

**REGISTERED NUMBER: 05573731 (England and Wales)**

Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 December 2019  
for  
Abraham Moon Holdings Limited

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Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2019

	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	14

Abraham Moon Holdings Limited

Company Information  
for the Year Ended 31 December 2019

**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

Abraham Moon Holdings Limited (Registered number: 05573731)

Group Strategic Report  
for the Year Ended 31 December 2019

The directors present their strategic report of the company and the group for the year ended 31 December 2019.

**REVIEW OF BUSINESS**

Turnover was level with the previous year at £23m while overseas demand for the Group's Apparel fabric continued to grow. The Group works with the world's leading fashion houses to provide quality tweed fabric designed and manufactured at its Mill in Yorkshire. Profits were affected by raw material price increase and overhead increases. Cash on hand has reduced by £819k to £3.4m at the year end as the Group invested £1.4m in capital equipment so it can improve the quality of its products and manufacturing efficiencies. Stocks have increased by £1.6m as the Group invests in its 'stock supported' ranges to help its loyal customers obtain its fabrics quickly.

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

	2019 £000	2018 £000
Total sales	23,008	23,200
Profit before tax	1,295	1,544
Increase in cash & cash equivalents	(819)	1,279
Stocks	12,684	11,091

**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 sustainably sourced wool. The Group enter forward contracts for raw materials and foreign currency and seek to match foreign purchases with income from overseas sales. The Group monitors cash flow as part of its day to day control procedures while credit risk is managed by monitoring payment performance and undertaking credit checks on new and existing customers.*

**FUTURE DEVELOPMENTS**

Like many Companies in the Fashion Industry, the Group has been affected by the worldwide pandemic of Covid-19 from March 2020. The Group has seen a reduction in demand for its products but believes that it can come through this major challenge in a better position as it has invested heavily in Capital Equipment and in the design and quality of its products over the last 5 years. The Group continues to look for opportunities to work with others in the industry at home and abroad as it has 183 years of heritage and experience to share. The Group will continue to design and manufacture great fabrics made from sustainable wool at its Mill in Yorkshire.

**ON BEHALF OF THE BOARD:**



J P T Walsh - Director

7 December 2020

Abraham Moon Holdings Limited (Registered number: 05573731)

Report of the Directors  
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

An interim dividend of £100,000 was paid in December 2019.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 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.

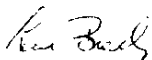
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

7 December 2020

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

**Opinion**

We have audited the financial statements of Abraham Moon Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Profit and loss account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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.

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



7 December 2020

Queripel & Kettlewell Limited. Statutory Auditors

Abraham Moyn Holdings Limited (Registered number: 05573731)

Consolidated Profit and loss account  
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>TURNOVER</b>	3	23,008,148	23,199,967
Cost of sales		13,563,646	13,278,186
<b>GROSS PROFIT</b>		9,444,502	9,921,781
Administrative expenses		8,273,482	8,422,301
		1,171,020	1,499,480
Other operating income		94,969	215,798
<b>OPERATING PROFIT</b>	5	1,265,989	1,715,278
Forward foreign exchange contract profit/loss	6	-	181,096
		1,265,989	1,534,182
Interest receivable and similar income		29,594	14,892
		1,295,583	1,549,074
Interest payable and similar expenses	7	588	4,169
<b>PROFIT BEFORE TAXATION</b>		1,294,995	1,544,905
Tax on profit	8	291,650	318,034
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,003,345	1,226,871
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		1,003,345	1,226,871
Profit attributable to: Owners of the parent		1,003,345	1,226,871
Total comprehensive income attributable to: Owners of the parent		1,003,345	1,226,871

The notes form part of these financial statements

Consolidated Balance Sheet

31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>FIXED ASSETS</b>			
Tangible assets	12	9,746,053	9,318,612
Investments	13	-	-
		<u>9,746,053</u>	<u>9,318,612</u>
<b>CURRENT ASSETS</b>			
Stocks	14	12,684,761	11,091,049
Debtors	15	1,976,718	2,038,697
Investments	16	1	1
Cash at bank		<u>3,380,380</u>	<u>4,199,780</u>
		18,041,860	17,329,527
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>3,629,315</u>	<u>3,433,968</u>
<b>NET CURRENT ASSETS</b>		<u>14,412,545</u>	<u>13,895,559</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>24,158,598</u>	<u>23,214,171</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(481,684)	(537,403)
<b>PROVISIONS FOR LIABILITIES</b>	22	(458,447)	(339,146)
<b>ACCRUALS AND DEFERRED INCOME</b>	23	(197,500)	(220,000)
<b>NET ASSETS</b>		<u><u>23,020,967</u></u>	<u><u>22,117,622</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	24	37,184	37,184
Share premium	25	2,992,225	2,992,225
Capital redemption reserve	25	34,004	34,004
Other reserves	25	14,137,619	14,137,619
Retained earnings	25	<u>5,819,935</u>	<u>4,916,590</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>23,020,967</u></u>	<u><u>22,117,622</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 December 2020 and were signed on its behalf by:



J P T Walsh - Director

The notes form part of these financial statements

Company Balance Sheet

31 December 2019

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Tangible assets	12		-		-
Investments	13		63,536		63,536
			<u>63,536</u>		<u>63,536</u>
<b>CURRENT ASSETS</b>					
Debtors	15	3,488,450		3,513,450	
<b>CREDITORS</b>					
Amounts falling due within one year	17	75,000		50,000	
<b>NET CURRENT ASSETS</b>			<u>3,413,450</u>		<u>3,463,450</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,476,986		3,526,986
<b>CREDITORS</b>					
Amounts falling due after more than one year	18		449,509		499,509
<b>NET ASSETS</b>			<u><u>3,027,477</u></u>		<u><u>3,027,477</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	24		37,184		37,184
Share premium	25		2,992,225		2,992,225
Retained earnings	25		(1,932)		(1,932)
<b>SHAREHOLDERS' FUNDS</b>			<u><u>3,027,477</u></u>		<u><u>3,027,477</u></u>
Company's profit for the financial year			<u>100,000</u>		<u>100,000</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 December 2020 and were signed on its behalf by:



J P T Walsh - Director

Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 January 2018</b>	37,184	3,789,719	2,992,225
<b>Changes in equity</b>			
Dividends	-	(100,000)	-
Total comprehensive income	-	1,226,871	-
<b>Balance at 31 December 2018</b>	<u>37,184</u>	<u>4,916,590</u>	<u>2,992,225</u>
<b>Changes in equity</b>			
Dividends	-	(100,000)	-
Total comprehensive income	-	1,003,345	-
<b>Balance at 31 December 2019</b>	<u>37,184</u>	<u>5,819,935</u>	<u>2,992,225</u>
	Capital redemption reserve £	Other reserves £	Total equity £
<b>Balance at 1 January 2018</b>	34,004	14,137,619	20,990,751
<b>Changes in equity</b>			
Dividends	-	-	(100,000)
Total comprehensive income	-	-	1,226,871
<b>Balance at 31 December 2018</b>	<u>34,004</u>	<u>14,137,619</u>	<u>22,117,622</u>
<b>Changes in equity</b>			
Dividends	-	-	(100,000)
Total comprehensive income	-	-	1,003,345
<b>Balance at 31 December 2019</b>	<u>34,004</u>	<u>14,137,619</u>	<u>23,020,967</u>

The notes form part of these financial statements

Abraham Moon Holdings Limited (Registered number: 05573731)

Company Statement of Changes in Equity  
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 January 2018</b>	37,184	(1,932)	2,992,225	3,027,477
<b>Changes in equity</b>				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	100,000	-	100,000
<b>Balance at 31 December 2018</b>	<u>37,184</u>	<u>(1,932)</u>	<u>2,992,225</u>	<u>3,027,477</u>
<b>Changes in equity</b>				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	100,000	-	100,000
<b>Balance at 31 December 2019</b>	<u>37,184</u>	<u>(1,932)</u>	<u>2,992,225</u>	<u>3,027,477</u>

The notes form part of these financial statements

Abraham Moon Holdings Limited (Registered number: 05573731)

Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	584,209	3,152,105
Interest paid		(588)	(3,544)
Interest element of hire purchase payments paid		-	(625)
Tax paid		(78,071)	(600,000)
Net cash from operating activities		<u>505,550</u>	<u>2,547,936</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,357,302)	(895,642)
Sale of tangible fixed assets		110,977	29,591
Interest received		29,594	14,892
Net cash from investing activities		<u>(1,216,731)</u>	<u>(851,159)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(2,500)	(312,183)
Capital repayments in year		(5,719)	(5,718)
Equity dividends paid		(100,000)	(100,000)
Net cash from financing activities		<u>(108,219)</u>	<u>(417,901)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(819,400)</u>	<u>1,278,876</u>
<b>Cash and cash equivalents at beginning of year</b>	2	4,199,780	2,920,904
<b>Cash and cash equivalents at end of year</b>	2	<u><u>3,380,380</u></u>	<u><u>4,199,780</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019

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

	31.12.19	31.12.18
	£	£
Profit before taxation	1,294,995	1,544,905
Depreciation charges	902,443	790,492
Profit on disposal of fixed assets	(83,559)	(22,076)
Government grants	(22,500)	(22,500)
Finance costs	588	4,169
Finance income	(29,594)	(14,892)
	<hr/>	<hr/>
	2,062,373	2,280,098
(Increase)/decrease in stocks	(1,593,712)	923,255
Decrease/(increase) in trade and other debtors	61,979	(227,225)
Increase in trade and other creditors	53,569	175,977
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>584,209</b>	<b>3,152,105</b>
	<hr/>	<hr/>

2. **CASH AND CASH EQUIVALENTS**

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

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	3,380,380	4,199,780
	<hr/>	<hr/>

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	4,199,780	2,920,904
	<hr/>	<hr/>

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19 £	Cash flow £	At 31.12.19 £
<b>Net cash</b>			
Cash at bank	4,199,780	(819,400)	3,380,380
	<u>4,199,780</u>	<u>(819,400)</u>	<u>3,380,380</u>
<b>Liquid resources</b>			
Current asset investments	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
<b>Debt</b>			
Finance leases	(43,612)	5,719	(37,893)
Debts falling due within 1 year	(50,000)	(25,000)	(75,000)
Debts falling due after 1 year	(499,509)	50,000	(449,509)
	<u>(593,121)</u>	<u>30,719</u>	<u>(562,402)</u>
<b>Total</b>	<u>3,606,660</u>	<u>(788,681)</u>	<u>2,817,979</u>

Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2019

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. The Group's functional and presentational currency is sterling.

**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 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. It is calculated at the following rates :

Freehold property - 2% pa  
Leasehold property - 6.67% pa  
Motor vehicles - 25% pa  
Plant & machinery - varying rates between 6.67% and 33.3% pa

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted accordingly if there is indication of significant change.

**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.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019.

2. **ACCOUNTING POLICIES - continued**

**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 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.

**Deferred tax**

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.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

4. **EMPLOYEES AND DIRECTORS**

	31.12.19	31.12.18
	£	£
Wages and salaries	5,860,368	5,914,481
Social security costs	567,241	531,118
Other pension costs	221,431	238,856
	<u>6,649,040</u>	<u>6,684,455</u>

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

	31.12.19	31.12.18
Administration	41	42
Manufacturing	187	184
Distribution	6	6
	<u>234</u>	<u>232</u>

	31.12.19	31.12.18
	£	£
Directors' remuneration	605,203	673,896
Directors' pension contributions to money purchase schemes	<u>131,102</u>	<u>150,596</u>

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

	6	5
Money purchase schemes	<u>6</u>	<u>5</u>

Information regarding the highest paid director is as follows:

	31.12.19	31.12.18
	£	£
Emoluments etc	<u>157,614</u>	<u>164,457</u>

5. **OPERATING PROFIT**

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

	31.12.19	31.12.18
	£	£
Other operating leases	188,590	186,148
Depreciation - owned assets	902,443	790,492
Profit on disposal of fixed assets	(83,559)	(22,076)
Auditors' remuneration	15,000	15,000
Foreign exchange differences	<u>10,538</u>	<u>(174,924)</u>

6. **EXCEPTIONAL ITEM**

	31.12.19	31.12.18
	£	£
Forward foreign exchange contract profit/loss	<u>-</u>	<u>(181,096)</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.19	31.12.18
	£	£
Bank interest	588	-
Bank loan interest	-	3,544
Hire purchase interest	-	625
	<u>588</u>	<u>4,169</u>

8. **TAXATION**

**Analysis of the tax charge**

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

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	172,349	333,780
Deferred tax	119,301	(15,746)
Tax on profit	<u>291,650</u>	<u>318,034</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:

	31.12.19	31.12.18
	£	£
Profit before tax	<u>1,294,995</u>	<u>1,544,905</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	246,049	293,532
Effects of:		
Expenses not deductible for tax purposes	37,479	14,892
Capital allowances in excess of depreciation	(111,179)	-
Depreciation in excess of capital allowances	-	25,356
Deferred tax	119,301	(15,746)
Total tax charge	<u>291,650</u>	<u>318,034</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.

10. **DIVIDENDS**

	31.12.19	31.12.18
	£	£
Ordinary shares of £1 each		
Interim	<u>100,000</u>	<u>100,000</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

11. **PENSION SCHEME**

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £221,431 (2018 - £238,856). There were no outstanding or prepaid contributions at the year end.

12. **TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Short leasehold £	Plant and machinery £	Totals £
<b>COST</b>				
At 1 January 2019	5,686,946	193,600	11,863,850	17,744,396
Additions	35,010	-	1,322,292	1,357,302
Disposals	-	-	(664,688)	(664,688)
At 31 December 2019	5,721,956	193,600	12,521,454	18,437,010
<b>DEPRECIATION</b>				
At 1 January 2019	481,190	17,209	7,927,385	8,425,784
Charge for year	114,089	12,907	775,447	902,443
Eliminated on disposal	-	-	(637,270)	(637,270)
At 31 December 2019	595,279	30,116	8,065,562	8,690,957
<b>NET BOOK VALUE</b>				
At 31 December 2019	5,126,677	163,484	4,455,892	9,746,053
At 31 December 2018	5,205,756	176,391	3,936,465	9,318,612

The net book value of tangible fixed assets at 31 December 2019 includes £30,825 in respect of assets held under hire purchase contracts. Depreciation of £16,082 was charged on those assets.

13. **FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2019 and 31 December 2019	63,536
<b>NET BOOK VALUE</b>	
At 31 December 2019	63,536
At 31 December 2018	63,536

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

**13. 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: Netherfield Mills, Guiseley, Leeds, West Yorkshire, LS20 9PA

Nature of business: Luxury woollen fabric manufacturing

	%
Class of shares:	holding
Ordinary	100.00

**Tempest Bailey Limited**

Registered office: Netherfield Mills, Guiseley, Leeds, West Yorkshire, LS20 9PA

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 2019. Accordingly Tempest Bailey Limited has claimed exemption from audit under Section 479a for its year ended 31 December 2019.

**Abraham Moon (1837) Inc**

Registered office: 2544 Weddington Avenue, Apt 2447, Charlotte NC 28204, USA

Nature of business: Auxiliary activities

	%
Class of shares:	holding
Ordinary	100.00

**14. STOCKS**

	<b>Group</b>	
	31.12.19	31.12.18
	£	£
Raw materials	5,368,286	3,621,553
Stores	70,886	78,035
Work-in-progress	770,920	832,256
Finished goods	6,474,669	6,559,205
	<u>12,684,761</u>	<u>11,091,049</u>

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

	<b>Group</b>	<b>Company</b>	
	31.12.19	31.12.18	31.12.19
	£	£	£
Trade debtors	1,546,179	1,643,317	-
Amounts owed by group undertakings	-	-	3,488,450
Other debtors	59,869	1,332	-
Prepayments and accrued income	370,670	394,048	-
	<u>1,976,718</u>	<u>2,038,697</u>	<u>3,488,450</u>
			<u>3,513,450</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

16. CURRENT ASSET INVESTMENTS

	Group	
	31.12.19	31.12.18
	£	£
Other	1	1

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Other loans (see note 19)	75,000	50,000	75,000	50,000
Hire purchase contracts (see note 20)	5,718	5,718	-	-
Trade creditors	1,912,254	1,620,354	-	-
Tax	167,731	73,453	-	-
Social security and other taxes	120,381	141,384	-	-
VAT	162,973	89,538	-	-
Other creditors	265,616	319,611	-	-
Accruals and deferred income	919,642	1,133,910	-	-
	<u>3,629,315</u>	<u>3,433,968</u>	<u>75,000</u>	<u>50,000</u>

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

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Other loans (see note 19)	449,509	499,509	449,509	499,509
Hire purchase contracts (see note 20)	32,175	37,894	-	-
	<u>481,684</u>	<u>537,403</u>	<u>449,509</u>	<u>499,509</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

19. **LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Amounts falling due within one year or on demand:				
Loan notes	<u>75,000</u>	<u>50,000</u>	<u>75,000</u>	<u>50,000</u>
Amounts falling due between one and two years:				
Loan notes	<u>33,116</u>	<u>50,000</u>	<u>33,116</u>	<u>50,000</u>
Amounts falling due between two and five years:				
Loan notes	<u>-</u>	<u>33,116</u>	<u>-</u>	<u>33,116</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Loan notes	<u>416,393</u>	<u>416,393</u>	<u>416,393</u>	<u>416,393</u>

20. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	31.12.19	31.12.18
	£	£
Net obligations repayable:		
Within one year	5,718	5,718
Between one and five years	<u>32,175</u>	<u>37,894</u>
	<u>37,893</u>	<u>43,612</u>

**Group**

	<b>Non-cancellable operating leases</b>	
	31.12.19	31.12.18
	£	£
Within one year	116,823	116,823
Between one and five years	268,588	328,479
In more than five years	<u>461,290</u>	<u>520,623</u>
	<u>846,701</u>	<u>965,925</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

21. SECURED DEBTS

The following secured debts are included within creditors:

	<b>Group</b>	
	31.12.19	31.12.18
	£	£
Hire purchase contracts	37,893	43,612

22. PROVISIONS FOR LIABILITIES

	<b>Group</b>	
	31.12.19	31.12.18
	£	£
Deferred tax	458,447	339,146

**Group**

	Deferred tax £
Balance at 1 January 2019	339,146
Provided during year	119,301
Balance at 31 December 2019	458,447

There is likely to be a reversal of the deferred tax provision in 2020 due to the limited level of capital expenditure.

23. ACCRUALS AND DEFERRED INCOME

	<b>Group</b>	
	31.12.19	31.12.18
	£	£
Deferred government grants	197,500	220,000

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.12.19	31.12.18
Number:	Class:		£	£
37,184	Ordinary	£1	37,184	37,184

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

25. RESERVES

**Group**

	Retained earnings £	Share premium £	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2019	4,916,590	2,992,225	34,004	14,137,619	22,080,438
Profit for the year	1,003,345				1,003,345
Dividends	(100,000)				(100,000)
At 31 December 2019	<u>5,819,935</u>	<u>2,992,225</u>	<u>34,004</u>	<u>14,137,619</u>	<u>22,983,783</u>

**Company**

	Retained earnings £	Share premium £	Totals £
At 1 January 2019	(1,932)	2,992,225	2,990,293
Profit for the year	100,000		100,000
Dividends	(100,000)		(100,000)
At 31 December 2019	<u>(1,932)</u>	<u>2,992,225</u>	<u>2,990,293</u>

26. RELATED PARTY DISCLOSURES

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

	31.12.19 £	31.12.18 £
Dividends paid	<u>40,485</u>	<u>40,845</u>

27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J P T Walsh.