

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

Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 December 2020  
for  
Abraham Moon Holdings Limited



Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2020

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Consolidated Profit and loss account	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Cash Flow Statement	12
Notes to the Consolidated Cash Flow Statement	13
Notes to the Consolidated Financial Statements	15

Abraham Moon Holdings Limited

Company Information  
for the Year Ended 31 December 2020

**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 2020

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

As mentioned in last year's Strategic Report, the Group has been affected by the worldwide pandemic of Covid-19 from March 2020. Sales fell by 28% to £16m and Profit Before Tax reduced by 91% to £120k. The Group borrowed £2m under the Government's Coronavirus Business Interruption Loan Scheme (CBILS) in order to fully protect the business and the Group deferred a large number of Capital Expenditure items. Stock fell by 11% to £11.3m whilst the Group continued to invest in 'stock supported' ranges in order to meet demand quickly. Cash on hand increased by £3.0m, mainly due to the receipt of the CBILS loan of £2m. Unfortunately the Group had to make 57 employees redundant in October 2020 as the structure of the business was realigned to the new market environment.

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

	2020	2019
	£000	£000
Total sales	16,473	23,008
Profit before tax	120	1,295
Increase in cash & cash equivalents	3,023	(819)
Stocks	11,327	12,684

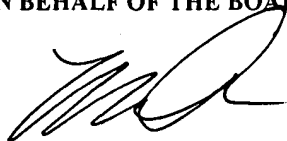
**PRINCIPAL RISKS AND UNCERTAINTIES**

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**

Market conditions have stabilised from the lows of March to June 2020 and the Group is now expecting growth in the majority of its business segments. Capital Expenditure that was deferred last year will now take place in the current year. This will help to modernise the warping and weaving equipment and keep the Group at the forefront of quality product developments. The Group has new product ranges coming out in its main business segments and is using technology to show these developments and to keep in touch with its worldwide customer base. 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

30 June 2021

Report of the Directors  
for the Year Ended 31 December 2020

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

The company did not declare any dividends in 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 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

30 June 2021

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 2020 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 2020 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that most significant are those that relate to the financial reporting framework, namely FRS102 and the Companies Act 2006.

We understood how the group is complying with those frameworks by making enquiries of management as to their procedures for identifying and responding to fraud risks.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We considered the controls the group has established to address risk identified by management, or that otherwise seek to prevent, detect or deter fraud and how management monitor those controls.

Based on our understanding, we designed audit procedures to identify non-compliance with laws and regulations. Our procedures included journal entry testing based on our risk assessment, analytical procedures to identify unusual relationships that may indicate the risk of material misstatement and challenging the assumptions and judgements made by management in respect of significant accounting estimates.

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.

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

**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

A handwritten signature in black ink, appearing to be 'P. Queripel', with a long, wavy horizontal line extending to the right.

30 June 2021

Queripel & Kettlewell Limited, Statutory Auditors



Abraham Moon Holdings Limited (Registered number: 05573731)

Consolidated Profit and loss account  
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
<b>TURNOVER</b>	3	16,472,993	23,008,148
Cost of sales		10,536,398	13,563,646
<b>GROSS PROFIT</b>		5,936,595	9,444,502
Administrative expenses		6,820,860	8,273,482
		(884,265)	1,171,020
Other operating income	4	1,243,013	94,969
<b>OPERATING PROFIT</b>	6	358,748	1,265,989
Redundancy costs	7	(425,280)	-
Forward foreign exchange contract profit/loss	7	178,316	-
		111,784	1,265,989
Interest receivable and similar income		9,405	29,594
		121,189	1,295,583
Interest payable and similar expenses	8	625	588
<b>PROFIT BEFORE TAXATION</b>		120,564	1,294,995
Tax on profit	9	(114,744)	291,650
<b>PROFIT FOR THE FINANCIAL YEAR</b>		235,308	1,003,345
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		235,308	1,003,345
Profit attributable to: Owners of the parent		235,308	1,003,345
Total comprehensive income attributable to: Owners of the parent		235,308	1,003,345

The notes form part of these financial statements

Consolidated Balance Sheet  
31 December 2020

	Notes	31.12.20 £	31.12.19 £
<b>FIXED ASSETS</b>			
Tangible assets	13	9,005,313	9,746,053
Investments	14	-	-
		<u>9,005,313</u>	<u>9,746,053</u>
<b>CURRENT ASSETS</b>			
Stocks	15	11,327,493	12,684,761
Debtors	16	1,920,749	1,976,718
Investments	17	1	1
Cash at bank		6,403,632	3,380,380
		<u>19,651,875</u>	<u>18,041,860</u>
<b>CREDITORS</b>			
Amounts falling due within one year	18	4,402,670	3,629,315
<b>NET CURRENT ASSETS</b>		<u>15,249,205</u>	<u>14,412,545</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>24,254,518</u>	<u>24,158,598</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(416,393)	(481,684)
<b>PROVISIONS FOR LIABILITIES</b>	23	(406,850)	(458,447)
<b>ACCRUALS AND DEFERRED INCOME</b>	24	(175,000)	(197,500)
<b>NET ASSETS</b>		<u><u>23,256,275</u></u>	<u><u>23,020,967</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	25	37,184	37,184
Share premium	26	2,992,225	2,992,225
Capital redemption reserve	26	34,004	34,004
Other reserves	26	14,137,619	14,137,619
Retained earnings	26	6,055,243	5,819,935
<b>SHAREHOLDERS' FUNDS</b>		<u><u>23,256,275</u></u>	<u><u>23,020,967</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2021 and were signed on its behalf by:



J P T Walsh - Director

Abraham Moon Holdings Limited (Registered number: 05573731)

Company Balance Sheet  
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
<b>FIXED ASSETS</b>					
Tangible assets	13		-		-
Investments	14		63,536		63,536
			<u>63,536</u>		<u>63,536</u>
<b>CURRENT ASSETS</b>					
Debtors	16	3,413,450		3,488,450	
<b>CREDITORS</b>					
Amounts falling due within one year	18	<u>33,116</u>		<u>75,000</u>	
<b>NET CURRENT ASSETS</b>			<u>3,380,334</u>		<u>3,413,450</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,443,870</u>		<u>3,476,986</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	19		<u>416,393</u>		<u>449,509</u>
<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	25		37,184		37,184
Share premium	26		2,992,225		2,992,225
Retained earnings	26		<u>(1,932)</u>		<u>(1,932)</u>
<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>-</u>		<u>100,000</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2021 and were signed on its behalf by:



J P T Walsh - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 January 2019</b>	37,184	4,916,590	2,992,225
<b>Changes in equity</b>			
Dividends	-	(100,000)	-
Total comprehensive income	-	1,003,345	-
<b>Balance at 31 December 2019</b>	37,184	5,819,935	2,992,225
<b>Changes in equity</b>			
Total comprehensive income	-	235,308	-
<b>Balance at 31 December 2020</b>	37,184	6,055,243	2,992,225
	Capital redemption reserve £	Other reserves £	Total equity £
<b>Balance at 1 January 2019</b>	34,004	14,137,619	22,117,622
<b>Changes in equity</b>			
Dividends	-	-	(100,000)
Total comprehensive income	-	-	1,003,345
<b>Balance at 31 December 2019</b>	34,004	14,137,619	23,020,967
<b>Changes in equity</b>			
Total comprehensive income	-	-	235,308
<b>Balance at 31 December 2020</b>	34,004	14,137,619	23,256,275

Company Statement of Changes in Equity  
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 January 2019</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 2019</b>	<u>37,184</u>	<u>(1,932)</u>	<u>2,992,225</u>	<u>3,027,477</u>
<b>Changes in equity</b>				
<b>Balance at 31 December 2020</b>	<u><u>37,184</u></u>	<u><u>(1,932)</u></u>	<u><u>2,992,225</u></u>	<u><u>3,027,477</u></u>

Consolidated Cash Flow Statement  
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,260,204	584,209
Interest paid		(625)	(588)
Tax paid		(19,425)	(78,071)
Net cash from operating activities		<u>1,240,154</u>	<u>505,550</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(208,374)	(1,357,302)
Sale of tangible fixed assets		40,285	110,977
Interest received		9,405	29,594
Net cash from investing activities		<u>(158,684)</u>	<u>(1,216,731)</u>
<b>Cash flows from financing activities</b>			
New loans in		2,000,000	-
Loan repayments in year		(52,500)	(2,500)
Capital repayments in year		(5,718)	(5,719)
Equity dividends paid		-	(100,000)
Net cash from financing activities		<u>1,941,782</u>	<u>(108,219)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>3,023,252</u>	<u>(819,400)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>3,380,380</u>	<u>4,199,780</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>6,403,632</u></u>	<u><u>3,380,380</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2020

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

	31.12.20	31.12.19
	£	£
Profit before taxation	120,564	1,294,995
Depreciation charges	931,014	902,443
Profit on disposal of fixed assets	(22,185)	(83,559)
Government grants	(22,500)	(22,500)
Finance costs	625	588
Finance income	(9,405)	(29,594)
	<hr/>	<hr/>
	998,113	2,062,373
Decrease/(increase) in stocks	1,357,268	(1,593,712)
Decrease in trade and other debtors	55,969	61,979
(Decrease)/increase in trade and other creditors	(1,151,146)	53,569
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>1,260,204</b>	<b>584,209</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 2020**

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	6,403,632	3,380,380
	<hr/>	<hr/>

**Year ended 31 December 2019**

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

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2020

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
<b>Net cash</b>			
Cash at bank	3,380,380	3,023,252	6,403,632
	<u>3,380,380</u>	<u>3,023,252</u>	<u>6,403,632</u>
 <b>Liquid resources</b>			
Current asset investments	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
 <b>Debt</b>			
Finance leases	(37,893)	5,718	(32,175)
Debts falling due within 1 year	(75,000)	(1,958,116)	(2,033,116)
Debts falling due after 1 year	(449,509)	33,116	(416,393)
	<u>(562,402)</u>	<u>(1,919,282)</u>	<u>(2,481,684)</u>
 <b>Total</b>	<u>2,817,979</u>	<u>1,103,970</u>	<u>3,921,949</u>



Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2020

**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 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. 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.

**Government grants**

Government grants received under the Coronavirus Job Retention Scheme have been credited to the profit and loss account for the accounting period they relate to.

**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 2020

**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.

**4. OTHER OPERATING INCOME**

Other operating income includes £1,031,098 of payments under the Government's Coronavirus Job Retention Scheme.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

5. EMPLOYEES AND DIRECTORS

	31.12.20	31.12.19
	£	£
Wages and salaries	5,360,697	5,860,368
Social security costs	505,017	567,241
Other pension costs	220,210	221,431
	<u>6,085,924</u>	<u>6,649,040</u>

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

	31.12.20	31.12.19
Administration	36	41
Manufacturing	179	187
Distribution	6	6
	<u>221</u>	<u>234</u>

	31.12.20	31.12.19
	£	£
Directors' remuneration	530,877	605,203
Directors' pension contributions to money purchase schemes	<u>78,682</u>	<u>131,102</u>

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

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

Information regarding the highest paid director is as follows:

	31.12.20	31.12.19
	£	£
Emoluments etc	<u>131,762</u>	<u>157,614</u>

6. OPERATING PROFIT

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

	31.12.20	31.12.19
	£	£
Other operating leases	189,342	188,590
Depreciation - owned assets	931,014	902,443
Profit on disposal of fixed assets	(22,185)	(83,559)
Auditors' remuneration	15,000	15,000
Foreign exchange differences	<u>(94,639)</u>	<u>10,538</u>

7. EXCEPTIONAL ITEMS

	31.12.20	31.12.19
	£	£
Redundancy costs	(425,280)	-
Forward foreign exchange contract profit/loss	<u>178,316</u>	<u>-</u>
	<u>(246,964)</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

The Group considers the following items to be of an exceptional nature due to their size.

The Group enters into forward foreign exchange contracts which are revalued at each year end. The unrealised profit arising from the 2020 revaluation was £178,316.

In response to the difficult trading conditions arising from Covid-19, the Group made the difficult decision to make 57 employees redundant. The total cost was £425,280.

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.20	31.12.19
	£	£
Bank interest	625	588
	<u>        </u>	<u>        </u>

**9. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	31.12.20	31.12.19
	£	£
Current tax:		
UK corporation tax	(63,147)	172,349
Deferred tax	(51,597)	119,301
Tax on profit	<u>(114,744)</u>	<u>291,650</u>

**Reconciliation of total tax (credit)/charge included in profit and loss**

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

	31.12.20	31.12.19
	£	£
Profit before tax	120,564	1,294,995
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	22,907	246,049
Effects of:		
Expenses not deductible for tax purposes	5,453	37,479
Capital allowances in excess of depreciation	-	(111,179)
Depreciation in excess of capital allowances	75,799	-
Adjustments to tax charge in respect of previous periods	(148,306)	-
Prior year expenses now deductible	(19,000)	-
Deferred tax	(51,597)	119,301
Total tax (credit)/charge	<u>(114,744)</u>	<u>291,650</u>

**10. 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 2020

11. DIVIDENDS

	31.12.20 £	31.12.19 £
Ordinary shares of £1 each		
Interim	-	100,000

12. 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 £220,210 (2019 - £221,431). There were no outstanding or prepaid contributions at the year end.

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £	Totals £
<b>COST</b>				
At 1 January 2020	5,721,956	193,600	12,521,454	18,437,010
Additions	1,661	-	206,713	208,374
Disposals	-	-	(80,016)	(80,016)
At 31 December 2020	5,723,617	193,600	12,648,151	18,565,368
<b>DEPRECIATION</b>				
At 1 January 2020	595,279	30,116	8,065,562	8,690,957
Charge for year	114,472	12,907	803,635	931,014
Eliminated on disposal	-	-	(61,916)	(61,916)
At 31 December 2020	709,751	43,023	8,807,281	9,560,055
<b>NET BOOK VALUE</b>				
At 31 December 2020	5,013,866	150,577	3,840,870	9,005,313
At 31 December 2019	5,126,677	163,484	4,455,892	9,746,053

The net book value of tangible fixed assets at 31 December 2020 includes £14,742 in respect of assets held under hire purchase contracts. Depreciation of £16,083 was charged on those assets.

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	63,536
<b>NET BOOK VALUE</b>	
At 31 December 2020	63,536
At 31 December 2019	63,536

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

14. 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

15. STOCKS

	Group	
	31.12.20	31.12.19
	£	£
Raw materials	4,677,378	5,368,286
Stores	77,849	70,886
Work-in-progress	586,855	770,920
Finished goods	5,985,411	6,474,669
	<u>11,327,493</u>	<u>12,684,761</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Trade debtors	1,298,613	1,546,179	-	-
Amounts owed by group undertakings	-	-	3,413,450	3,488,450
Other debtors	252,717	59,869	-	-
Prepayments and accrued income	369,419	370,670	-	-
	<u>1,920,749</u>	<u>1,976,718</u>	<u>3,413,450</u>	<u>3,488,450</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

17. **CURRENT ASSET INVESTMENTS**

	<b>Group</b>	
	31.12.20	31.12.19
	£	£
Other	1	1

18. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Bank loans and overdrafts (see note 20)	2,000,000	-	-	-
Other loans (see note 20)	33,116	75,000	33,116	75,000
Hire purchase contracts (see note 21)	32,175	5,718	-	-
Trade creditors	1,186,835	1,912,254	-	-
Tax	85,159	167,731	-	-
Social security and other taxes	108,224	120,381	-	-
VAT	143,835	162,973	-	-
Other creditors	251,252	265,616	-	-
Accruals and deferred income	562,074	919,642	-	-
	<u>4,402,670</u>	<u>3,629,315</u>	<u>33,116</u>	<u>75,000</u>

19. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Other loans (see note 20)	416,393	449,509	416,393	449,509
Hire purchase contracts (see note 21)	-	32,175	-	-
	<u>416,393</u>	<u>481,684</u>	<u>416,393</u>	<u>449,509</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	2,000,000	-	-	-
Loan notes	33,116	75,000	33,116	75,000
	<u>2,033,116</u>	<u>75,000</u>	<u>33,116</u>	<u>75,000</u>
Amounts falling due between one and two years:				
Loan notes	-	33,116	-	33,116
	<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	416,393	416,393	416,393	416,393
	<u>416,393</u>	<u>416,393</u>	<u>416,393</u>	<u>416,393</u>

The Group took a loan under the Coronavirus Business Interruption Scheme. The loan will be repaid on the first anniversary of its receipt, before any interest is charged.

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.12.20	31.12.19
	£	£
Net obligations repayable:		
Within one year	32,175	5,718
Between one and five years	-	32,175
	<u>32,175</u>	<u>37,893</u>

Group

	Non-cancellable operating leases	
	31.12.20	31.12.19
	£	£
Within one year	85,385	116,823
Between one and five years	242,536	268,588
In more than five years	401,957	461,290
	<u>729,878</u>	<u>846,701</u>



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31.12.20	31.12.19
	£	£
Bank loans	2,000,000	-
Hire purchase contracts	32,175	37,893
	<u>2,032,175</u>	<u>37,893</u>

23. PROVISIONS FOR LIABILITIES

	Group	
	31.12.20	31.12.19
	£	£
Deferred tax	<u>406,850</u>	<u>458,447</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 January 2020		458,447
Credit to Profit and loss account during year		(51,597)
Balance at 31 December 2020		<u>406,850</u>

There is unlikely to be a reversal of the deferred tax provision in 2021 due to the level of capital expenditure.

24. ACCRUALS AND DEFERRED INCOME

	Group	
	31.12.20	31.12.19
	£	£
Deferred government grants	<u>175,000</u>	<u>197,500</u>

25. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			Group	
Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
37,184	Ordinary	£1	<u>37,184</u>	<u>37,184</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

26. RESERVES

**Group**

	Retained earnings £	Share premium £	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2020	5,819,935	2,992,225	34,004	14,137,619	22,983,783
Profit for the year	235,308				235,308
At 31 December 2020	<u>6,055,243</u>	<u>2,992,225</u>	<u>34,004</u>	<u>14,137,619</u>	<u>23,219,091</u>

**Company**

	Retained earnings £	Share premium £	Totals £
At 1 January 2020	(1,932)	2,992,225	2,990,293
Profit for the year	-		-
At 31 December 2020	<u>(1,932)</u>	<u>2,992,225</u>	<u>2,990,293</u>

27. RELATED PARTY DISCLOSURES

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

	31.12.20 £	31.12.19 £
Dividends paid	-	40,485

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J P T Walsh.