

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2013
for
Abraham Moon & Sons Limited



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for the Year Ended 31 December 2013

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Abraham Moon & Sons Limited

Company Information
for the Year Ended 31 December 2013

DIRECTORS:

J P T Walsh
A J P Walsh
G G Lockwood
M Aveyard
K Cockerham
J Pickles

SECRETARY:

G G Lockwood

REGISTERED OFFICE:

Netherfield Mills
Netherfield Road
Guiseley
Leeds
West Yorkshire
LS20 9PA

REGISTERED NUMBER:

00163364 (England and Wales)

AUDITORS:

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

Strategic Report
for the Year Ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

REVIEW OF BUSINESS

A year of mixed outcomes to report. On a positive note, overall turnover increased by 12.5% and across all divisions sales remain strong. Gross profit fell as a result of the in-house capacity being reached and the consequent increased production was taken up by relatively costly outwork. Operating profit fell as costs of utilities and services increased. The company benefitted from the reduction in the rate of corporation tax from 24% to 23% from April 2013. During the year under review the company extended its premises substantially.

PRINCIPAL RISKS AND UNCERTAINTIES

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

FUTURE DEVELOPMENTS

The outlook remains extremely positive as demand for quality British textiles remains strong and the industry is experiencing re-shoring of textile production. A continuous investment programme is scheduled for the current year and the foreseeable future.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'J P T Walsh', written in a cursive style.

J P T Walsh - Director

22 October 2014

Report of the Directors
for the Year Ended 31 December 2013

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

J P T Walsh
A J P Walsh
G G Lockwood
M Aveyard
K Cockerham
J Pickles

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

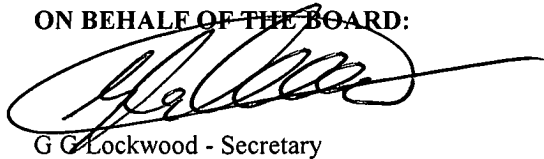
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 company'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 company'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:



G G Lockwood - Secretary

22 October 2014

Report of the Independent Auditors to the Members of
Abraham Moon & Sons Limited

We have audited the financial statements of Abraham Moon & Sons Limited for the year ended 31 December 2013 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 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 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 company's affairs as at 31 December 2013 and of its 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

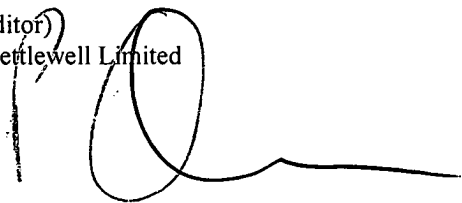
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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



22 October 2014

Profit and Loss Account
for the Year Ended 31 December 2013

	Notes	31.12.13 £	31.12.12 £
TURNOVER	2	19,202,438	17,026,059
Cost of sales		10,980,441	8,535,175
GROSS PROFIT		8,221,997	8,490,884
Administrative expenses		6,802,750	6,781,072
		1,419,247	1,709,812
Other operating income		177,408	120,878
OPERATING PROFIT	4	1,596,655	1,830,690
Interest receivable and similar income		8	57,837
		1,596,663	1,888,527
Interest payable and similar charges	5	72,008	71,295
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,524,655	1,817,232
Tax on profit on ordinary activities	6	336,656	438,858
PROFIT FOR THE FINANCIAL YEAR		1,187,999	1,378,374

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

Balance Sheet

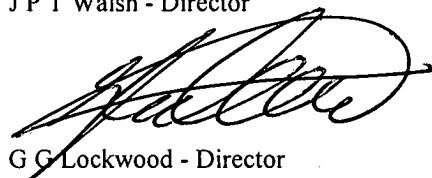
31 December 2013

	Notes	31.12.13 £	31.12.12 £
FIXED ASSETS			
Tangible assets	8	5,129,956	2,230,812
CURRENT ASSETS			
Stocks	9	9,338,512	7,190,040
Debtors	10	2,163,997	2,956,499
Cash at bank		-	2,907,688
		11,502,509	13,054,227
CREDITORS			
Amounts falling due within one year	11	5,887,864	5,752,482
NET CURRENT ASSETS		5,614,645	7,301,745
TOTAL ASSETS LESS CURRENT LIABILITIES		10,744,601	9,532,557
CREDITORS			
Amounts falling due after more than one year	12	-	(16,662)
PROVISIONS FOR LIABILITIES	15	(349,824)	(309,117)
NET ASSETS		10,394,777	9,206,778
CAPITAL AND RESERVES			
Called up share capital	16	31,768	31,768
Capital redemption reserve	17	34,004	34,004
General reserve	17	10,328,755	9,140,755
Profit and loss account	17	250	251
SHAREHOLDERS' FUNDS	21	10,394,777	9,206,778

The financial statements were approved by the Board of Directors on 22 October 2014 and were signed on its behalf by:



J P T Walsh - Director



G G Lockwood - Director

Cash Flow Statement
for the Year Ended 31 December 2013

	Notes	31.12.13 £	£	31.12.12 £	£
Net cash inflow from operating activities	1		592,173		2,772,469
Returns on investments and servicing of finance	2		(72,000)		(13,458)
Taxation			(503,315)		(436,417)
Capital expenditure	2		(3,173,257)		(280,100)
			(3,156,399)		2,042,494
Financing	2		(42,945)		(10,493)
(Decrease)/increase in cash in the period			(3,199,344)		2,032,001
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/increase in cash in the period		(3,199,344)		2,032,001	
Cash outflow from decrease in debt and lease financing		42,945		43,817	
Change in net funds resulting from cash flows			(3,156,399)		2,075,818
Movement in net funds in the period			(3,156,399)		2,075,818
Net funds at 1 January			2,847,039		771,221
Net (debt)/funds at 31 December			(309,360)		2,847,039

Notes to the Cash Flow Statement
for the Year Ended 31 December 2013

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.12.13	31.12.12
	£	£
Operating profit	1,596,655	1,830,690
Depreciation charges	313,123	372,987
Profit on disposal of fixed assets	(39,010)	(1,721)
Increase in stocks	(2,148,472)	(414,590)
Decrease in debtors	792,502	698,224
Increase in creditors	77,375	286,879
Net cash inflow from operating activities	592,173	2,772,469

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.12.13	31.12.12
	£	£
Returns on investments and servicing of finance		
Interest received	8	57,837
Interest paid	(72,008)	(71,295)
Net cash outflow for returns on investments and servicing of finance	(72,000)	(13,458)
Capital expenditure		
Purchase of tangible fixed assets	(3,298,350)	(328,608)
Sale of tangible fixed assets	125,093	48,508
Net cash outflow for capital expenditure	(3,173,257)	(280,100)
Financing		
Loan repayments in year	(32,282)	-
Capital repayments in year	(10,663)	(10,493)
Net cash outflow from financing	(42,945)	(10,493)

Notes to the Cash Flow Statement
for the Year Ended 31 December 2013

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank	2,907,688	(2,907,688)	-
Bank overdraft	-	(291,656)	(291,656)
	<u>2,907,688</u>	<u>(3,199,344)</u>	<u>(291,656)</u>
Debt:			
Hire purchase	(10,663)	10,663	-
Debts falling due within one year	(33,324)	15,620	(17,704)
Debts falling due after one year	(16,662)	16,662	-
	<u>(60,649)</u>	<u>42,945</u>	<u>(17,704)</u>
Total	<u>2,847,039</u>	<u>(3,156,399)</u>	<u>(309,360)</u>

Notes to the Financial Statements
for the Year Ended 31 December 2013

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

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

Tangible fixed assets

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. It is calculated at the following rates :

Freehold property - 2% pa.

Leasehold property - 6% pa

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

Motor vehicles - 25% pa

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

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

Foreign currencies

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

2. **TURNOVER**

Turnover is wholly attributable to the principal activity of the company.

The analysis of turnover by geographical market required by 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 company.

3. **STAFF COSTS**

	31.12.13	31.12.12
	£	£
Wages and salaries	4,426,377	4,377,426
Social security costs	438,203	456,549
Other pension costs	201,258	198,078
	<u>5,065,838</u>	<u>5,032,053</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

3. **STAFF COSTS - continued**

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

	31.12.13	31.12.12
Administration	13	12
Manufacturing	186	175
Distribution	3	3
	<u>202</u>	<u>190</u>

4. **OPERATING PROFIT**

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

	31.12.13	31.12.12
	£	£
Other operating leases	318,798	295,976
Depreciation - owned assets	313,123	383,731
Profit on disposal of fixed assets	(39,010)	(1,721)
Auditors' remuneration	10,000	9,000
Foreign exchange differences	(33,408)	(120,878)
	<u>518,598</u>	<u>458,415</u>
Directors' remuneration	57,256	109,104
Directors' pension contributions to money purchase schemes	<u>57,256</u>	<u>109,104</u>

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

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

	31.12.13	31.12.12
	£	£
Emoluments etc	158,926	92,042
Pension contributions to money purchase schemes	-	25,000
	<u>-</u>	<u>25,000</u>

5. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.13	31.12.12
	£	£
Bank interest	261	256
Interest on late paid tax	6,362	-
Loan	65,385	71,039
	<u>72,008</u>	<u>71,295</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

6. **TAXATION**

Analysis of the tax charge

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

	31.12.13 £	31.12.12 £
Current tax:		
UK corporation tax	295,949	503,459
Deferred tax	40,707	(64,601)
Tax on profit on ordinary activities	<u>336,656</u>	<u>438,858</u>

Factors affecting the tax charge

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

	31.12.13 £	31.12.12 £
Profit on ordinary activities before tax	<u>1,524,655</u>	<u>1,817,232</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.246% (2012 - 24.497%)	354,421	445,167
Effects of:		
Expenses not deductible for tax purposes	2,089	23,605
Capital allowances in excess of depreciation	(60,561)	-
Depreciation in excess of capital allowances	-	34,687
Current tax charge	<u>295,949</u>	<u>503,459</u>

7. **PENSIONS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £201,258 (2012 - £198,078). There were no outstanding or prepaid contributions at the year end.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

8. **TANGIBLE FIXED ASSETS**

	Freehold property £	Short leasehold £	Plant and machinery £	Totals £
COST				
At 1 January 2013	-	72,998	8,856,053	8,929,051
Additions	2,198,542	-	1,099,808	3,298,350
Disposals	-	-	(335,327)	(335,327)
At 31 December 2013	2,198,542	72,998	9,620,534	11,892,074
DEPRECIATION				
At 1 January 2013	-	19,284	6,678,955	6,698,239
Charge for year	-	3,581	309,542	313,123
Eliminated on disposal	-	-	(249,244)	(249,244)
At 31 December 2013	-	22,865	6,739,253	6,762,118
NET BOOK VALUE				
At 31 December 2013	2,198,542	50,133	2,881,281	5,129,956
At 31 December 2012	-	53,714	2,177,098	2,230,812

9. **STOCKS**

	31.12.13 £	31.12.12 £
Raw materials	4,051,340	3,286,489
Stores	78,078	70,089
Work-in-progress	716,805	843,102
Finished goods	4,492,289	2,990,360
	9,338,512	7,190,040

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

	31.12.13 £	31.12.12 £
Trade debtors	1,874,017	1,620,400
Other debtors	138,415	438,465
Prepayments and accrued income	151,565	897,634
	2,163,997	2,956,499

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.13	31.12.12
	£	£
Bank loans and overdrafts (see note 13)	291,656	-
Other loans (see note 13)	17,704	33,324
Hire purchase contracts (see note 14)	-	10,663
Trade creditors	784,683	1,481,347
Tax	295,949	503,315
Social security and other taxes	112,158	138,315
VAT	214,217	218,325
Other creditors	7,240	49,396
Associated company	2,232,364	2,102,741
Accruals and deferred income	1,931,893	1,215,056
	<u>5,887,864</u>	<u>5,752,482</u>

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

	31.12.13	31.12.12
	£	£
Other loans (see note 13)	<u>-</u>	<u>16,662</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31.12.13	31.12.12
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	291,656	-
Other loans	17,704	33,324
	<u>309,360</u>	<u>33,324</u>
Amounts falling due between one and two years:		
Other loans	<u>-</u>	<u>16,662</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31.12.13	31.12.12
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>10,663</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	31.12.13	31.12.12
	£	£
Expiring:		
In more than five years	<u>250,000</u>	<u>250,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

15. PROVISIONS FOR LIABILITIES

	31.12.13	31.12.12
	£	£
Deferred tax	<u>349,824</u>	<u>309,117</u>
		Deferred tax
		£
Balance at 1 January 2013		309,117
Increase in provision		<u>40,707</u>
Balance at 31 December 2013		<u>349,824</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.13	31.12.12
			£	£
31,768	Ordinary	£1	<u>31,768</u>	<u>31,768</u>

17. RESERVES

	Profit and loss account	Capital redemption reserve	General reserve	Totals
	£	£	£	£
At 1 January 2013	251	34,004	9,140,755	9,175,010
Profit for the year	1,187,999			1,187,999
Transfer	(1,188,000)	-	1,188,000	-
At 31 December 2013	<u>250</u>	<u>34,004</u>	<u>10,328,755</u>	<u>10,363,009</u>

18. CAPITAL COMMITMENTS

	31.12.13	31.12.12
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>2,100,000</u>

19. RELATED PARTY DISCLOSURES

Tempest Bailey Limited
Company under common control

During the year the company paid annual rent to Tempest Bailey Limited of £250,000, paid loan interest of £63,230 and received an annual management charge of £144,000.

	31.12.13	31.12.12
	£	£
Amount due to related party at the balance sheet date	<u>2,232,364</u>	<u>2,102,741</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

20. ULTIMATE CONTROLLING PARTY

The controlling party is Abraham Moon Holdings Limited.

The ultimate controlling party is J P T Walsh.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.13	31.12.12
	£	£
Profit for the financial year	1,187,999	1,378,374
Net addition to shareholders' funds	1,187,999	1,378,374
Opening shareholders' funds	9,206,778	7,828,404
Closing shareholders' funds	10,394,777	9,206,778