

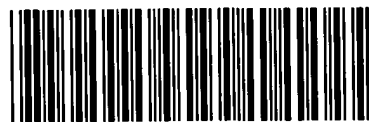
Allied Textiles Limited

Registered number: 03941408

Annual report and financial statements

For the year ended 31 December 2019

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ALLIED TEXTILES LIMITED

COMPANY INFORMATION

Directors	J Grace S R McGuffie
Company secretary	J Grace
Registered number	03941408
Registered office	1st Floor 5 Morston Claycliffe Office Park Whaley Road Barnsley South Yorkshire S75 1HQ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP

ALLIED TEXTILES LIMITED

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ALLIED TEXTILES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities

The Company acts as a holding company for its subsidiaries which are principally engaged in the manufacturing, processing and distribution of textiles products.

Business review

The Company has continued to act as a holding Company and has incurred administration expenses and investment income associated with this.

Principal risks and uncertainties

The Company carefully manages its exposure to key risks and uncertainties. Nevertheless, a number of risks and uncertainties are not fully under its control and the Company's performance is linked to that of its subsidiaries. This has been evident during 2020 with the impact of the COVID 19 pandemic which is causing widespread disruption to normal patterns of business activity across the world, including the UK.


Major geo-political and economic conditions can quickly impact key markets. In particular, the global automotive and military are major sources of revenue which can be quickly impacted by macro-economic events.

Trading within the Company's subsidiaries takes place in Euros, Sterling and US\$. Whilst a certain degree of natural hedging exists, the Company is not fully protected against volatility in its key trading currencies.

The manufacturing operations depend on the availability of high quality raw materials, and the Company aims to maintain and develop relationships with a strategic supply base. This minimizes, but does not fully eliminate, the risks to raw material supply.

There is also the current significant uncertainty surrounding Brexit and the possible consequences this may have on the Company depending on the actual outcome.

This report was approved by the board on Sep 15, 2020 and signed on its behalf.


Joanne Grace (Sep 15, 2020 16:53 GMT+1)

J Grace
Director

ALLIED TEXTILES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the 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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £5,860 thousand (2018 - £2,166 thousand).

During the year dividends of £2,500 thousand were declared and paid (2018- £1,000 thousand).

Directors

The directors who served during the year were:

J Grace
S R McGuffie

ALLIED TEXTILES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Future developments

Trading performance with the Company's subsidiaries was strong in the first quarter of 2020, despite the absence of any coating production for the first two months of the year (as we repaired the damage from the fire in December 2019).

Since March, the company and its subsidiaries have faced significant challenges as a result of the global COVID-19 pandemic.

Most of the operations ceased towards the end of March, with the majority of employees furloughed under the Government scheme. However, the period of closure was relatively short lived, and all of the operations are now back up and running. These are being managed in line with all government guidelines in relation to safe operating, with detailed risk assessments and a high level of consultation with employees.

Demand continues to be variable across the different sectors in which the Company and its subsidiaries operate with some sectors returning to pre COVID 19 demand levels whilst other sectors are not expected to return to these levels for an extended period of time. The company expects the situation to remain extremely volatile and is planning on this basis.

Whilst the majority of employees are now back at work, the company and its subsidiaries will continue to use the government furlough scheme to ensure costs remain at a minimum during what is expected to be fluctuating periods of demand. The company is also taking the opportunity to review its operations to identify any further efficiencies which can be achieved.

Thankfully, the company was in very good shape prior to this with significant headroom on facilities. Hence, the company is confident that it will emerge from this difficult period with a strong business and the ability to take advantage of opportunities which are expected to arise – our local manufacturing and technical skills are increasingly attractive to domestic users.

Going concern

The Directors have prepared forecasts for a period of at least 12 months following the date of the Auditor's report. The Company's forecasts are based on prudent trading and cash flow assumptions and take into account the impact of COVID-19.

The Company's subsidiaries ceased most of their operations towards the end of March, with the majority of employees furloughed under the Government scheme. However, the period of closure was relatively short lived and all operations are now back up and running. The forecasts prepared include the actual results for this period.

The Company had and continues to have significant headroom on its facilities whilst carefully managing its credit risk exposure. As a consequence, the Directors believe that the Company is well placed to successfully manage its business risks and to have the expectation that the Company has adequate resources to continue trading successfully. Consequently, the Directors continue to adopt the going concern basis in preparing these financial statements.

Engagement with employees

The Company is committed to the development of employee consultation so that the views of employees can be taken into account when making decisions which are likely to affect their interest.

ALLIED TEXTILES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Post balance sheet events

Since the Statement of Financial Position date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK. The Directors have taken this into consideration in their going concern assessment above.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Sep 15, 2020 and signed on its behalf.


Joanne Grace (Sep 15, 2020 16:53 GMT+1)

J Grace
Director

ALLIED TEXTILES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED TEXTILES LIMITED

Opinion

We have audited the financial statements of Allied Textiles Limited (the 'Company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 3, and the consideration in the going concern basis of preparation on page 3 and non-adjusting post balance sheet events on page 4.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 continues to evolve and, based on the information available at this point in time, the directors have assessed the impact of COVID-19 on the business and have concluded that COVID-19 is a non-adjusting post balance sheet event and that adopting the going concern basis for preparation of the financial statements is appropriate.

ALLIED TEXTILES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED TEXTILES LIMITED

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

ALLIED TEXTILES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED TEXTILES LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Shaun Mullins (Sep 16, 2020 23:30 GMT+1)

Shaun Mullins (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor
3 Wellington Place

Leeds
LS1 4AP

Date: Sep 16, 2020

ALLIED TEXTILES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £000
Administrative expenses		(136)	(137)
Operating loss	4	(136)	(137)
Income from fixed assets investments	8	8,151	4,419
Interest receivable and similar income	9	2	3
Interest payable and expenses	10	(2,537)	(2,445)
Profit before tax		5,480	1,840
Tax on profit	11	380	326
Profit for the financial year		5,860	2,166

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).


The notes on pages 12 to 22 form part of these financial statements.

ALLIED TEXTILES LIMITED
REGISTERED NUMBER: 03941408

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	13	101,888	101,888
		<u>101,888</u>	<u>101,888</u>
Current assets			
Debtors: amounts falling due within one year	14	22	2
Cash at bank and in hand	15	510	310
		<u>532</u>	<u>312</u>
Creditors: amounts falling due within one year	16	(92,610)	(95,750)
Net current liabilities		<u>(92,078)</u>	<u>(95,438)</u>
Total assets less current liabilities		<u>9,810</u>	<u>6,450</u>
Net assets		<u>9,810</u>	<u>6,450</u>
Capital and reserves			
Called up share capital	17	5,113	5,113
Share premium account	18	881	881
Capital redemption reserve	18	155	155
Profit and loss account	18	3,661	301
		<u>9,810</u>	<u>6,450</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


 Joanne Grace (Sep 15, 2020 16:53 GMT+1)

Sep 15, 2020

J Grace
 Director

The notes on pages 12 to 22 form part of these financial statements.

ALLIED TEXTILES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	5,113	881	155	301	6,450
Comprehensive income for the year					
Profit for the year	-	-	-	5,860	5,860
Total comprehensive income for the year	-	-	-	5,860	5,860
Dividends: Equity capital	-	-	-	(2,500)	(2,500)
Total transactions with owners	-	-	-	(2,500)	(2,500)
At 31 December 2019	5,113	881	155	3,661	9,810

The notes on pages 12 to 22 form part of these financial statements.

ALLIED TEXTILES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2018	5,113	881	155	(865)	5,284
Comprehensive income for the year					
Profit for the year	-	-	-	2,166	2,166
Total comprehensive income for the year	-	-	-	2,166	2,166
Dividends: Equity capital	-	-	-	(1,000)	(1,000)
Total transactions with owners	-	-	-	(1,000)	(1,000)
At 31 December 2018	5,113	881	155	301	6,450

The notes on pages 12 to 22 form part of these financial statements.

ALLIED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Allied Textiles Limited (the "Company") is a limited Company incorporated in England and Wales, under company number 03941408. The address and its principal place of business is 1st Floor, 5 Morston Claycliffe Office Park, Whaley Road, Barnsley, South Yorkshire, S75 1HQ.

The Company's principal activity is that of a holding company for its subsidiaries which are principally engaged in the manufacturing, processing and distribution of textiles products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company has prepared the financial statements under FRS 102 incorporating the amendments effective for accounting periods commencing on or after 1 January 2019. There have been no material effects on the financial statements.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Haughton Textiles Limited as at 31 December 2019 and these financial statements may be obtained from 1st Floor, 5 Morston Claycliffe Office Park, Whaley Road, Barnsley, South Yorkshire, S75 1HQ.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Going concern

The directors have prepared financial projections which include the actual and possible effects of the COVID-19 Coronavirus pandemic on the Company's trade. The projections forecast continued profitability and cash generation and show that the Company will continue to operate within its available facilities. The directors have considered a period in excess of twelve months from the date of approval of these financial statements in making this assessment.

As a consequence, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the going concern basis of accounting continues to be appropriate in preparing the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ALLIED TEXTILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.13 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical judgements in applying the Company's accounting policies

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment to the carrying value of investments, the directors have considered the current and expected future performance of the subsidiaries in question. The directors have also considered the net asset and net current asset position of the Company's subsidiaries at the year end.

4. Operating loss

The operating loss is stated after charging:

	2019 £000	2018 £000
Redundancy costs	18	-
Exchange differences	(11)	(24)
	<u> </u>	<u> </u>

ALLIED TEXTILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Auditor's remuneration

	2019	2018
	£000	£000
Audit of the Company's annual financial statements	<u>2</u>	<u>1</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the parent Company.

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2019	2018
	£000	£000
Wages and salaries	416	435
Social security costs	58	60
Cost of defined contribution scheme	12	18
	<u>486</u>	<u>513</u>

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

	2019	2018
	No.	No.
Administration	<u>2</u>	<u>3</u>

7. Directors' remuneration

	2019	2018
	£000	£000
Directors' emoluments	<u>327</u>	<u>308</u>
	<u>327</u>	<u>308</u>

The highest paid director received remuneration of £327 thousand (2018 - £308 thousand).

£198 thousand (2018: £118 thousand) of the payroll costs were also met by the Company's subsidiary, Allied Textile Companies Limited.

ALLIED TEXTILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Income from investments

	2019 £000	2018 £000
Dividends received from subsidiary investments	8,151	4,419
	<u>8,151</u>	<u>4,419</u>

9. Interest receivable

	2019 £000	2018 £000
Interest receivable from group companies	-	1
Other interest receivable	2	2
	<u>2</u>	<u>3</u>

10. Interest payable and similar expenses

	2019 £000	2018 £000
Loans from group undertakings	2,537	2,445
	<u>2,537</u>	<u>2,445</u>

ALLIED TEXTILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	(380)	(326)
Total current tax	<u>(380)</u>	<u>(326)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>(380)</u>	<u>(326)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	<u>5,480</u>	<u>1,840</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,041	350
Effects of:		
Permanent disallowables	(1)	(1)
Fixed asset timing differences	(1)	(1)
Increase in losses carried forward	130	166
Non-taxable income	(1,549)	(840)
Group relief surrendered	380	326
Payment received for group relief	(380)	(326)
Total tax charge for the year	<u>(380)</u>	<u>(326)</u>

Factors that may affect future tax charges

The Company has unrecognised gross tax losses of £5,205,000 (2018: £4,422,000). A deferred tax asset has not been recognised as the directors do not consider it probable the asset would be utilised in the foreseeable future.

ALLIED TEXTILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Dividends

	2019 £000	2018 £000
Dividends paid	2,500	1,000
	<u>2,500</u>	<u>1,000</u>

13. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	101,888
At 31 December 2019	<u>101,888</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
Allied Textile Companies Ltd	Note 1	Holding company	100%
ATC Manufacturing Limited	Note 1	Manufacturer and processor of textile products	100%
Mayfield Warping Inc	1300. Boul. Gerard- Cadieux, Valleyfield, Quebec, Canada, J6S OL9	Processor of synthetic yarns	100%
ATC Property Limited	Note 1	Dormant	100%
BL 2002 Limited	Note 1	Dormant	100%

Note 1: 1st Floor, 5 Morston Claycliffe Office Park, Whaley Road, Barnsley, S75 1HQ

ALLIED TEXTILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Debtors

	2019 £000	2018 £000
Amounts owed by group undertakings	21	-
Prepayments and accrued income	1	2
	<u>22</u>	<u>2</u>

The amounts owed by Group undertakings are unsecured and repayable on demand. Interest is charged at a rate of 0% - 2% above the base rate.

15. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	510	310
	<u>510</u>	<u>310</u>

16. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	92,331	95,469
Other taxation and social security	74	76
Accruals and deferred income	205	205
	<u>92,610</u>	<u>95,750</u>

The amounts owed to Group undertakings are unsecured and repayable on demand. Interest is charged at a rate of 0% - 2% above the base rate.

ALLIED TEXTILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
115,384 (2018 - 115,384) Ordinary shares of £1.00 each	115	115
979,650 (2018 - 979,650) Ordinary 'A' shares of £0.10 each	98	98
4,900,000 (2018 - 4,900,000) Preference shares of £1.00 each	4,900	4,900
	<u>5,113</u>	<u>5,113</u>

For the purpose of rights to dividends or other distributions, return of assets or other reduction in capital, the ordinary shares and ordinary 'A' shares rank pari passu as if they were one class of share and as if each 'A' ordinary share had a nominal value equal to that of each ordinary share. Ordinary shares and 'A' ordinary shares carry one vote per share.

The preference shares have no right to receive any dividend or other income distribution and have no fixed redemption date. On a return of assets on liquidation or capital reduction the assets of the Company remaining after the payment of its liabilities shall be applied first in paying to the holder of the preference shares £1 per share.

The preference shares do not confer any further right to participation in the profit or assets of the Company. The holder of the preference shares shall be entitled to receive notice of all general meetings but shall not by reason of such holding be entitled to attend or vote there at.

18. Reserves**Share premium account**

The share premium reserve represents amounts paid by shareholders in excess of the nominal value of the shares issued.

Capital redemption reserve

The capital redemption reserve reflects the nominal value of shares repurchased by the Company.

Profit & loss account

The profit and loss account represents accumulated profits and losses from the current and prior periods.

19. Contingent liabilities

The Company has guaranteed the banking liabilities of certain group companies totalling £2.8m (2018: £2.8m). The Company's assets are secured by way of fixed and floating charges.

20. Pension commitments

The Company operates a personal pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,000 (2018 - £18,000).

ALLIED TEXTILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Related party transactions

The Company is a wholly owned subsidiary undertaking and as such has taken advantage of the exemption permitted by Section 33 'Related Party Disclosures' not to provide disclosures of transactions entered into with the parent company or other wholly owned subsidiaries within the group. The consolidated financial statements of Houghton Textiles Limited, the ultimate parent company can be obtained from Companies House.

22. Post balance sheet events

Since the Statement of Financial Position date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK. The Directors have taken this into consideration in their going concern assessment included within the Directors' Report.

23. Controlling party

The Company's immediate and ultimate company is Houghton Textiles Limited. The directors do not consider there to be a single controlling party.

The largest group in which the results of the Company are consolidated is that headed by Houghton Textiles Limited, incorporated in the UK. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from:

Houghton Textiles Limited
1st Floor, 5 Morston Claycliffe Office Park
Whaley Road
Barnsley
S75 1HQ