the year	98,068		98,068
Dividends	(100,000)		(100,000)
At 31 December 2016	<u>(1,932)</u>	<u>2,992,225</u>	<u>2,990,293</u>

**25. RELATED PARTY DISCLOSURES**

**Key management personnel of the entity or its parent (in the aggregate)**

During the year the director JPT Walsh received a dividend of £40,131 from the company.

**26. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is J P T Walsh.