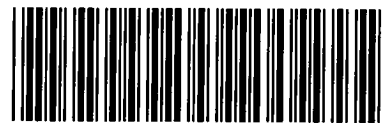


Company No. 01167325

# **Abaris Holdings Limited**

## **Annual Report and Financial Statements for the year ended 31 January 2019**

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# **Abaris Holdings Limited**

## **Annual Report and Financial Statements for the year ended 31 January 2019**

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# **Abaris Holdings Limited**

## **Officers and Professional Advisors**

### **Directors**

Lisa Montague  
Michael Gant

### **Secretary**

Caroline Geary

### **Registered office**

Chalfont House  
Oxford Road  
Denham  
UB9 4DX

### **Independent Auditors**

PricewaterhouseCoopers LLP  
10 Bricket Road  
St Albans  
Herts  
AL1 3JX

### **Bankers**

Barclays Commercial Bank  
Ashton House  
497 Silbury Boulevard  
Milton Keynes  
MK9 2LD

# Abaris Holdings Limited

## Strategic Report for the year ended 31 January 2019

### Principal activities

The principal activities of the Company are the design, manufacture, marketing and distribution of luxury wallcoverings, furnishing fabrics and associated products for the consumer market. The Company's brand portfolio – comprising Sanderson, Morris & Co, Harlequin, Zoffany, Scion and Anthology – spans heritage and contemporary design with sales across 85 countries worldwide.

The Company derives significant licensing income from the use of its designs in lifestyle products such as bed linen, rugs and tableware.

The Company is a trading subsidiary of the group of companies (the "Walker Greenbank Group") headed by its ultimate parent company Walker Greenbank PLC and is included in the consolidated financial statements of Walker Greenbank PLC which are publicly available. All references to the "Group" in this report and the accompanying financial statements relate to the Walker Greenbank Group.

### Review of the business and future developments

#### Overview

The Company's trading performance has declined in the current year with a fall in the underlying profit before tax.

Revenue has declined by £1,102,000 (1.4%) to £79,887,000, impacting the underlying profit from operations which in turn has declined by £2,862,000 (34.6%) to £5,398,000. This decline reflects the uncertain market conditions in the year particularly in our core UK market, driven by a lack of consumer confidence. Whilst overall sales fell in the UK, driven by a weakening in the performance of the Brands which had a consequential negative impact on our manufacturing performance, good progress continues to be made in our international markets and in licensing income.

Underlying profit before tax fell by £2,834,000 (35.4%) to £5,164,000. Statutory profit for the year has declined by £2,167,000 (36.0%) to £3,830,000. Included within profit from operations are amounts relating to the Long-Term Incentive Plan ("LTIP") of senior managers working for Abaris Holdings Limited. The LTIP credit in the current year is driven by a reduction in the expected number of shares that will vest in future awards compared with the prior year.

#### Business review

Whilst this has been a challenging year for the Company, we have continued to make good progress with the implementation of our strategy, which comprises:

- International expansion;
- Lifestyle product extension;
- Product category extension; and
- Manufacturing innovation

We are adapting both our product and business model to be in a position to make the most of new opportunities.

#### Brands

Total Brands sales declined by 4.4% compared with last year to £59,854,000 due to challenging UK trading conditions and market uncertainties.

Harlequin, incorporating Anthology & Scion, remains the UK's leading mid-market contemporary brand. Sales declined by 13.0% to £23,942,000 compared to last year driven by a fall in UK sales of 12%.

Scion is an upbeat brand full of fresh ideas for modern living. The brand is based on scandi-inspired, cutting-edge designs and continues to be a market leader. Scion is a valuable brand for licensing, where the contemporary and graphic nature of the designs translates particularly well to licensed product. The brand's designs have stretched very successfully to a wide range of products, ranging from ceramics to bedlinen.

The Anthology brand, launched in April 2014 is aimed at the contract market. The range now includes five innovative collections of wallcoverings complemented by a growing range of edgy, urban fabrics, which are design-led and aspirational whilst remaining inherently suitable for contract applications.

Sanderson, incorporating Morris & Co, suffered a sales decline of 6.2% to £20,371,000 compared to last year. Since 1860, Sanderson has been the showcase for the very best of British countryside with its hand-drawn designs. Complete with a long-standing Royal Warrant and famous signature style, Sanderson combines classic patterns with a timeless, easy elegance. The Morris & Co. brand dates back to 1861 when the acclaimed designer William Morris founded his first company. As custodians of the Morris & Co archive, the company continues to fulfil its legacy by curating expertly crafted products inspired by the original designs of William Morris.

# Abaris Holdings Limited

## Strategic Report for the year ended 31 January 2019 (continued)

### Review of the business and future developments (continued)

Zoffany's sales declined by 10.6% compared with last year to £9,073,000. Zoffany fuses luxury and art and is one of the most respected brands in the premium interiors market, with its collection of fabrics, wall coverings, paints and furniture being celebrated by interior designers and architects around the world.

#### Manufacturing

Our manufacturing base is one of the Group's key assets. Innovative printing techniques, together with continuing investment in enhanced capacity, capability and efficiency differentiates us from others in the industry and are integral to our growth strategy. Due to uncertain market conditions this year however, total manufacturing sales fell by 1.3% to £32,933,000.

Sales at Anstey, our UK-based wallpaper printing business, were up by 1.9% to £18,290,000. Third party sales in the UK were up 7.7%, with a 52.6% increase in export sales.

Sales at Standfast, our UK-based fabric printing business, fell by 5.1% to £14,643,000. Third party sales in the UK fell by 8.6% whilst export sales increased by 36.0%.

Internal sales to our own Group brands fell by 14.1%, largely due to a streamlining of our product offering and the difficult trading conditions in the UK.

#### Outlook

The strategy outlined in our 2018 report continues to be in place. However, the Board recognises that the markets in which the company operates are changing rapidly. In the year ahead, under new leadership, both the business and financial strategy will be revisited and where appropriate, revised to take advantage of the opportunities presented by the changing markets.

#### Financial review

The Financial Review provides an analysis of the key factors impacting turnover and operating profit. Further information on our two segments can be found in note 3 to the financial statements.

Statutory profit before tax of £4,392,000 (2018: £7,404,000) included non-underlying charges of £772,000 (2018: £594,000). These are analysed below.

	2019 £000	2018 (Restated) £000
<b>Statutory profit before tax</b>	<b>4,392</b>	<b>7,404</b>
Standfast flood related costs	-	1,125
Standfast flood insurance reimbursements	-	(1,342)
Standfast flood net income	-	(217)
Restructuring and reorganisation costs	251	102
Anstey fire related (income) / costs	(565)	709
Guaranteed Minimum pension (GMP) equalisation	1,086	-
<b>Total non-underlying expense included in profit before tax</b>	<b>772</b>	<b>594</b>
<b>Underlying profit before tax</b>	<b>5,164</b>	<b>7,998</b>

Standfast flood net income of £nil. The 2018 income of £217,000 comprises of net proceeds arising from reimbursement of costs to replace impaired plant and equipment and intangible assets.

Restructuring and reorganisation costs relate to the reorganisation of the Group and comprise of the rationalisation of certain operational and support functions. These costs mainly comprise professional fees, employee severance and property costs associated with the reorganisation process.

Anstey fire-related income of £565,000 (2018: costs (£709,000)) comprises proceeds arising from the reimbursement of repair costs in respect of plant and equipment and related costs following a minor fire, less repair costs £85,000 (2018: £709,000).

The Guaranteed Minimum pension (GMP) equalisation of £1,086,000 relates to the estimated costs of equalising UK pension benefits for men and women following a High Court judgement in October 2018. This is being recognised as a past-service charge.

# Abaris Holdings Limited

## Strategic Report for the year ended 31 January 2019 (continued)

### Review of the business and future developments (continued)

The current year corporation tax charge was £912,000 (2018: £1,197,000). There was a deferred tax credit of £309,000 (2018: £194,000) driven by taxable temporary differences on property, plant and equipment. The Company also continues to recognise the deferred tax asset arising from the pension deficit.

Capital expenditure was £2,884,000 (2018: £3,037,000) largely from investment in latest design printing equipment. The depreciation and amortisation charge during the year was £3,008,000 (2018: £2,829,000).

#### *Key performance indicators (KPI's)*

The directors of Walker Greenbank PLC manage the Group's operations, including those of the Company which is the principal trading subsidiary of the Group. For this reason, the directors believe that analysis using KPI's for the Company is not necessary or appropriate for an understanding of the Company. The development, performance and position of the Group, which includes the Company, is discussed on pages 1 to 34 of the Group's 2019 Annual Report & Accounts which does not form part of this report.

#### *Summary*

We have made significant progress in growing our licensing income, boosting our lifestyle product extension and greater consumer awareness. Combined with our ongoing investment in our key UK manufacturing, the Board is confident in driving further growth in 2019 and developing and delivering our strategic objectives.

#### **Principal risks and uncertainties**

The risks and uncertainties of the Company are managed at the Group level, details of which are disclosed in the 2019 Annual Report & Accounts of Walker Greenbank Group on pages 20 and 21.

#### **Business risks**

The Directors have identified a number of financial risks for the Company and these are explained below.

The Directors carry out regular assessments of other business risks to the Company. Insurance policies are entered into by the Company, when it considers it commercially appropriate to insure against financial loss caused by unforeseen events.

Risks outside of the control of the Directors would be the impact of an event of a global nature or a significant downturn in the UK market. Business continuity and disaster recovery plans are regularly reviewed to ensure that any interruption to the Company's core business operations is effectively managed.

#### **Pensions**

The Company operates a defined contribution pension scheme and maintains a closed defined benefit pension scheme. Further details on the schemes, including valuations, are set out in note 20 to these financial statements.

#### **Payment to suppliers**

The Company agrees terms and conditions for its business transactions with suppliers. Payment is then made on these terms subject to the terms and conditions being met by the supplier. The amount of trade creditors shown in the Balance Sheet at 31 January 2019 represents 84 days (2018: 97 days) of average purchases during the year. The variance on the previous year arose due to the timing and seasonality of revenues and investment in product.

#### **Financial Instruments**

##### *Interest rate risk*

As the Company has no significant interest-bearing assets its revenue and cash generated from operations are substantially independent of changes in market interest rates.

##### *Foreign currency risk*

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

# Abaris Holdings Limited

## Strategic Report for the year ended 31 January 2019 (continued)

### Financial Instruments (continued)

The Walker Greenbank Group's, including the Company's, policy is, where possible, to allow the Group's entities to settle liabilities in their functional currency with the cash generated from their operations in that currency. Where the Group's entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible be transferred from elsewhere in the Group.

All foreign currencies are bought and sold by Walker Greenbank PLC, the parent company. Regular reviews take place of the foreign currency cash flows and any unmatched exposures are covered by forward contracts entered into by the parent company wherever economically practical.

#### *Credit risk*

Credit risk arises from the Company's trade and other receivables and cash held with banks. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. Cash at bank is predominantly held with the Company's major relationship bank, Barclays Bank PLC, and the Company considers this credit risk to be minimal.

The Company does not have any significant credit risk exposure to any single company or group of companies within trade receivables, as the nature of the Company's operations mean that trade receivables consist of a large number of customers spread across diverse industries and geographical areas.

Prior to accepting new customers an independent credit check is obtained. Based on this information individual credit limits and payment terms are established. If no independent credit ratings are available, customers are asked to pay on a proforma basis until creditworthiness can be established. The utilisation of credit limits is regularly monitored. Credit limits may only be exceeded with the authorisation from key management, this is dependent on the amount expected to exceed the limit and the Company's trading history with that customer.

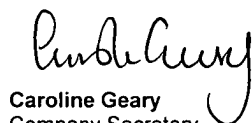
#### *Liquidity risk*

Liquidity risk arises from the Company's management of working capital and the interest charges and principal repayments on its borrowings. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Walker Greenbank Group, including the Company, utilises facilities provided by Barclays Bank Plc. In December 2015, the Group entered into a £12,500,000 multi-currency revolving credit facility with Barclays Bank PLC for a five-year period. The agreement also includes a £10,000,000 accordion facility option to further increase available funds which provides substantial headroom for future growth. The utilisation of the revolving facilities at the end of the year were £9,500,000 (2018: £9,500,000). As at 31 January 2019, the borrowing headroom under these facilities was £10,519,000 (2018: £5,942,000). The total facilities have a current limit of £22,500,000 (2018: £22,500,000).

All of the Group's bank facilities remain secured by first fixed and floating charges over the Group's assets.

By order of the Board



Caroline Geary  
Company Secretary  
31 July 2019

# Abaris Holdings Limited

## Report of the Directors for the year ended 31 January 2019

The Directors present their report and the audited financial statements of Abaris Holdings Limited ("the Company") for the year ended 31 January 2019.

### Results and dividends

The profit before taxation amounted to £4,392,000 (2018: £7,404,000).

During the year, the Company paid an interim dividend for the year to 31 January 2019 of £3,102,000 (2018: £3,125,000).

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 January 2019 (2018: £nil).

### Business review and future developments

A review of the year and likely developments is contained in the Strategic Report on pages 3 to 5.

### Financial Risk Management

Detail of the Company's financial risk management objectives and policies, are contained in the Strategic Report on pages 5 and 6.

### Directors

The Directors of the Company who served during the year ended 31 January 2019 and up to the date of signing the financial statements were as follows:

Lisa Montague (appointed 11 March 2019)

Michael Gant

Christopher Rogers (appointed 10 October 2018, resigned 30 April 2019)

John Sach (resigned 10 October 2018)

Following the departure of John Sach, the Board appointed Lisa Montague as the new Chief Executive Officer of the Walker Greenbank Group on 10 April, 2019.

### Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Employees

The Company ensures that its employees are informed on matters affecting them and on the progress of the Company by way of informal meetings and consultation with employees' representatives. The Company ensures that the principles of equal opportunity in recruitment, career progression and remuneration are applied in each of its business units.

The Company is committed to ensuring that disabled persons are given full and fair consideration for employment when an appropriate vacancy arises, having regard to their particular aptitudes and abilities. Whenever possible, arrangements are made for the continuing employment of persons who have become disabled during service with the Company.

# Abaris Holdings Limited

## Report of the Directors for the year ended 31 January 2019 (continued)

The Company ensures that appropriate training is available to all disabled employees and that they are given equal consideration in promotion and career opportunities available within the Company.

### **Directors' and officers' liability insurance**

During the year, the Company maintained Directors' and officers' liability insurance.

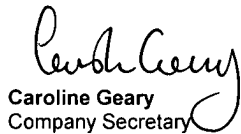
### **Research and development**

The Company continues to invest in its products to retain and enhance its market position. Details of expenditure on collection design development costs are set out in note 13 of the financial statements.

### **Independent Auditors**

The auditors will be reappointed by the Directors at a board meeting during the year on behalf of the shareholders, given that the shareholders have elected to dispense with an Annual General Meeting.

By order of the Board



Caroline Geary  
Company Secretary  
31 July 2019

# Abaris Holdings Limited

## Independent auditors' report to the members of Abaris Holdings Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion, Abaris Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 January 2019; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 company'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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 January 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

# Abaris Holdings Limited

## Independent auditors' report to the members of Abaris Holdings Limited (continued)

### Responsibilities for the financial statements and the audit

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of the Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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 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 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 an auditors' report 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



John Minards (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans  
31 July 2019

# Abaris Holdings Limited

## Income Statement

For the year ended 31 January 2019

	Note	2019			2018 Restated		
		Underlying £000	Non- underlying (note 7) £000	Total £000	Underlying £000	Non- underlying (note 7) £000	Total £000
Revenue	3	79,887	-	79,887	80,989	-	80,989
Cost of sales		(33,952)	-	(33,952)	(34,447)	-	(34,447)
Gross profit		45,935	-	45,935	46,542	-	46,542
<i>Net operating expenses:</i>							
Distribution and selling expenses		(13,383)	-	(13,383)	(14,373)	-	(14,373)
Administration expenses		(30,665)	(772)	(31,437)	(28,833)	(811)	(29,644)
Net other income	4	3,511	-	3,511	4,924	217	5,141
Profit from operations	6	5,398	(772)	4,626	8,260	(594)	7,666
Finance costs	8	(234)	-	(234)	(262)	-	(262)
Profit before taxation		5,164	(772)	4,392	7,998	(594)	7,404
Tax on profit	11	(709)	147	(562)	(1,521)	114	(1,407)
Profit for the financial year		4,455	(625)	3,830	6,477	(480)	5,997

All of the activities arise from continuing operations.

The notes on pages 15 to 43 form an integral part of these financial statements.

**Abaris Holdings Limited**  
**Statement of Comprehensive Income**  
For the year ended 31 January 2019

	Note	2019 £000	2018 (Restated) £000
Profit for the financial year		3,830	5,997
Other comprehensive (expense) / income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension schemes	20	(2,696)	(1,219)
Corporation tax credits recognised in equity		63	234
Increase in deferred tax asset relating to pension scheme liability		402	-
Total items that will not be reclassified to profit or loss		(2,231)	(985)
Other comprehensive expense for the year, net of tax		(2,231)	(985)
Total comprehensive income for the year		1,599	5,012

The notes on pages 15 to 43 form an integral part of these financial statements.

# Abaris Holdings Limited

## Balance Sheet

As at 31 January 2019

	Note	2019 £000	2018 (Restated) £000
<b>Fixed assets</b>			
Intangible assets	12	7,197	7,136
Property, plant and equipment	13	14,286	14,654
Investments	14	4,352	4,352
		<b>25,835</b>	<b>26,142</b>
<b>Non-Current Assets</b>			
Deferred income tax assets	19	331	-
<b>Current assets</b>			
Inventories	15	21,396	22,161
Trade and other receivables	16	22,383	17,922
Cash at bank and in hand		758	579
<b>Total current assets</b>		<b>44,537</b>	<b>40,662</b>
Creditors: amounts falling due within one year	17	(31,536)	(27,922)
<b>Net current assets</b>		<b>13,001</b>	<b>12,740</b>
<b>Total assets less current liabilities</b>		<b>39,167</b>	<b>38,882</b>
Deferred income tax liabilities	19	-	(421)
Retirement benefit obligation	20	(9,663)	(7,298)
<b>Net assets</b>		<b>29,504</b>	<b>31,163</b>
<b>Capital and reserves</b>			
Called up share capital	22	19,400	19,400
Share premium account	22	1,808	1,808
Retained earnings		6,607	8,266
Capital contribution		1,689	1,689
<b>Total shareholders' funds</b>		<b>29,504</b>	<b>31,163</b>

The notes on pages 15 to 43 form an integral part of these financial statements.

The financial statements on pages 11 to 43 were approved by the Board of Directors on 31 July, 2019 and signed on its behalf by

  
Lisa Montague  
Director

  
M D Gant  
Director

Registered number: 01167325

**Abaris Holdings Limited**  
**Statement of Changes in Equity**  
For the year ended 31 January 2019

	Called up share capital £000	Share Premium account £000	Retained Earnings £000	Capital contribution £000	Total shareholders' funds £000
<b>Balance at 1 February 2017</b>	19,400	1,808	6,372	1,535	29,115
Impact of adopting IFRS 15	-	-	231	-	231
Impact of other adjustments	-	-	(224)	-	(224)
<b>Restated Balance 1 February 2017</b>	<b>19,400</b>	<b>1,808</b>	<b>6,379</b>	<b>1,535</b>	<b>29,122</b>
Profit for the financial year	-	-	5,997	-	5,997
<b>Other comprehensive (expense)/income:</b>					
Remeasurements of defined benefit pension schemes (note 20)	-	-	(1,219)	-	(1,219)
Corporation tax credits recognised in equity	-	-	234	-	234
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>5,012</b>	<b>-</b>	<b>5,012</b>
Dividends (note 24)	-	-	(3,125)	-	(3,125)
Capital contributions arising from long-term incentive plan	-	-	-	154	154
<b>Balance at 31 January 2018 and 1 February 2018</b>	<b>19,400</b>	<b>1,808</b>	<b>8,266</b>	<b>1,689</b>	<b>31,163</b>
Profit for the financial year	-	-	3,830	-	3,830
<b>Other comprehensive (expense)/income:</b>					
Remeasurements of defined benefit pension schemes (note 20)	-	-	(2,696)	-	(2,696)
Corporation tax credits recognised in equity	-	-	63	-	63
Deferred tax relating to pension scheme liability	-	-	402	-	402
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,599</b>	<b>-</b>	<b>1,599</b>
Dividends (note 24)	-	-	(3,102)	-	(3,102)
Capital deficits arising from long-term incentive plan	-	-	(156)	-	(156)
<b>Balance at 31 January 2019</b>	<b>19,400</b>	<b>1,808</b>	<b>6,607</b>	<b>1,689</b>	<b>29,504</b>

The capital contributions/(deficits) represent amounts credited/(charged) to reserves arising from share based payments in accordance with IFRS 2.

The notes on pages 15 to 44 form an integral part of these financial statements.

# Abaris Holdings Limited

## Notes to the Financial Statements

For the year ended 31 January 2019

### 1. Accounting policies and general information

#### General information

Abaris Holdings Limited ("the Company") is a luxury interior furnishings business whose brands include Sanderson, Morris & Co, Harlequin, Zoffany, Scion and Anthology. The brands are targeted at the mid to upper end of the premium market. They have worldwide distribution including prestigious showrooms at Chelsea Harbour, London and the D&D building, Manhattan, New York. Around half of the brand's turnover is sourced in-house from the Company's own specialist manufacturing facilities of Standfast & Barracks, the fabric printing business situated in Lancaster, and Anstey Wallpaper Company situated in Loughborough. The manufacturing businesses produce for other interior furnishing businesses both in the UK and throughout the world.

The Company is a private company, limited by shares, domiciled in the UK and registered in England. The company registration number is 01167325 and the address of its registered office is Chalfont House, Oxford Road, Denham, UB9 4DX.

#### Basis of consolidation

The Company and its subsidiaries have taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements, as the Company is included in the consolidated financial statements of Walker Greenbank PLC, the ultimate parent undertaking whose consolidated financial statements are publicly available. Accordingly, these financial statements present information about the Company as an individual undertaking and not as a group.

The presentation of information contained within these financial statements has been revised to more closely align the presentation followed by the Company's ultimate parent undertaking, Walker Greenbank PLC.

#### Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and with the accounting policies set out below which have been consistently applied to all periods presented unless otherwise indicated.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Company continues to adopt the going concern basis in preparing its financial statements.

In accordance with FRS 101, the following exemptions from the requirements of IFRSs have been applied in the preparation of these financial statements:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - (i) 10(d) (statement of cash flows)
  - (ii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
  - (iii) 16 (statement of compliance with all IFRS)
  - (iv) 38A (requirement for minimum of two primary statements, including cash flow statements)
  - (v) 111 (cash flow statement information), and
  - (vi) 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of Assets'

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting policies and general information continued

#### Adoption of new and revised accounting standards and interpretations

Since the Company's previous annual financial statements for the year ended 31 January 2018, the Company has applied IFRS 15 – Revenue from Contracts with Customers, and IFRS 9 – Financial Instruments. The Company has not applied the following new standard for which adoption is not mandatory for the year ending 31 January 2019:

- IFRS 16 'Leases' ('IFRS 16') – effective periods beginning on or after 1 January 2019.

#### IFRS 15 – Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' is effective from 1 January 2018 and the Company has prepared the 2019 Company financial statements in accordance with the requirements of this new standard. The Company has elected to apply the standard fully retrospectively and has restated comparatives where appropriate.

The Company derives its revenue principally from the following:

- Design, manufacture and sale of home furnishings e.g. wallpaper, fabrics and ancillary interior products
- Licensing arrangements. These comprise a combination of both minimum guaranteed incomes and time and sales-based royalties receivable from Licensing Partners under contracts for the licensing of our products and designs.

Deposits received from customers in advance of the delivery of goods or services are recognised as deferred revenue. Amounts receivable from customers representing the recovery of expenses incurred by the Company for design and set-up costs, delivery and marketing materials are not considered to be revenue, and are credited to the relevant expense within the Income Statement.

IFRS 15 is based on the core principle that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a five-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) each performance obligation is satisfied

IFRS 15 supersedes the previous revenue recognition guidance including IAS 18 Revenue and IAS 11 Construction contracts.

The following revenue streams for the Company have been identified as being impacted by the adoption of the new standard:

Area	Previous treatment	New treatment under IFRS 15
Fixed minimum guaranteed income amounts receivable under multi-year licensing agreements from Licensing partners which are invoiced either annually or in advance.	The Company recognises this income in the period in which it is earned.	The fixed minimum guaranteed amounts are recognised from the point the licence and hence control has transferred to the licensee, provided there are no further performances obligation to fulfil, and the recoverability of the income is deemed highly probable. The income will be recognised as revenue and accrued income will reduce as the balance is settled.
Consideration received from the sale of marketing materials and additional services to support the sale of the Group's core products.	In most cases, these were deducted from distribution costs as a contribution to marketing expense.	The Company now classifies these within 'Net other income', as these represent income from the supply of non-core products and services.
Where the customer is charged for carriage costs relating to the delivery of the supply of goods, and the terms of carriage are contractual.	These were deducted from distribution costs.	These are now classified within 'revenue' as these are contractual sales of distinct services with a separate performance obligation from which consideration is received.
Provisions for customer returns where the customer has a right to return an item within a fixed determinable period, and without penalty.	The sales and cost of sales elements of these provisions were netted off within distribution costs. There was no liability or asset recognised for return provisions.	Revenue and cost of sales are adjusted for expected returns values, which are estimated on historical returns experience. A refund liability is recognised within 'trade and other payables', and the asset to be recovered is recognised within stock. The validity of the historical data and assumptions and estimates are assessed at each reporting date.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting policies and general information continued

#### Impact of adopting IFRS 15

The impact of adopting IFRS 15 on the Company's financial results and position for the 12 months ending 31 January 2019 and 31 January 2018 are presented below. In accordance with the transition provisions of IFRS 15, the Company has adopted the new rules retrospectively and has restated comparatives for the 2018 financial period.

#### Income Statement – Impact of adopting IFRS 15 for 31 January 2019 and 31 January 2018

	Note	12 months to 31 January 2019			12 months to 31 January 2018			
		Previous accounting £000	IFRS 15 impact £000	IFRS 15 basis £000	As published £000	IFRS 15 impact £000	other adjustments £000	Restated £000
Revenue	a,b,c	78,391	1,496	79,887	79,206	1,699	84	80,989
Cost of sales	c	(33,952)	-	(33,952)	(34,324)	-	(123)	(34,447)
Gross profit / (loss)		44,439	1,496	45,935	44,882	1,699	(39)	46,542
<i>Net operating expenses:</i>								
Distribution and selling expenses	d	(8,431)	(4,952)	(13,383)	(9,038)	(5,433)	98	(14,373)
Administration expenses	e	(31,435)	(2)	(31,437)	(29,074)	3	(573)	(29,644)
Net other income	d	9	3,502	3,511	1,286	3,855	-	5,141
<b>Profit from operations</b>		<b>4,582</b>	<b>44</b>	<b>4,626</b>	<b>8,056</b>	<b>124</b>	<b>(514)</b>	<b>7,666</b>
Net defined benefit pension charge	e	-	-	-	(573)	-	573	-
Finance costs	f	(254)	20	(234)	(277)	15	-	(262)
<b>Profit before tax</b>		<b>4,328</b>	<b>64</b>	<b>4,392</b>	<b>7,206</b>	<b>139</b>	<b>59</b>	<b>7,404</b>
Tax expense	g	(616)	54	(562)	(1,367)	(24)	(16)	(1,407)
<b>Profit for the period attributable to owners of the parent</b>		<b>3,712</b>	<b>118</b>	<b>3,830</b>	<b>5,839</b>	<b>115</b>	<b>43</b>	<b>5,997</b>

- Increase in revenue of £1,496,000 (2018: £1,699,000) from the reclassification of carriage recoveries from distribution and selling expenses to revenues £1,450,000 (2018: £1,578,000), and the recognition of future fixed minimum guaranteed amounts for contracts launched in the period where performance obligations are satisfied: £46,000 (2018: £121,000).
- Increase in revenue of £nil (2018: £84,000) from other revenue recognition adjustments.
- Decrease in cost of sales of £nil (2018: £123,000) from the reclassification of carriage inwards costs from distribution and selling expenses to cost of sales £nil (2018: £98,000), and other revenue recognition adjustments £nil (2018: £25,000).
- Increase in distribution and selling expenses of £4,952,000 (2018: £5,335,000) from the reclassification of carriage recoveries to revenues of £1,450,000 (2018: £1,578,000), the reclassification of consideration received from the sale of marketing materials and additional services to net other income £3,502,000 (2018: £3,855,000), less the reclassification of carriage inwards costs to cost of sales £nil (2018: £98,000).
- Increase/(decrease) in administration expenses of (£2,000) (2018: £3,000) representing exchange (gain)/loss movements on revenue from future fixed minimum guaranteed amounts, and £nil (2018: £573,000) for reclassification of the net defined pension charge.
- Decrease in finance costs of £20,000 (2018: £15,000) as a result of the discount income unwinding on accelerated revenues from future fixed minimum guaranteed amounts.
- Corporation and deferred tax impacts of IFRS 15 adjustments.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting policies and general information continued

The impact of adopting IFRS 15 on the Company's financial position at 31 January 2019 and 1 February 2018 (date of initial application) are presented as follows:

Note	Cumulative to 31 January 2019			Cumulative to 31 January 2018			
	Previous accounting £000	IFRS 15 impact £000	IFRS 15 basis £000	As Published £000	IFRS 15 impact £000	Other Adjustments £000	Restated £000
<b>Non-current assets</b>							
Deferred income tax assets c	315	16	331	-	-	-	-
<b>Current Assets</b>							
Inventories a	21,396	-	21,396	22,042	-	119	22,161
Trade and other receivables a,b	21,949	434	22,383	17,836	370	(284)	17,922
Cash and cash equivalents	758	-	758	579	-	-	579
<b>Total Current assets</b>	<b>44,103</b>	<b>434</b>	<b>44,537</b>	<b>40,457</b>	<b>370</b>	<b>(165)</b>	<b>40,662</b>
<b>Non-Current Liabilities</b>							
Deferred income tax liabilities c	-	-	-	(381)	(24)	(16)	(421)
<b>Equity</b>							
Share Capital	19,400	-	19,400	19,400	-	-	19,400
Share premium account	1,808	-	1,808	1,808	-	-	1,808
Retained earnings/(accumulated losses) a,d	6,324	283	6,607	8,101	346	(181)	8,266
Other reserves	1,689	-	1,689	1,689	-	-	1,689
<b>Total Equity</b>	<b>29,221</b>	<b>283</b>	<b>29,504</b>	<b>30,998</b>	<b>346</b>	<b>(181)</b>	<b>31,163</b>

- Other adjustments in the comparative year represent revenue recognition cut-off adjustments for inventories of £119,000 and trade and other receivables (£284,000) with a net impact on cumulative retained earnings of £165,000.
- Cumulative increase in trade and other receivables of £434,000 (2018: £370,000) as a result of IFRS 15 accrued income for accelerated licensing revenue on future fixed minimum guaranteed amounts £398,000 (2018: £352,000), the discount unwinding on accelerated incomes £35,000 (2018: £15,000), and the exchange difference income/(expense) on accelerated incomes £1,000 (2018: £3,000).
- Deferred tax impact on IFRS 15 adjustments from transitioning, and restatement of the prior year.
- Cumulative net increase in retained earnings and equity of £283,000 (2018: £165,000) as per notes b and c.

#### IFRS 9 – Financial Instruments

The Company has adopted IFRS 9 – Financial Instruments with effect from 1 February 2018 and has prepared the consolidated financial statements in accordance with the requirements of this new standard.

IFRS 9 'Financial Instruments' replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements.

IFRS 9 brings together the classification and measurement, impairment and hedge accounting aspects of the International Accounting Standards Board's project to replace IAS 39.

The adoption of IFRS 9 Financial Instruments from 1 February 2018 has resulted in changes in accounting policies and in the amounts recognised in the financial statements in relation to impairment of trade receivables that are held on a hold-to-collect business model. The introduction of an expected loss impairment model has had a significant effect based on the expected loss model and Management's assessment of the level of credit risk implicit in the Company's trade receivables. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting policies and general information continued

#### *Classification and measurement*

IFRS 9 amends the classification and measurement of financial assets:

- Financial assets are either measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL);
- Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL; and
- All investments in equity instruments are measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in other comprehensive income (OCI). Dividends are recognised in profit or loss.

There has been no re-categorisation required of Company's assets on adoption of the new standard.

#### *Impairment*

The new impairment model in IFRS 9 is based on an 'expected loss' model rather than an 'incurred loss' model. Under the impairment approach in IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity should account for expected credit losses and changes in those expected credit losses. A simplified impairment model is applicable to trade and other contractual receivables with maturities that are less than 12 months. For trade and other contractual receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model. For the year ending 31 January 2019, the Company has applied the simplified approach to the recognition of lifetime expected credit losses for its trade receivables and has in turn, recognised a loss allowance of £485,000 for these assets (note 16).

#### *IFRS 16 – Leases*

IFRS 16 will be effective for the first time in the Company's consolidated financial statements for the year ended 31 January 2020. IFRS 16 sets out principles for the recognition, measurement, presentation and disclosure of leases to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The standard will primarily affect the accounting for the Company's operating leases. The application of IFRS 16 will result in the recognition of additional assets and liabilities in the consolidated Balance Sheet. In addition, it will replace the straight-line operating lease expense with a depreciation charge for the right-of-use asset and an interest expenses on the lease liabilities. The Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead the Company will perform impairment testing on the right-of-use-asset.

The Company will apply the standard from its effective date using the modified retrospective approach and will therefore recognise the cumulative effect of adopting IFRS 16 as an adjustment to the opening balance of retained earnings at 1 February 2019, with no restatement of comparative information.

As at 31 January 2019, the Company has non-cancellable operating lease commitments of £5,234,000 (see note 23). A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16 and hence the Company will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify as short-term or low-value leases. Management have assessed the impact of adopting the new standard, and estimate a right-of-use asset and lease liability of £5,930,000 will be recognised from 1 February 2019.

In addition, a number of exposure drafts of new or amended standards and interpretations have been announced by the International Accounting Standards Board ('IASB'). Until final details of these exposure drafts have been concluded by the IASB the Company is not able to evaluate the potential impact on the Company of these pronouncements.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### **Foreign currencies**

For the purpose of the financial statements, the results and financial position are expressed in sterling, which is the functional and presentation currency of the Company.

Transactions in foreign currencies, which are those other than the functional currency of the Company, are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at the Balance Sheet date. All unhedged exchange differences are recognised in the Income Statement for the period within administration expenses.

#### **Intangible Assets - Goodwill**

Goodwill arising on acquisition of subsidiaries is initially measured at cost, being the excess of the fair value of the consideration for the acquisition, which includes the amount of any non-controlling interest recognised, over the Company's interest in the net fair value of the acquired entity's identifiable assets and liabilities and any non-controlling interest in the acquiree at the date of acquisition.

Goodwill is not amortised, but reviewed for impairment annually, any impairment is recognised immediately in the Income Statement and is not subsequently reversed. If a significant event occurs that may affect the carrying value of goodwill, an impairment review will be carried out. No such events have occurred in the current or previous financial year. Goodwill is allocated to cash-generating units for the purpose

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting policies and general information (continued)

of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The measurement basis for goodwill is cost less accumulated impairment.

On disposal of a subsidiary or cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### **Intangible Assets - Archive**

The Arthur Sanderson and William Morris archive comprises an historical record of unique designs that can be used at any point going forward and is regularly used to generate a significant royalty income in the business. The Directors believe that the archive has an indefinite useful life and is therefore not subject to amortisation. The carrying value of this asset is reviewed annually and provision made for any impairment in the carrying value if required. If a significant event occurs that may affect the carrying value of the archive, an additional impairment review will be carried out. No such events have occurred in the current or previous financial year. The measurement basis used for the Archive is historical cost less accumulated impairment.

#### **Intangible Assets - Software**

Acquired computer software licences are capitalised at the cost incurred to bring the asset into use, including where relevant directly attributable internal costs incurred in preparing the software for operation. The costs are amortised to their estimated residual value over their estimated useful life which range from three to 10 years on a straight-line basis. Software amortisation commences when the asset goes into operational use by the business. The measurement basis used for software is cost less accumulated amortisation and impairment.

#### **Intangible Assets – Collection design**

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects relating to the design of new collections are recognised as intangible assets when the following criteria are fulfilled:

- It is technically feasible to complete the new collection so that it will be available for use or sale.
- Management intends to complete the new collection and use it or sell it.
- There is an ability to use or sell the new collection.
- It can be demonstrated how the new collection will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the new collection are available.
- The expenditure attributable to the new collection during its development can be reliably measured.

Any costs relating to design of new collections that do not meet these criteria are recognised as an expense as incurred. Any such costs recognised as an expense in previous periods are not recognised as an asset in a subsequent period. Capitalised collection design costs are recognised as intangible assets and are amortised to their estimated residual value which is 25% of their historical cost, on a straight-line basis over the life of the asset, and are tested for impairment if any impairment trigger events are identified in accordance with IAS 36. The measurement basis used for Collection design is cost less accumulated amortisation and impairment.

#### **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment loss. Historical cost comprises the purchase price and costs directly incurred in bringing the asset into use. The assets' residual values and useful lives are reviewed annually and adjusted if appropriate, at each Balance Sheet date.

Depreciation is charged on a straight-line basis on the original costs (excluding freehold land which is not depreciated) after deduction of any estimated residual value. The principal annual rates are:

Freehold buildings	2%
Leasehold improvements	Over the length of the lease
Plant, equipment and vehicles	Between 5% and 33%
Computer hardware	33%

Government grants received for property, plant and equipment are included within other payables and deferred revenue and released to the Income Statement over the life of the asset.

#### **Investments**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

#### **Impairment of non-financial assets**

Intangible assets with finite useful lives and property, plant and equipment are tested for impairments if events or changes in circumstances (assessed at each reporting date) indicate that the carrying amount may not be recoverable. When an impairment test is conducted, the recoverable amount is assessed by reference to the higher of the value in use (net present value of expected future cash flows of the relevant cash generating unit), or the fair value less cost to sell.

Goodwill and other intangible assets with an indefinite useful life are tested for impairment at least annually.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting policies and general information (continued)

If a cash generating unit is impaired, provision is made to reduce the carrying amount of the related assets to their estimated recoverable amount. Impairment losses are allocated firstly against goodwill, and secondly on a pro rata basis against intangible and other assets.

Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, on a first-in, first-out basis, and direct labour, plus attributable production overheads based on a normal level of activity. Net realisable value is based on estimated selling prices less anticipated costs of disposal. Provision is made for any slow moving and obsolete inventory.

#### Marketing materials

Marketing materials consist of patterning books and other saleable marketing assets used to support the sale of the Company's products. They are recognised at the lower of cost and net realisable value. Cost comprises direct materials plus costs of production.

Net realisable value is based on estimated recoveries from customers and distributors for those pattern books expected to be sold, less the anticipated cost of disposal.

As books are sold or otherwise utilised and are no longer within the control of the Company, their cost is charged to the Income Statement as an expense. An impairment allowance is made for any slow moving and obsolete marketing materials including those expected to be given away free of charge. The Company's policy is to classify marketing materials on the Balance Sheet within trade and other receivables.

Non saleable marketing materials are expensed to the Income Statement once the collection that these marketing materials relate to has been launched. Any subsequent costs or development expenditure are expensed as incurred.

#### Financial assets and liabilities – measurement basis

In accordance with FRS 101, financial assets and liabilities are recognised on the date on which the Company becomes a party to the contractual provisions of the instrument giving rise to the asset or liability. Financial assets and liabilities are initially recognised at fair value plus transaction costs and are continually reviewed for impairment going forward. Any impairment of a financial asset is charged to the Income Statement when incurred. Financial assets are derecognised when the Company's rights to cash inflows from the asset expire; financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

Non-derivative financial assets are classified as 'loans and receivables' according to the purpose for which the asset was acquired. This category includes:

- 'trade and other receivables' – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides goods directly to a customer, or advances money, with no intention of trading the loan or receivable. Trade receivables are recognised initially at the amount of consideration that is unconditional. Subsequent to initial recognition, loans and receivables are included in the Balance Sheet at amortised cost using the effective interest method less any amounts written off to reflect impairment, with changes in the carrying amount recognised in the Income Statement within distribution and selling or administration expenses.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 January 2019 or 1 February 2019 respectively and the corresponding historical credit losses experiences within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

We use historical credit loss experience for trade receivables to estimate the lifetime expected credit losses as relevant. We apply specific fixed provision rates depending on the number of days that a receivable is past due. We group historical credit loss experience for different customer segments being customer rating and type of customer. The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the Income Statement within distribution and selling expenses. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against distribution and selling expenses in the Income Statement.

- 'cash and cash equivalents' – these comprise deposits with an original maturity of three months or less with banks and financial institutions, bank balances, bank overdrafts with the right of offset and cash in hand.

The Company's non-derivative financial liabilities are classified as 'Other liabilities'. Other liabilities are financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the Company receives goods or services directly from a payable or supplier, or borrows money, with no intention of trading the liability. This category includes:

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting policies and general information (continued)

- 'trade and other payables' – these are typically non-interest bearing and following initial recognition are included in the Balance Sheet at amortised cost using the effective interest method;
- 'bank loans and overdrafts' – these are initially recorded at fair value based on proceeds received net of issue costs and subsequently held at amortised cost using the effective interest method; and
- 'borrowings' – these are recorded initially at the fair value, net of direct issue costs, and are subsequently stated at amortised cost.

Finance charges, including premiums payable on settlement, or redemption and direct issue costs, are accounted for in the Income Statement, using the effective interest method, and are included within the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Borrowing costs are capitalised as an increase to the carrying value of software or property, plant and equipment on major projects where their impact is material.

#### Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. All other leases are classified as operating leases.

Operating lease rentals are charged to the Income Statement on a straight-line basis over the period of the lease. Rent free periods receivable on entering an operating lease are released on a straight-line basis over the term of the lease.

#### Employee benefits – *retirement benefit obligations*

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit retirement schemes, the funding of benefits is determined using the Projected Unit Credit Method, with full actuarial valuations being carried out triennially.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised service cost, and as reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to past service cost, plus present value of available refunds and reductions in future contributions to the plan.

The defined benefit obligation is calculated annually by qualified independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Scheme expenses met by the Company, expected returns on plan assets, and interest on pension scheme liabilities are classified within 'Net defined benefit pension charge' within the Income Statement as the scheme is now closed to future accruals.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the period in which they occur. They are recognised outside the Income Statement and presented in the Statement of Comprehensive Income.

Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the benefits become vested.

#### Employee benefits – *share based payments under long term incentive plans ("LTIP")*

The Company, through its ultimate parent undertaking, operates a share-based incentive scheme for some of its senior employees. The equity shares issued are those of the ultimate parent undertaking. The costs associated with the scheme are measured at fair value and are recognised as an expense in the Income Statement with a corresponding increase in equity.

The fair values of these payments are measured at the date of grant, taking into account the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become conditionally entitled to the awards, subject to the Company's estimate of the number of awards which will lapse, either due to employees leaving the Company prior to vesting or due to non-market based performance conditions not being met.

The total amount recognised in the Income Statement as an expense is adjusted to reflect the actual number of awards that vest. National insurance contributions related to the awards are recognised as an expense in the Income Statement with a corresponding liability on the Balance Sheet.

The financial effect of awards by the Company of options over the equity shares of its ultimate parent undertaking are recognised as capital contributions within equity in accordance with IFRS 2.

#### Employee benefits – *short-term bonus plans*

The Company recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 1. Accounting policies and general information (continued)

#### Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. Dividend distribution is set by the Board on a regular basis so long as sufficient funds are available.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Non-Underlying items

Items that are both material and whose nature is sufficient to warrant separate disclosure and identification are disclosed within the financial statements and classified within their relevant category in the Income Statement as Non-Underlying.

#### Taxation including deferred tax

The tax expense represents the sum of the current tax and deferred tax charges or credits.

Current tax is based on the taxable profit for the year. Taxable profits differs from the net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date. Current tax includes withholding taxes from sales and licensing income in overseas territories.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and its accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

IAS 12 'Income taxes' requires that the measurement of deferred tax should have regard to the tax consequences that would follow from the manner of expected recovery or settlement at the Balance Sheet date of the carrying amount of its assets and liabilities. In calculating its deferred tax liability, the Company's policy is to regard the depreciable amount of its property, plant and equipment to be recovered through continuing use in the business, unless included within assets held for resale, where the policy is to regard the carrying amount as being recoverable through sale.

Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax relating to retirement benefit obligations is also recognised in equity where the tax relief arises from contributions paid to fund deficits arising in previous periods that were recognised in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

#### Segmental reporting

The Company is a designer, manufacturer and distributor of furnishings, fabrics and wallpaper and manages its operations as two reportable segments which are brands and manufacturing.

Segmental information is disclosed in a manner consistent with the internal reporting to the Chief Operating Decision Maker ("CODM").

The Company considers its CODM to be the Board of Directors, who are responsible for the allocation of resources and assessing performance of the operating segments.

#### Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 2. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning future events. The resulting accounting estimates will seldom precisely equal the related actual results. The Company applies its best endeavours in setting accounting estimates, and uses historical experience and other factors, including input from experienced and specialist management. Estimates and assumptions are periodically re-evaluated and the resulting accounting balances updated as new information including actual outcomes become apparent.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **a) Retirement benefit obligations**

The Company recognises its obligations to employee retirement benefits. The quantification of these obligations is subject to significant estimates and assumptions regarding life expectancy, discount and inflation rates, wage and salary changes, the rate of increase in pension payments, and the market values of equities, bonds and other pension assets. In making these assumptions the Company takes advice from a qualified actuary about which assumptions reflect the nature of the Company's obligations to employee retirement benefits. The assumptions are regularly reviewed to ensure their appropriateness.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Details of the estimates and assumptions applied, and carrying amounts of retirement benefit obligations and pension assets, are set out in note 20.

#### **b) Impairment of non-financial assets**

The Company tests annually whether goodwill or its indefinite life intangible asset has suffered any impairment, in accordance with its accounting policy. Other intangibles and property, plant and equipment are also reviewed whenever impairment triggers are apparent. The recoverable amounts of cash generating units have been determined based on value in use ('VIU') calculations. These calculations require use of estimates of future sales, margins, and other operating and administration expenses, and of discount rates.

The Company makes provision for impairment in the carrying amount of its inventories and marketing materials. The nature of the Company's products is exposed to changes in taste and attitudes from time to time, which can affect the demand for those products. The Company has skilled and experienced management who utilise historical sales information, and exercise their judgement, in making estimates about the extent of provisions necessary based on the realisable value of inventory and expected future benefit to the Company of marketing materials taking into account the estimated price and volume of future sales or usage, less the further costs of sale and holding costs. Further disclosures relating to the effect on the Income Statement of the establishment and reversal of such provisions against inventory are included in note 6. Details of the carrying amount of inventories are disclosed in note 15 and of marketing materials in note 16. The carrying values of the non-financial assets are not considered to be sensitive due to the nature of the assets.

#### **c) Deferred tax recognition**

The Company considers it appropriate to recognise at the Balance Sheet date deferred tax assets resulting from temporary differences including pension deficits. The amount of deferred tax recognised is based on estimates of the timing and amount of future taxable profits of the Company, which in turn relies upon estimates of future operating profits and the occurrence, timing and tax treatment of significant items of income and expenditure including contributions to pension schemes. Further disclosures relating to the effect on the Income Statement of the recognition of deferred tax assets are included in note 11 and the amount of deferred tax asset recognised and other relevant disclosures are included in note 19. The Company considers the sensitivity on deferred tax recognition to be based on profits generated by the Company and tax rates substantively enacted. There has been no material impact on sensitivity in the current or previous financial year.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 3. Segmental analysis

The Company is a designer, manufacturer and distributor of luxury interior furnishings, fabrics and wallpaper. The reportable segments of the Company are aggregated as follows:

- Brands – comprising the design, marketing, sales and distribution, and licensing activities of Sanderson, Morris & Co, Harlequin, Zoffany, Anthology and Scion brands operated from the UK in the retail and contract sectors of the market.
- Manufacturing – comprising the wallcovering and printed fabric manufacturing businesses operated by Anstey and Standfast respectively.

This is the basis on which the Company presents its operating results to the Board of Directors, which is considered to be the Chief Operating Decision Maker ("CODM").

#### a) Segmental revenue analysis by business class

	2019 £000	2018 Restated £000
Brands revenue	59,854	62,626
Manufacturing revenue	32,933	33,376
Less: elimination of intersegment revenue	(12,900)	(15,013)
	79,887	80,989

#### Analysis of revenue by category:

	2019 £000	2018 Restated £000
Sale of goods	73,419	77,750
Licence royalty income	6,468	3,239
	79,887	80,989

#### Brands revenue analysis

Revenue of the Brands segment represents revenue from operations in all territories where the sale is sourced from the United Kingdom and includes contract and license income associated with the brands.

	2019 £000	2018 Restated £000
Harlequin, incorporating Anthology & Scion	23,942	27,533
Sanderson, incorporating Morris & Co	20,371	21,707
Zoffany	9,073	10,147
Licensing	6,468	3,239
	59,854	62,626

#### Manufacturing revenue analysis

Revenue of the Manufacturing segment includes revenue from internal sales to the Company's Brands.

	2019 £000	2018 £000
Standfast	14,643	15,423
Anstey	18,290	17,953
	32,933	33,376

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 3. Segmental analysis (continued)

#### b) Revenue by geographical location of customers

	2019 £000	2018 (Restated) £000
United Kingdom	46,692	51,197
Continental Europe	7,307	7,909
USA	2,424	2,336
Rest of the World	23,464	19,547
	<b>79,887</b>	<b>80,989</b>

No single customer of the Company accounts for 10% or more of total revenue.

### 4. Net other income

Net other income of £3,511,000 (2018: £5,141,000) comprises income from the sale of marketing materials and additional services of £3,502,000 (2018: £3,855,000), other income and insurance reimbursements net of costs of £9,000 (2018: £1,286,000).

### 5. Auditors' remuneration

	2019 £000	2018 £000
Fees payable to Company's auditors for the audit of the Company financial statements	134	133
Taxation services	45	125
	<b>179</b>	<b>258</b>

### 6. Profit from operations

	2019 £000	2018 (Restated) £000
<b>Profit from operations is stated after charging / (crediting):</b>		
Management charge payable to ultimate parent undertaking	3,592	3,303
Depreciation of property, plant and equipment (note 13)	2,359	2,206
Amortisation of intangibles (note 12)	649	623
Cost of inventories recognised as expense in cost of sales	26,024	27,624
Net Impairment of inventories	1,189	837
Impairment of trade receivables	939	157
Reversal of impairment of trade receivables	(721)	(30)
Net foreign exchange losses	25	32
Gains on disposals of fixed assets	(38)	-
Operating lease rentals:		
• Hire of motor vehicles and plant and machinery	565	552
• Land and buildings	1,051	1,056

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 7. Non-statutory profit measures

#### Underlying profit measures

The Company seeks to present a measure of underlying performance which is not impacted by material non-recurring items or items considered non-operational in nature. This measure of profit is described as 'underlying' and is used by management to measure and monitor performance. The excluded items are referred to as 'non-underlying' items.

#### Non-underlying items

The non-underlying items included in profit before tax are as follows:

	Note	2019 £000	2018 £000
(i) Standfast flood:			
Incremental costs, inventory loss and property, plant and equipment impairments		-	(1,125)
Insurance reimbursements		-	1,342
<b>Net income</b>	<b>(a)</b>	<b>-</b>	<b>217</b>
(ii) Restructuring and reorganisation costs	(b)	(251)	(102)
(iii) Anstey fire:			
Incremental costs and property, plant and equipment repairs	(c)	(85)	(709)
Insurance reimbursements		650	-
<b>Net income</b>		<b>565</b>	<b>(709)</b>
(iv) Guaranteed Minimum pension (GMP) equalisation charge	(d)	(1,086)	-
<b>Total non-underlying items included in profit before tax</b>		<b>(772)</b>	<b>(594)</b>
<b>Tax on non-underlying items</b>		<b>147</b>	<b>114</b>
<b>Total impact of non-underlying items on profit after tax</b>		<b>(625)</b>	<b>(480)</b>

- (a) Standfast flood costs of £nil. The 2018 income of £217,000 comprises of net proceeds arising from reimbursement of costs to replace impaired plant and equipment and intangible assets.
- (b) Restructuring and reorganisation costs relate to the reorganisation of the Group and comprise of the rationalisation of certain operational and support functions. These costs mainly comprise professional fees, employee severance and property costs associated with the reorganisation process.
- (c) Anstey fire-related net income of £565,000 (2018: Net costs (£709,000)) comprise of proceeds arising from the reimbursement of repair costs in respect of plant and equipment and related costs following a minor fire, less repair costs £85,000 (2018: £709,000).
- (d) Following a High Court judgement in October 2018, the estimated costs of equalising UK pension benefits for men and women in relation to Guaranteed Minimum Pension (GMP) has been recognised as a past-service charge

### 8. Finance costs

	2019 £000	2018 (Restated) £000
Interest payable on bank borrowings	(254)	(277)
Unwind of discount on accelerated licensing income	20	15
<b>Net finance costs</b>	<b>(234)</b>	<b>(262)</b>

### 9. Emoluments of Directors

The Directors did not receive any remuneration from the Company (2018: £nil). The Directors are remunerated by Walker Greenbank PLC, the ultimate parent undertaking. No apportionment can easily be made in respect of their services to the Company. Directors emoluments are fully disclosed within Walker Greenbank PLC consolidated financial statements.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 10. Employee Information

	2019 £000	2018 £000
Wages and salaries	17,092	17,610
Social security costs	1,541	1,499
Other pension costs	1,158	1,023
Share based payment awards, including NIC thereon	-	136
Employee benefit expense	19,791	20,268

The average monthly number of employees (including Directors) during the year	2019 Number	2018 Number
Brands, including warehousing	258	265
Manufacturing	283	292
Corporate and administration	8	8
	549	565

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 11. Tax on profit

	2019 £000	2018 (Restated) £000
Current tax:		
- UK current tax	909	1,221
- adjustments in respect of prior years	(5)	(24)
- foreign tax relief	(5)	(15)
- foreign tax relief suffered	13	15
Corporation tax	912	1,197
Deferred tax:		
- current year	(140)	202
- adjustments in respect of prior years	(221)	27
- effect of changes in corporation tax rates	11	(19)
Deferred tax	(350)	210
<b>Total tax charge for the year</b>	<b>562</b>	<b>1,407</b>
<b>Reconciliation of total tax charge for the year</b>	<b>2019 £000</b>	<b>2018 (Restated) £000</b>
Profit on ordinary activities before taxation	4,392	7,404
Tax on profit before taxation at 19.00% (2018: 19.16%)	834	1,419
Non-deductible expenditure	42	2
Income not taxable	(20)	-
Adjustments in respect of prior years	(226)	3
Effect of changes in corporation tax rates	11	(17)
Effects of overseas tax rates	7	-
Effects of group relief/other relief	(86)	-
<b>Total tax charge for year</b>	<b>562</b>	<b>1,407</b>

#### Factors affecting current and future tax charges

No overseas taxation is anticipated to become payable within the immediate future due to the availability of gross tax losses of approximately £3.2 million (2018: £3.2 million).

The deferred tax balance at 31 January 2019 included within these financial statements has been calculated at a rate of 17%, as this is the rate at which the majority of the balances are expected to unwind.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016 and became substantively enacted in Finance Bill 2016 on 6 September 2016 to reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 12. Intangible assets

	Goodwill £000	Arthur Sanderson and William Morris Archive £000	Collection design £000	Software £000	Total £000
<b>Cost</b>					
1 February 2018	1,400	4,300	3,720	2,982	12,402
Additions	-	-	660	50	710
31 January 2019	1,400	4,300	4,380	3,032	13,112
<b>Accumulated amortisation</b>					
1 February 2018	1,139	-	2,390	1,737	5,266
Charge	-	-	331	318	649
31 January 2019	1,139	-	2,721	2,055	5,915
<b>Net book amount</b>					
31 January 2019	261	4,300	1,659	977	7,197
31 January 2018	261	4,300	1,330	1,245	7,136

The Arthur Sanderson and William Morris Archive was purchased as part of the acquisition of Arthur Sanderson & Sons on 29 August 2003. It comprises an historical record of unique designs that are used to generate royalty income in the business.

The total amortisation expense of £649,000 (2018: £623,000) is included in administration expenses £636,000 (2018: £610,000) and distribution and selling costs £13,000 (2018: £13,000).

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 13. Property, plant and equipment

	Freehold Land and buildings £000	Leasehold Improvements £000	Plant, equipment and vehicles £000	Computer hardware £000	Total £000
<b>Cost</b>					
1 February 2018	5,634	400	32,007	2,070	40,111
Additions	161	-	1,973	39	2,173
Disposals	-	-	(264)	-	(264)
31 January 2019	5,795	400	33,716	2,109	42,020
<b>Accumulated depreciation</b>					
1 February 2018	1,757	60	21,977	1,662	25,456
Charge	104	60	2,029	166	2,359
Disposals	-	-	(81)	-	(81)
31 January 2019	1,861	120	23,925	1,828	27,734
<b>Net book amount</b>					
31 January 2019	3,934	280	9,791	281	14,286
31 January 2018	3,877	340	10,030	408	14,655

The total depreciation expense of £2,359,000 (2018: £2,206,000) is included in administration expenses £2,311,000 (2018: £2,155,000) and distribution and selling costs £48,000 (2018: £51,000).

The net book amount of land and buildings comprises:

	2019 £000	2018 £000
Freehold land	450	450
Freehold buildings	3,484	3,427
Net book amount	3,934	3,877

Land and buildings are stated at historical cost.

All of the Company's banking facilities remain secured by a fixed and floating charge over the carrying value of assets (land and buildings) of £3,934,000 (2018: £3,877,000).

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 14. Investments

	2019 £000	2018 £000
Shares in subsidiary undertakings		
<b>Cost:</b>		
At 1 February	6,057	7,856
Additions	59	-
Disposals	-	(1,799)
At 31 January	6,116	6,057
<b>Provision for impairment:</b>		
At 1 February	(1,705)	(1,705)
Charge	(59)	-
<b>Net book amount at 31 January</b>	<b>4,352</b>	<b>4,352</b>

During the year, the Company acquired Style Library (Rus) LLC, and Style Library GmbH for the purposes of setting up showrooms in the Russia and Germany territories for £24,525 and £34,271 respectively. The Company immediately impaired these investments to £nil. These were acquired and set-up to meet local legal requirements and will not represent trading statutory entities.

On 1<sup>st</sup> March, 2017, the Company liquidated Warner Archive Limited (formerly Warner Greenbank Fabrics Limited) a dormant subsidiary, with the cost of investment written off of £1,799,000.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 14. Investments (continued)

Abaris Holdings Limited is registered and domiciled in the United Kingdom. The Company's subsidiary undertakings, all of which are wholly owned, are as follows:

<i>Name of subsidiary undertakings</i>	<i>Country of incorporation and place of business</i>	<i>Holding</i>	<i>Proportion of voting rights / shares held by the Company</i>	<i>Nature of business</i>
Walker Greenbank Inc	USA	Ordinary shares	100%	Luxury interior furnishings
Arthur Sanderson & Sons SARL	France	Ordinary shares	100%	Luxury interior furnishings
Abaris Trading Company B.V.	Netherlands	Ordinary shares	100%	Luxury interior furnishings
Style Library GmbH	Germany	Ordinary shares	100%	Luxury interior furnishings
Style Library (Rus) LLC	Russia	Ordinary shares	100%	Luxury interior furnishings
Abaris (Overseas) Holdings Limited	UK	Ordinary shares	100%	Dormant
Anstey Wallpaper Company Limited	UK	Ordinary shares	100%	Dormant
Anthology Fabrics and Wallcoverings Limited	UK	Ordinary shares	100%	Dormant
Arthur Sanderson & Sons Limited	UK	Ordinary shares	100%	Dormant
Barracks Fabric Printing Company Limited	UK	Ordinary shares	100%	Dormant
Cirka Limited	UK	Ordinary shares	100%	Dormant
Design Edition Limited	UK	Ordinary shares	100%	Dormant
Harlequin Fabrics & Wallcoverings Limited	UK	Ordinary shares	100%	Dormant
Morris & Co. (Artworkers) Limited	UK	Ordinary shares	100%	Dormant
Sanderson of London Limited	UK	Ordinary shares	100%	Dormant
Scion Fabrics & Wallcoverings Limited	UK	Ordinary shares	100%	Dormant
Scion Living Limited	UK	Ordinary shares	100%	Dormant
Standfast Dyers and Printers Limited	UK	Ordinary shares	100%	Dormant
Strines Textiles Limited	UK	Ordinary shares	100%	Dormant
Style Library Limited	UK	Ordinary shares	100%	Dormant
Walker Greenbank Distribution Limited	UK	Ordinary shares	100%	Dormant
William Morris Wallpapers Limited	UK	Ordinary shares	100%	Dormant
Zoffany Limited	UK	Ordinary shares	100%	Dormant

Registered offices of the Company's related undertakings, all of which are wholly owned, are as follows:

<i>Name of subsidiary undertakings</i>	<i>Registered office</i>
All undertakings other than the ones listed below	Chalfont House, Oxford Road, Denham, UB9 4DX
Walker Greenbank Inc	800 Huyler Street, Teterboro, New Jersey, 07608
Arthur Sanderson & Sons SARL	19 Rue de Mail, Paris, 75002
Abaris Trading Company B.V.	Postbus 372, 1970 AJ IJmuiden, Netherlands
Style Library GmbH	Thurn-und-Taxis-Platz 6, 60313, Frankfurt am main, Germany
Style Library (Rus) LLC	Room 46, Floor 8, Building 1, 16A Leningradskoe shosse, Moscow, 125171, the Russian Federation

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 15. Inventories

	2019 £000	2018 (Restated) £000
Raw materials	2,892	2,757
Work in progress	1,584	1,311
Finished goods	16,920	18,093
	<b>21,396</b>	<b>22,161</b>

The cost of stocks recognised as an expense and included in cost of sales amounted to £26,024,000 (2018: £27,624,000).

### 16. Trade and other receivables

Current	2019 £000	2018 (Restated) £000
Trade receivables	9,309	10,122
Less: Provision for impairment	(485)	(270)
Net trade receivables	8,824	9,852
Amounts owed by group undertakings	9,796	4,051
Corporation Tax	-	460
Other Taxes and social security	-	40
Accrued accelerated licensing income	434	371
Other receivables	449	400
Marketing materials	702	1,004
Prepayments	2,178	1,744
	<b>22,383</b>	<b>17,922</b>

Amounts owed by group undertakings are non-interest bearing and are unsecured. These loans are repayable on demand by the Company should payment be required but have no fixed date of repayment.

There is no material difference between the carrying amount and the fair value of the trade and other receivables. The only impaired assets are within trade receivables, accrued accelerated licensing income and marketing materials.

The only financial asset that is subject to IFRS 9's new expected credit loss model is trade receivables for sales of inventory.

The IFRS 9 simplified approach has been applied to measure lifetime expected credit losses for all trade receivables. Trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 January 2019 or 1 February 2019 respectively and the corresponding historical credit losses experiences within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables

On this basis, the total loss allowance for trade receivables as at 31 January 2019 (on adoption of IFRS 9) is determined as follows:

£000	Current	1-30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Trade Receivables	8,090	462	535	114	108	9,309
Loss Allowance	305	32	26	14	108	485

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 16. Trade and other receivables (continued)

As a result of adopting IFRS 9, the Directors believe that in the current economic environment there is objective evidence of credit deterioration and an impairment of £345,000 (2018: £nil) is required, representing a collective assessment of risk against receivables that are yet to be specifically identified. Due to the nature of the Company's products, there is a limited amount of inventory left in the possession of customers that could act as collateral under terms of trade. As the value of this inventory is immaterial, it has not been disclosed in the financial statements.

#### Credit quality of financial assets

##### (i) Not past due

Included in the Company's trade receivable balances are receivables with a carrying value of £8,090,000 (2018: £9,442,000) which are not past due. Under the expected credit loss model a provision is held for the lifetime credit loss on these balances of £305,000 (2018: nil). The nature of the Company's business means that it has a long-standing relationship with the majority of its customers, who either have no experience of historical default or only temporary late payments with full recovery of balances due.

##### (ii) Past due

Included in the Company's trade receivables balance are receivables with a carrying value of £1,004,000 (2018: £706,000) which are past due at the reporting date for which the Company does not consider the need to create a specific impairment provision against individually identified receivable but an expected credit loss provision has been made of £50,000 (2018: nil).

##### (iii) Past due – individually impaired

As at 31 January 2019, trade receivables of £215,000 (2018: £260,000) were individually determined to be impaired and provided for. The amount of the provision was £130,000 (2018: £270,000). The main factors used to assess the impairment of trade receivables is the age of the balance and circumstances of the individual customer. It has been assessed that a proportion of the receivables is expected to be recovered.

The Company considers that any exposure to concentrations of credit risk will be impacted principally by underlying economic conditions in the principal geographical territories in which the Company operates. As at the Balance Sheet date the carrying value of trade receivables by geographical territory of the customer was:

	2019 £000	2018 (Restated) £000
United Kingdom	5,415	6,186
Continental Europe	1,310	2,130
United States of America	726	495
Rest of the World	1,373	1,041
	<b>8,824</b>	<b>9,852</b>

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2019 £000	2018 (Restated) £000
Sterling	7,706	8,826
Euros	378	9
US Dollars	1,375	1,545
Other	248	243
	<b>9,707</b>	<b>10,623</b>

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 16. Trade and other receivables (continued)

The closing loss allowances for trade receivables as at 31 January 2019 reconcile to the opening loss allowances as follows:

	Lifetime ECL £000	Credit Impaired £000	2019 £000	2018 Incurred £000
At 31 January 2018 – calculated under IAS 39	-	(270)	(270)	(203)
Amounts restated from adoption of IFRS 9	(101)	-	(101)	-
Opening loss allowance as at 1 February 2019 – under IFRS 9	(101)	(270)	(371)	(203)
Increase in allowance recognised in income statement	(799)	(140)	(939)	(157)
Receivables written off in the year as uncollectible	-	104	104	60
Unused amounts reversed	555	166	721	30
At 31 January	(345)	(140)	(485)	(270)

The creation and release of provisions for impaired trade receivables have been included within distribution and selling costs in the Income Statement.

The Company was required to revise its impairment methodology under IFRS 9, and has therefore applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

### 17. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Bank overdraft	10,081	6,827
Trade creditors	11,547	11,705
Amounts owed to group undertakings (note 18)	4,437	4,435
Corporation tax	447	-
Other taxes and social security	1,877	1,720
Other creditors and deferred revenue	224	338
Accruals	2,923	2,897
	31,536	27,922

Amounts owed to group undertakings are non-interest bearing and are unsecured. These loans are payable by the Company on demand should payment be required, but have no fixed date of repayment.

### 18. Amounts owed to group undertakings

	2019 £000	2018 £000
Amounts owed to subsidiary undertakings	4,437	4,435

The Company and the ultimate parent undertaking, are party to a group banking facility with Barclays Bank PLC. In December 2015, they entered into a £12,500,000 multi-currency revolving credit facility with Barclays Bank PLC for a five-year period and cancelled the existing Receivables facilities. The agreement also includes a £10,000,000 accordion facility option to further increase available credit which provides substantial headroom for future growth. The total facilities from Barclays Bank PLC comprises: a variable rate Term Loan secured on the Company's freehold property which is being repaid on a five-year profile and a revolving credit facility which may be drawn down in either sterling or euro.

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 18. Amounts owed to group undertakings (continued)

The total Barclays Bank PLC facilities are capped at £22,500,000 (2018: £22,500,000); the utilisation of the facilities at the year-end was £9,500,000 (2018: £9,500,000). The term loan bears interest at variable rates based on a margin above the Bank of England base rate. The revolving credit facility bears interest at a variable rate based on a margin above LIBOR (for sterling loans) or the EURIBOR (for euro loans).

Under the Barclays Bank PLC facilities, the Company and its ultimate parent undertaking are subject to a financial covenant which applies to the term loan, being interest cover. The revolving credit facility is also subject to compliance of two financial covenants, being interest cover and leverage. Any non-compliance with covenants could, if not remedied or waived, constitute an event of default with respect to any such arrangements. The ultimate parent undertaking has reported to Barclays Bank PLC that it was in full compliance with its covenants throughout each of the periods presented and expects to be for the remaining term of the agreement.

### 19. Deferred income tax

A deferred tax asset of £331,000 (2018: deferred tax liability (£421,000)) is recognised in respect of fixed assets and other temporary differences, including retirement benefit obligations.

	2019 £000	2018 (Restated) £000
Taxable temporary differences on property, plant and equipment	(1,138)	(1,521)
Taxable temporary differences on intangible assets	(210)	(194)
Other temporary differences	16	39
	(1,332)	(1,676)
Retirement benefit obligations	1,663	1,255
Deferred income tax asset/(liability)	331	(421)

A deferred tax credit of £402,000 (2018: £nil) arising on retirement benefit obligations has been recognised within the Statement of Comprehensive Income.

There are gross tax losses in overseas subsidiaries of £473,000 (2018: £368,000) which are available for offset against future taxable profits by those subsidiaries. Potential deferred tax assets at 31 January 2019 relating to overseas losses have not been recognised as it is not considered probable that recovery of the potential deferred tax asset will arise under existing tax legislation. These are summarised in the table below:

	2019 £000	2018 £000
Unutilised tax losses – Overseas	473	368

The gross movement on the deferred income tax account is as follows:

	2019 £000	2018 £000
<b>Net deferred tax asset/(liability)</b>		
At 1 February	(421)	(211)
Income Statement credit/(charge)	350	(210)
Tax credit relating to components of other comprehensive income	402	-
At 31 January	331	(421)

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 20. Retirement benefit obligations

#### Defined contribution schemes

The Company contributes to the defined contribution section of the Abaris Holdings Limited Pension Scheme and to a Group Personal Pension Plan which is also a defined contribution scheme. Contributions are charged to the Income Statement as incurred and amounted to £490,000 (2018: £319,000). Active members of the schemes are also able to make contributions.

#### Defined benefit schemes

The Company operates two defined benefit schemes in the UK which both offer pensions in retirement and death benefits to members: the Walker Greenbank Pension Plan and the Abaris Holdings Limited Pension Scheme. Pension benefits are related to the members' final salary at retirement and their length of service. The schemes are closed to new members and to future accrual of benefits. This disclosure excludes any defined contribution assets and liabilities.

The Company's contributions to the schemes for the year beginning 1 February 2019 are expected to be £1,951,000.

Plan assets held in the fund are governed by local regulations and practice in the UK. Responsibility for the governance of the plan, including investment decisions and contributions schedules, lies with the Trustees of the schemes.

Actuarial valuations of the schemes were carried out as at 31 January 2019, based on membership data at 5 April 2015, updated to take account of benefit outgo since 5 April 2015, using actuarial assumptions at 31 January 2019. The major assumptions used by the actuary were (in nominal terms) as follows:

	2019	2018
Discount rate	2.50%	2.50%
Inflation assumption (RPI)	3.15%	3.15%
Inflation assumption (CPI)	2.15%	2.15%
Rate of increase in salaries	3.15%	3.15%
Rate of increase to pensions in payment, that increase in line with RPI subject to a maximum of 5% p.a.	3.00%	3.00%
Rate of increase to pensions (in excess of GMP) in deferment	2.15%	2.15%

The mortality assumptions imply the expected future lifetime from age 65 as follows:

	2019	2018
Non-pensioner male currently 45	23.0	23.0
Pensioner male currently 65	21.9	21.9
Non-pensioner female currently 45	25.4	25.5
Pensioner female currently 65	24.2	24.2

The fair value of the assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the schemes' liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	2019 £000	2018 £000
Equities, absolute return and property	26,407	11,709
Fixed interest gilts	67	33,269
Fixed interest bonds	16,375	5,343
Index-linked gilts	16,519	8,771
Insured annuities	866	868
Cash and cash equivalents	6,608	5,579
Fair value of scheme assets	66,842	65,539

All assets are invested in the UK. The assets do not include the Company's financial instruments or property connected with the Company.

The actual return on assets over the year was a gain of £2,517,000 (2018: gain of £2,229,000).

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 20. Retirement benefit obligations (continued)

	2019 £000	2018 £000
Present value of funded obligations	(76,505)	(72,837)
Fair value of scheme assets	66,842	65,539
Deficit in funded scheme	(9,663)	(7,298)
Net liability in balance sheet	9,663	7,298

### Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	2019 £000	2018 £000
Benefit obligation at beginning of year	72,837	71,914
Interest cost	1,786	1,976
Re-measurement losses/(gains) – changes in financial assumptions	-	2,802
Re-measurement gains – changes in demographic assumptions	3,061	(1,032)
Re-measurement gains – experience	529	(111)
Benefits paid	(2,794)	(2,712)
Past service cost	1,086	-
Benefit obligation at end of year	76,505	72,837

### Reconciliation of opening and closing balances of the fair value of plan assets

	2019 £000	2018 £000
Fair value of plan assets at beginning of year	65,539	64,501
Interest income on scheme assets	1,623	1,789
Return on assets, excluding interest income	894	440
Contributions by employers	1,990	1,907
Benefits paid	(2,794)	(2,712)
Scheme administrative cost	(410)	(386)
Fair value of scheme assets at end of year	66,842	65,539

### Re-measurements of the net defined benefit liability/(asset) to be shown in the Statement of Comprehensive Income:

	2019 £000	2018 £000
Net re-measurement – financial	-	(2,802)
Net re-measurement – demographic	(3,061)	1,032
Net re-measurement – experience	(529)	111
Return on assets, excluding interest income	894	440
Total re-measurements of the net defined benefit liability	(2,696)	(1,219)

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 20. Retirement benefit obligations (continued)

#### Sensitivity analysis

The table below shows the impact on the defined benefit obligation of changing each of the most significant assumptions in isolation. The figures in the table as at 31 January 2019 have been calculated using the same valuation method that was used to calculate the defined benefit obligation above and are consistent year on year.

	Change in assumption	Impact on scheme liabilities 2019 (£m)		Impact on scheme liabilities 2018 (£m)	
		Increase	Decrease	Increase	Decrease
Discount rate	0.25% movement	(3.0)	3.1	(3.0)	3.3
Rate of inflation (RPI) *	0.25% movement	1.3	(1.3)	1.5	(1.4)
Rate of inflation (CPI) *	0.25% movement	(0.6)	0.6	0.7	(0.6)
Assumed life expectancy	1 year movement	3.6	(3.5)	3.7	(3.7)

Extrapolation of the sensitivity analysis beyond the ranges shown may not be appropriate.

\* With corresponding changes to the salary and pension increase assumptions.

#### Risk exposure

Through its defined benefit pension plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- **Asset volatility**  
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.
- **Changes in bond yields**  
A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
- **Inflation risks**  
Some of the Company's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.
- **Life expectancy**  
The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The weighted average duration of defined benefit obligations is 17 years.

### 21. Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

31 January 2019	Loans and receivables £000	Assets at fair value £000	Total £000
<b>Assets as per Balance Sheet</b>			
Trade and other receivables	19,503	-	19,503
Cash at bank and in hand	758	-	758
<b>Total</b>	<b>20,261</b>	<b>-</b>	<b>20,261</b>

31 January 2019	Liabilities at fair value £000	Other financial liabilities £000	Total £000
<b>Liabilities as per Balance Sheet</b>			
Creditors: amounts falling due within one year	-	29,212	29,212
<b>Total</b>	<b>-</b>	<b>29,212</b>	<b>29,212</b>

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 21. Financial instruments (continued)

31 January 2018	Loans and Receivables (Restated) £000	Assets at fair value £000	Total £000
<b>Assets as per Balance Sheet</b>			
Trade and other receivables	14,674	-	14,674
Cash at bank and in hand	579	-	579
<b>Total</b>	<b>15,253</b>	<b>-</b>	<b>15,253</b>

31 January 2018	Liabilities at fair value £000	Other financial liabilities £000	Total £000
<b>Liabilities as per Balance Sheet</b>			
Creditors: amounts falling due within one year	-	26,202	26,202
<b>Total</b>	<b>-</b>	<b>26,202</b>	<b>26,202</b>

For the Company's cash at bank, the counterparty to the financial instruments is a major UK bank, and the Company does not consider there to be any significant credit risk from holding these financial assets.

#### Offsetting of financial assets and liabilities

The following financial assets/(liabilities) are subject to offsetting, enforceable master netting arrangements and similar arrangements.

31 January 2019	Gross amounts of recognised financial assets/(liabilities) £000	Gross amounts of recognised financial assets set off in the Balance Sheet £000	Net amounts of financial assets/(liabilities) included in the Balance Sheet £000
Cash at bank and in hand	177	(177)	-
Bank overdraft	(9,500)	177	(9,323)

31 January 2018	Gross amounts of recognised financial assets/(liabilities) £000	Gross amounts of recognised financial assets set off in the Balance Sheet £000	Net amounts of financial assets/(liabilities) included in the Balance Sheet £000
Cash at bank and in hand	3,252	(3,252)	-
Bank overdraft	(9,500)	3,252	(6,248)

For the financial assets and liabilities, subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Company and the counterparty allows for the net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party

# Abaris Holdings Limited

## Notes to the Financial Statements (continued)

### 22. Share capital and premium

Ordinary shares of £1 each:

Allotted, called up and fully paid:	Number of shares	Called up share capital £000	Share premium account £000
31 January 2018 and 31 January 2019	19,400,000	19,400	1,808

All holders of ordinary shares have the right to vote at general meetings of the Company and to distributions from dividends or on winding up of the Company.

### 23. Commitments

#### a) Capital commitments

Capital expenditure contracted for at the Balance Sheet date but not yet incurred is as follows:

	2019 £000	2018 £000
Tangible fixed assets	-	125

#### b) Lease commitments

Operating lease payments represent rentals payable by the Company for certain office properties. Land and building leases are negotiated for an average of 14 years (2018: 14 years) and rentals are fixed for an average of five years (2018: five years). Other leases are negotiated for an average term of three years (2018: three years) and rentals are fixed for an average of three years (2018: three years).

Total commitments due under non-cancellable operating leases are as follows:

	Land and buildings 2019 £000	Other 2019 £000	Total 2019 £000	Land and buildings 2018 £000	Other 2018 £000	Total 2018 £000
Within one year	1,017	497	1,514	993	323	1,316
Between one and five years	2,827	733	3,560	3,056	504	3,560
Over five years	106	54	160	785	-	785
	3,950	1,284	5,234	4,834	827	5,661

Other leases include hire of plant, machinery and motor vehicles.

# **Abaris Holdings Limited**

## **Notes to the Financial Statements (continued)**

### **24. Dividends**

During the year, the Company paid an interim dividend of 0.16p per share (£3,102,000) for the financial year ended 31 January 2019 (2018: 0.16p per share, £3,125,000). The Directors do not recommend the payment of a final dividend in respect of the year ended 31 January 2019 (2018: £nil).

### **25. Contingent liabilities**

The Company is party to a cross guarantee with its ultimate parent undertaking in relation to the borrowings of the Company under the funding arrangements with Barclays Bank PLC.

### **26. Ultimate and immediate parent undertaking**

The ultimate and immediate parent undertaking and controlling party is Walker Greenbank PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Walker Greenbank PLC consolidated financial statements can be obtained from the Company Secretary at Walker Greenbank PLC, Chalfont House, Oxford Road, Denham, UB9 4DX.

### **27. Events after the reporting period**

On 11 March 2019, the Group appointed Lisa Montague as an Executive Director and she became Chief Executive Officer on 10 April 2019.