


WESTEX (CARPETS) LIMITED  
REGISTERED NUMBER : 01480813

## WESTEX (CARPETS) LIMITED

Reports and Unaudited Financial Statements  
52 Week Period Ended 02 April 2022

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SATURDAY

  
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## Officers and Professional Advisers

### Directors

JR Shirt  
JF Cooper  
GB Wilding

### Secretary

JR Shirt

### Registered Office

Calder Bank Mills  
Calder Bank Road  
Dewsbury  
WF12 9QW

### Bankers

Barclays Bank plc  
PO Box 3333  
One Snowhill, Snowhill Queensway  
Birmingham  
B3 2WN

## **STRATEGIC REPORT**

The directors present the Strategic Report for Westex (Carpets) for the period ended 02 April 2022.

### **Principal Activities**

The Company is engaged in the manufacture and distribution of carpets and other floorcoverings.

### **Review of the Business**

During the 52 week period to 02 April 2022 the Company has continued to focus on supplying high quality products backed up by a high quality service.

The operating performance has returned an operating profit before exceptionals of 28.3% in the 52 week period to 02 April 2022 compared to 24.6% in the 53 week period to 03 April 2021.

As a result of the above, the Company recorded a profit on ordinary activities before tax and exceptional items of £6.795m (2021: profit before tax of £4.262m). Exceptional profits relating to the transfer of manufacturing activities were £2.748m.

The Victoria PLC group manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the UK division of Victoria PLC, which includes the Company, is discussed in the groups Annual Report and Accounts which does not form part of this report.

### **Principal risks and uncertainties**

Competitive pressure in the UK is a continuing risk for the Company, which could result in losing sales. The Company manages this risk by providing high quality, value for money products, backed up by added value services to its customers. These services incorporate fast response times, not only in supplying products but in handling all customer service queries and by maintaining strong relationships with customers.

### **Financial risk management**

#### **Credit Risk**

*The Company's main financial assets are trade and other receivables.*

Credit risk is primarily targeted at trade receivables. Prior to giving credit terms to new customers, credit checks are obtained from reputable external sources. Credit terms and payment history are reviewed constantly, and action taken early to minimise risk of default. The amounts presented in the accounts are net of a provision for doubtful debt. The risk is spread widely over many customers.

#### **Liquidity Risk**

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

To achieve this the Company constantly monitors its cash position to ensure obligations can be met within its agreed bank facilities.

## STRATEGIC REPORT

The directors monitor annual cash budgets and updated forecasts monthly. At the balance sheet date these projections indicate the Company will have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

### Currency Risk

The Company has little foreign currency income because as many transactions as possible are made in Sterling. However this is not always possible and the Company does sell and purchase in Euros and, to a lesser extent US Dollars. There is some exposure to fluctuations in these currencies.

The Company generally buys the currencies at spot rate but constantly reviews this policy and would, if beneficial, cover with forward exchange contracts.

### Future Developments

The Company continues to invest in products to ensure that its ranges are both fashionable and meet the needs and demands of our customers. The Company remains well invested in modern plant and equipment and has the scope to significantly increase production volumes when required to do so by the market and to take advantage of any uplift in economic conditions.

### Environment

The Victoria PLC group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The Company operates in accordance with group policies.

Initiatives to minimise the Company's impact on the environment include safe disposal of manufacturing waste and reducing energy consumption.

### Employees

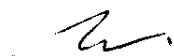
Details of the number of employees and related costs can be found in note 5.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned.

In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company participates in the the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Approved by the board of directors on 8th of November 2022 and signed on behalf of the board



J R Shirt

Director

## **DIRECTOR'S REPORT**

The directors present their report and the unaudited financial statements for the 52 week period ended 02 April 2022.

### **Directors**

The directors who served during the period and subsequently are stated below:

J R Shirt

J F Cooper

G B Wilding

### **Dividends**

£9.46m (2021: £6.00m) was declared in the period. The directors do not recommend payment of a further dividend.

### **Principal activities and strategic report**

The principal activity of the Company during the period was that of carpet and other flooring distributors. The Company is required by the Companies Act 2006 to prepare a Strategic Report that includes a fair review of the Company's business, the development and the performance of the Company's business during the year and its future developments, of the position of the Company at the end of the financial period to 02 April 2022 and a description of the principal risks and uncertainties faced by the Company. The Strategic Report can be found on page 3.

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period.

Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 'FRS 101 Reduced Disclosure Framework'. 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 and the profit or loss of the Company for that period.

*In preparing these financial statements, the directors are required to:*

- select suitable accounting policies and then apply them consistently*
- make judgements and accounting estimates that are reasonable and prudent; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **DIRECTOR'S REPORT**

### **Going Concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As part of the Victoria PLC group the Company is supported by the group's treasury management and strong group balance sheet which has sufficient cash on hand to support the business in even the most severe scenarios the directors have modelled.

The directors have as a result obtained a letter of continued financial support from the ultimate parent company, Victoria PLC, for at least 12 months from the date of this report. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### **Qualifying Third Party Indemnity Provisions**

The Company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of the report.

### **Audit Exemption Under Section 479 of the Companies Act 2006**

These financial statements are unaudited as the directors have taken advantage of the exemption available under Section 479 of the Companies Act 2006. In accordance with Section 479A of the Companies Act 2006, all of the company's members have agreed to the company taking advantage of the audit exemption and a parent company guarantee has been provided to the company in accordance with Section 479C of the Companies Act 2006.

Approved by the board of directors on 8th of November 2022 and signed on behalf of the board.



**J R Shirt**

Director

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	3	<b>24,125</b>	17,355
Cost of sales		<u><b>(12,138)</b></u>	<u>(9,689)</u>
<b>Gross Profit</b>		<b>11,987</b>	7,666
Administrative Expenses		<b>(5,213)</b>	(4,711)
Other operating income	3	<b>55</b>	1,330
Exceptional Items	7	<b>2,748</b>	(1,237)
		<u>          </u>	<u>          </u>
<b>Profit from operations</b>	4	<b>9,577</b>	3,048
Interest payable and similar charges	6	<u><b>(34)</b></u>	<u>(23)</u>
<b>Profit on ordinary activities before taxation</b>	4	<b>9,543</b>	3,025
Tax on profit for the financial period	8	<b>(812)</b>	882
		<u>          </u>	<u>          </u>
<b>Total comprehensive income for the financial period</b>		<u><b>8,731</b></u>	<u>3,907</u>

All the activities from the Company are from continuing operations.

The notes on pages 10 to 22 form part of these financial statements.



**BALANCE SHEET**

	Note	2022 £'000	2021 £'000
<b>Fixed Assets</b>			
Tangible assets	10	<u>6,445</u>	<u>7,256</u>
		<b>6,445</b>	<b>7,256</b>
<b>Current Assets</b>			
Stocks	11	<b>6,147</b>	5,039
Debtors due < 1 year	12	<b>4,481</b>	3,690
Cash at Bank and in Hand	13	<u><b>6,533</b></u>	<u>5,034</u>
		<b>17,161</b>	<b>13,763</b>
<b>Creditors: amounts falling due within one year</b>	14	<u><b>9,502</b></u>	<u>6,322</u>
<b>Net Current Assets</b>		<u><b>7,659</b></u>	<u>7,441</u>
<b>Total Assets less Current Liabilities</b>		<b>14,104</b>	14,697
<b>Net Assets</b>		<u><u><b>14,104</b></u></u>	<u><u>14,697</u></u>
<b>Capital and Reserves</b>			
Called up Share Capital	16	-	-
Share Premium Account	17	<b>120</b>	120
Other Reserves	17	<b>448</b>	312
Profit and Loss Account	17	<u><b>13,536</b></u>	<u>14,265</u>
<b>Shareholders Funds</b>		<u><u><b>14,104</b></u></u>	<u><u>14,697</u></u>

For the year ended 02 April 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

The shareholders have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 8th of November 2022 and were signed on its behalf by:



**J R Shirt**  
Director

The notes on pages 10 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**

	<b>Called -up share capital £'000</b>	<b>Share premium £'000</b>	<b>Other Reserves £'000</b>	<b>Profit and Loss £'000</b>	<b>Total £'000</b>
<b>AS at 28 March 2020</b>	<b>0</b>	<b>120</b>	<b>187</b>	<b>16,358</b>	<b>16,665</b>
Total comprehensive income for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,907</u>	<u>3,907</u>
	0	120	187	20,265	20,572
Share based payment charge	0	0	125	0	125
Dividend	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>6,000</u>
Transactions with owners	<u>0</u>	<u>0</u>	<u>125</u>	<u>(6,000)</u>	<u>(5,875)</u>
<b>As at 03 April 2021</b>	<b><u>0</u></b>	<b><u>120</u></b>	<b><u>312</u></b>	<b><u>14,265</u></b>	<b><u>14,697</u></b>
<b>As at 03 April 2021</b>	<b>0</b>	<b>120</b>	<b>312</b>	<b>14,265</b>	<b>14,697</b>
Total comprehensive income for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,731</u>	<u>8,731</u>
	0	120	312	22,996	23,428
Share based payment charge	0	0	136	0	136
Dividend	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,460)</u>	<u>(9,460)</u>
Transactions with owners	<u>0</u>	<u>0</u>	<u>136</u>	<u>(9,460)</u>	<u>(9,324)</u>
<b>As at 02 April 2022</b>	<b><u>0</u></b>	<b><u>120</u></b>	<b><u>448</u></b>	<b><u>13,536</u></b>	<b><u>14,104</u></b>

The notes on pages 10 to 22 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Company Information

The entity is a limited company incorporated and domiciled in England and Wales. The registered office is Calder Bank Mills, Calder Bank Road, Dewsbury, WF12 9QW.  
The Company is engaged in the manufacture and distribution of carpets.

### 1a. Audit Exemption Under Section 479 of the Companies Act 2006

These financial statements are unaudited as the directors have taken advantage of the exemption available under Section 479 of the Companies Act 2006. In accordance with Section 479A of the Companies Act 2006, all of the company's members have agreed to the company taking advantage of the audit exemption and a parent company guarantee has been provided to the company in accordance with Section 479C of the Companies Act 2006.

### 2. Accounting Policies

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 - 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Sterling (£) and have been presented in round thousands (£'000).

The preparation of financial statements requires the application of certain accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2.17).

#### 2.2 Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As part of the Victoria PLC group the Company is supported by the group's treasury management and strong group balance sheet which has sufficient cash on hand to support the business in even the most severe scenarios the directors have modelled.

The directors have, as a result, obtained a letter of continued financial support from the ultimate parent company, Victoria PLC, for at least 12 months from the date of this report. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### 2.3 Parent Company

The Company is a wholly owned subsidiary of Globesign Limited. This Company is included in the consolidated financial statements of Victoria PLC for the 52 week period ended 02 April 2022. These accounts are available from Worcester Road, Kidderminster, Worcestershire, DY10 1JR.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.4 Disclosure Exemptions Adopted

The entity satisfies the criteria of being a qualifying entity as defined in FRS 101. Its financial statements are consolidated into the financial statements of Victoria PLC which can be obtained from its registered office, Worcester Road, Kidderminster, DY10 1JR. As such, advantage has been taken of the following disclosure exemptions available under FRS 101:

- a) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- b) the requirements of IAS 7 Statement of Cash Flows;
- c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- d) the requirement of paragraph 17 of IAS 24 Related Party Disclosures
- e) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- f) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- g) the requirements of IFRS 9 Financial Instruments: Disclosures;
- h) the effect of future accounting standards not adopted.

### 2.5 Tangible Assets

Property, plant and equipment (PPE) is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

- a) Land and buildings - stated at their deemed cost, being the cost at the date of adoption of IFRS less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation on buildings is charged to profit or loss.

- b) Other PPE - subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight line basis (unless otherwise stated) to write down the cost less estimated residual value of PPE. The following useful lives are applied:

- Freehold Buildings: 10 to 50 years
- Plant and Machinery: 5 to 10 years
- Fixtures, Fittings and Equipment: 2 to 10 years
- Motor Vehicles: 4 years (reducing balance)

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

### 2.6 Stock

Stock is stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.7 Financial Instruments - Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### 2.8 Financial Assets

The Company's financial assets fall into the categories discussed below, with the allocation depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

Unless otherwise indicated, the carrying amounts of the Company's financial assets are a reasonable approximation of their fair values.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to another entity.

#### *Assets held at amortised cost*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (eg trade receivables) and deposits held at banks but may also incorporate other types of contractual money asset. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost as reduced by appropriate allowances for estimated unrecoverable amounts.

The effect of discounting on these financial instruments is not considered to be material.

The Company makes use of a simplified approach to accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the lifetime of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate expected credit loss using a provision matrix.

The Company oversees impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped on the number of days overdue.

*Assets held at amortised cost in the Company include loans issued to other group companies. They are initially recognised at fair value less transaction costs that are directly attributable and subsequently at amortised cost reduced by appropriate allowances for credit losses.*

*For loans with other group companies that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date in accordance with IFRS 9.*

*For other loans with group companies where the credit risk is deemed to be low a 12 month expected credit loss is recognised in accordance with IFRS 9.*

## NOTES TO THE FINANCIAL STATEMENTS

### 2.9 Financial Liabilities

The Company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was incurred.

Unless otherwise indicated, the carrying amounts of the Company's financial liabilities are a reasonable approximation of their fair values.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### *Financial liabilities measured at amortised cost*

These liabilities include the following items:

- Trade payables and other short term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost.
- Bank borrowings and amounts due to group undertakings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost. Interest is recognised as a finance expense in the income statement.

### 2.10 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits which is presented as cash at bank and in hand on the balance sheet.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the balance sheet.

### 2.11 Holiday Pay

A provision for annual leave accrued by employees as a result of services rendered, and which employees are entitled to carry forward and use within the next 12 months is recognised in the current period. The provision is measured at the salary cost payable for the period of absence.

### 2.12 Equity, Reserves and Dividend Payments

The Company's ordinary shares are classified as equity. Transaction costs on the issue of the shares are deducted from the share premium account arising on that issue. Dividends on the Company's ordinary shares are recognised directly in equity.

Interim dividends are recognised when they are paid. A liability for unpaid dividends is recognised when the dividends have been approved in a general meeting prior to the reporting date.

### 2.13 Revenue Recognition

The Company enters into contracts with customers involving one performance obligation being the sale of flooring products. Revenue is recorded at transaction price being the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, for example some sales or value added taxes in

## NOTES TO THE FINANCIAL STATEMENTS

accordance with IFRS 15. Revenue from the sale of goods is recognised at a point in time when promised goods have been transferred to a customer at which point the performance obligation is considered to have been satisfied. The customer is considered to obtain control of the promised goods at the point of delivery.

The standalone selling price of the product sold to a customer is clearly determined from the contract entered into. The total transaction price is estimated as the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods after deducting trade discounts and volume rebates which create variability in the transaction price.

In determining the variable consideration to be recognised, trade discounts and volume rebates are estimated based on the terms of the contractually agreed arrangements and the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods to the customer.

Variable consideration is estimated using the 'most likely amount' method. Payment terms are between 30 and 60 days, therefore the impact of the time value of money is minimal.

### 2.14 Operating Expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

### 2.15 Foreign Currency Translation

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at period end exchange rates are recognised in profit or loss.

### 2.16 Exceptional Items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

### 2.17 Significant Judgement in Applying Accounting Policies and Key Estimation Uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

- *Estimation Uncertainty: Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.*

- *Stock: Management estimates the net realisable values of stock, taking into account the most reliable evidence available at each reporting date. The future realisation of these stocks may be affected by future technology or other market-driven changes that may reduce future selling prices.*

### 2.18 Government Grants Accounting Policy

Government grants relating to the Coronavirus Job Retention Scheme ("CJRS") in the UK are recognised in profit or loss over the periods necessary to match them with the related costs and are presented as other operating income in the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.19 Taxation

#### Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 by the reporting end date.

#### Deferred Tax:

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised on the initial recognition of goodwill, nor on the initial recognition of assets or liabilities unless acquired in a business combination or in a transaction that affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income credits to the Company are assessed for recognition as deferred tax assets. Deferred tax liabilities are provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

### 2.20 Leases

The Company recognises right of use assets at cost and lease liabilities at the lease commencement date based on the present value of future lease payments. The right of use assets are depreciated *over the shorter of the asset's useful life and the lease term on a straight line basis in line with the Company's accounting policy for property, plant and equipment.* The lease liabilities are recognised at amortised cost using the effective interest rate method. The discount rates used reflect the incremental borrowing rate specific to the lease.

### 3. Turnover

Turnover, analysed geographically between markets, was as follows:

	2022 £'000	2021 £'000
United Kingdom	23,784	16,947
Rest of the World	341	408
	<u>24,125</u>	<u>17,355</u>

Other operating income was as follows:

	2022 £'000	2021 £'000
Government grant income	54	1,158
Rental income from property	1	172
	<u>55</u>	<u>1,330</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 4. Profit on Ordinary Activities before Taxation

The profit on ordinary activities before taxation is stated after:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Depreciation of right of use assets	39	40
Depreciation of tangible assets	1,060	1,336
Staff Costs	3,750	4,577
Auditors remuneration - Fees payable to the Company's auditor for the audit of the Company's annual accounts	-	26
(Profit) / loss on disposal of fixed assets	(2,835)	(46)
Cost of inventories recognised as an expense	9,732	7,008
Foreign exchange (gains) / losses	1	-
Defined contribution plan expense	174	167
	<b>=====</b>	<b>=====</b>

For the year ended 02 April 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### 5. Directors and Employees

Staff costs, including directors, comprised the following:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Wages and salaries	3,252	4,373
Social security costs	324	339
Other pension costs	174	167
	<b>=====</b>	<b>=====</b>
	<b>3,750</b>	<b>4,879</b>

The average number of employees of the Company (including directors) during the year was:

	<b>2022</b>	2021
	<b>Number</b>	Number
Sales and administration	40	45
Production	41	82
	<b>=====</b>	<b>=====</b>
	<b>81</b>	<b>127</b>

## NOTES TO THE FINANCIAL STATEMENTS

Directors remuneration comprised the following:

	2022 £'000	2021 £'000
Emoluments	200	200
Pension contributions to money purchase pension schemes	9	9
	<u>209</u>	<u>209</u>

During the year 1 director (2021: 1) had benefits accruing under money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2022 £'000	2021 £'000
Director's emoluments (including amounts receivable under long term incentive schemes)	200	200
Pension contributions to money purchase pension schemes	9	9
	<u>209</u>	<u>209</u>

### 6. Interest Payable and Similar Charges

	2022 £'000	2021 £'000
Bank Charges	31	19
Interest on right of use assets	3	4
<b>Total Finance Expense</b>	<u>34</u>	<u>23</u>

### 7. Exceptional Items

	2022 £'000	2021 £'000
Loss/(Profit) on sale of assets - non underlying	(2,783)	-
Termination Payments	35	932
Contract Cancellations	-	305
<b>Total Exceptional Costs/(Gains)</b>	<u>(2,748)</u>	<u>1,237</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Tax on Profit on Ordinary Activities

The tax charge is based on the profit for the year and represents:

	2022 £'000	2021 £'000
UK Corporation tax	513	-
Adjustments in respect of previous periods	38	(882)
Total current tax	551	(882)
Deferred tax:		
Origination and reversal of timing differences (note 15)	242	-
Adjustment in respect of previous periods	(47)	-
Effect of change in tax rates	66	-
Tax on profit on ordinary activities	812	(882)

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the United Kingdom of 19% (2021: 19%%). The differences are explained as follows:

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	9,543	3,025
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2021: 19%)	1,796	575
Group relief and other timing differences	(974)	(575)
Adjustments in respect of previous periods	(10)	(882)
<b>Tax on results on ordinary activities</b>	<b>812</b>	<b>(882)</b>

### Factors affecting future tax charges

In the UK budget on 15 March 2021, the Chancellor announced that the rate of corporation tax would increase from its current level of 19% to 25% with effect from 1 April 2023. The rate will remain at 19% until that date. This amendment has now been substantively enacted and will increase the amount of corporation tax payable.

### 9. Dividends

	2022 £'000	2021 £'000
Declared during the year: £97,526 (2021: £61,856) per share	9,460	6,000

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Tangible Assets

	Freehold Property £'000	Plant & Machinery £'000	Fixtures, Fittings & Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>					
At 03 April 2021	8,940	2,385	1,858	568	13,751
Additions	1,554	656	986	70	3,266
Disposals	(5,179)	(1,272)	(969)	(76)	(7,496)
At 02 April 2022	<u>5,315</u>	<u>1,769</u>	<u>1,875</u>	<u>562</u>	<u>9,521</u>
<b>Depreciation</b>					
At 03 April 2021	3,126	2,015	985	369	6,495
Provided in the year	176	71	756	96	1,099
Disposals	(2,252)	(1,272)	(944)	(50)	(4,518)
At 02 April 2022	<u>1,050</u>	<u>814</u>	<u>797</u>	<u>415</u>	<u>3,076</u>
Net book amount at 02 April 2022	<u>4,265</u>	<u>955</u>	<u>1,078</u>	<u>147</u>	<u>6,445</u>
Net book amount at 03 April 2021	<u>5,814</u>	<u>370</u>	<u>873</u>	<u>199</u>	<u>7,256</u>

Separate disclosure of right of use assets has not been made on the grounds of materiality.

<b>11. Stocks</b>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Raw Materials	27	168
Work in Progress	2,104	1,181
Finished Goods	4,016	3,690
	<u>6,147</u>	<u>5,039</u>

There is no difference between the replacement cost of stock and its carrying amount. An impairment loss of £168k (2021: £422k) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

## NOTES TO THE FINANCIAL STATEMENTS

<b>12. Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Due < 1 year		
Trade Debtors	3,457	2,668
Amounts owed by Group Entities	905	782
Other Debtors	1	1
Deferred Tax	-	56
Prepayments and Accrued Income	118	183
	<b>4,481</b>	<b>3,690</b>

Amounts owed by group entities are interest free and repayable on demand.

<b>13. Cast at Bank and in Hand</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Short Term Bank Deposits at Bank	6,533	5,034

<b>14. Creditors: Amounts Falling Due Within One Year</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Trade Creditors	3,860	2,144
Amounts owed to Group Entities	3,830	3,514
Corporation Tax	551	-
Deferred Tax	201	-
Other Taxation & Social Security	228	241
Obligations Under Right of Use Leases	30	67
Other Creditors	221	34
Accruals & Deferred Income	581	322
	<b>9,502</b>	<b>6,322</b>

Amounts owed to group entities are interest free and repayable on demand.

## 15. Deferred Tax

Deferred tax is provided at 19% (2021: 19%) in the financial statements consisting of the following:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated Capital Allowances	278	(53)
Other Timing Differences	(77)	(3)
	<b>201</b>	<b>(56)</b>

## NOTES TO THE FINANCIAL STATEMENTS

The amount of deferred tax recognised in profit or loss was as follows:

	2022 £'000	2021 £'000
Accelerated Capital Allowances	242	-
Adjustment in Respect of Previous Periods	(47)	-
Effect of Change in Tax Rates	66	-
	<u>261</u>	<u>0</u>

### 16. Share Capital

	2022 £	2021 £
Authorised, Allotted & Fully Paid		
3 'A' Ordinary Shares of £1 each	3	3
94 'B' Ordinary Shares of £1 each	94	94
	<u>97</u>	<u>97</u>

A' Ordinary shares have voting rights but are not entitled to participate in distribution of dividends or capital.

B' Ordinary shares have no voting rights but are entitled to participate in distribution of dividends or capital.

### 17. Reserves

Called-up Share Capital - represents the nominal value of shares that have been issued

Share Premium Account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Other Reserves - represents share based payment charges

Capital Redemption Reserve - represents amounts transferred from share capital on redemption of issued shares.

Profit & Loss Account - includes all current and prior retained profits and losses.

### 18. Capital Commitments

At the end of the year the Company had capital commitments for equipment of £62k (2021: £113k).

### 19. Contingent Liability

Victoria plc has a bond issue for 500 million euros maturing in 2026 (coupon rate 3.625%) and a bond issue for 250 million euros maturing in 2028 (coupon rate 3.75%). Victoria plc also had in place a variable rate £120m multi-currency revolving credit facility maturing in 2026. Post year end, on 27 May 2022, the multi-currency revolving credit facility was further increased from £120m to £150m.

These notes and revolving credit facility are guaranteed by certain of Victoria plc's subsidiaries, including Westex Carpets Limited.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **19. Ultimate Parent Undertaking**

The immediate parent company is Globesign Limited.

*The ultimate parent is Victoria plc.*

The largest and smallest group in which the results of the Company are consolidated is that headed by the ultimate parent company, Victoria plc. These financial statements are available upon request from Victoria plc, Worcester Road, Kidderminster, Worcestershire, DY10 1JR.