

Company Registration No. 04964598 (England and Wales)

THE WILTON CARPET FACTORY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 AUGUST 2020
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THE WILTON CARPET FACTORY LIMITED

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THE WILTON CARPET FACTORY LIMITED

BALANCE SHEET

AS AT 29 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	5		1,326,446		1,509,167
Current assets					
Stocks	6	1,196,848		1,353,658	
Debtors	7	1,002,415		1,298,617	
Cash at bank and in hand		259,596		166,627	
		2,458,859		2,818,902	
Creditors: amounts falling due within one year	8	(1,737,800)		(1,947,609)	
Net current assets			721,059		871,293
Total assets less current liabilities			2,047,505		2,380,460
Creditors: amounts falling due after more than one year	9		(392,450)		(436,884)
Provisions for liabilities	11		(122,051)		(122,051)
Net assets			1,533,004		1,821,525
Capital and reserves					
Called up share capital	12		1		1
Profit and loss reserves			1,533,003		1,821,524
Total equity			1,533,004		1,821,525

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 13/4/2021 and are signed on its behalf by:



P F Le Count
Director

Company Registration No. 04964598

THE WILTON CARPET FACTORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

Company information

The Wilton Carpet Factory Limited is a private company limited by shares incorporated in England and Wales. The registered office is King Street, Wilton, Salisbury, Wiltshire, United Kingdom, SP2 0AY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Along with almost every other business in the UK, The Wilton Carpet Factory has been affected by the impact of COVID-19 in the period.

COVID-19 has caused many of the leisure, hotel and conference facilities to shut as a result of lockdown. Our business is very reliant on sales to these sectors and as a result our turnover was severely impacted during the period of lockdown.

As at the end of February 2021, through careful management of costs and working capital, the company's management accounts show cash reserves of £480,000, and net current assets of £367,000 with total net assets of £1,428,000.

The directors have taken steps to reduce overheads through a cost reduction programme and believe that with reduced production volume and continuing careful cost control the company will return to a modest profitability in due course.

As a consequence, at the time of approving these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making the assessment, the directors have reviewed the balance sheet, the likely future cash flows of the business and have considered the facilities and cash that are in place at this point in time and at least one year from the date that the accounts will be signed. Thus the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account returns, discounts and rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

THE WILTON CARPET FACTORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% - 33.33% Straight line
Fixtures and fittings	10% - 33.33% Straight line
Motor vehicles	10% - 33.33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE WILTON CARPET FACTORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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 or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 profit and loss account, 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 assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

THE WILTON CARPET FACTORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

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

1.12 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

THE WILTON CARPET FACTORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

2 Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessment considered issues such as future market conditions, the remaining life of the assets and projected disposal values.

Stock is reviewed regularly for impairment and a stock provision is provided for accordingly on a line by line basis. Product life cycles, changing fashions, general market conditions and expected net realisable values are taken into consideration when determining the level of provision required.

3 Turnover and other revenue

All turnover relates to the principal activities of the company.

	2020 £	2019 £
Other significant revenue		
Grants received	523,251	-

Government grants received are in relation to the Coronavirus Job Retention Scheme.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	111	110

THE WILTON CARPET FACTORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

5 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 September 2019	2,600,455	58,951	85,654	2,745,060
Additions	26,189	29,788	22,995	78,972
Disposals	-	-	(21,000)	(21,000)
At 29 August 2020	2,626,644	88,739	87,649	2,803,032
Depreciation and impairment				
At 1 September 2019	1,165,838	10,512	59,543	1,235,893
Depreciation charged in the year	236,618	4,745	20,330	261,693
Eliminated in respect of disposals	-	-	(21,000)	(21,000)
At 29 August 2020	1,402,456	15,257	58,873	1,476,586
Carrying amount				
At 29 August 2020	1,224,188	73,482	28,776	1,326,446
At 31 August 2019	1,434,617	48,439	26,111	1,509,167

6 Stocks

	2020 £	2019 £
Raw materials and consumables	231,407	258,783
Work in progress	274,462	311,781
Finished goods and goods for resale	690,979	783,094
	<u>1,196,848</u>	<u>1,353,658</u>

7 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	575,916	771,079
Other debtors	266,816	432,758
Prepayments and accrued income	159,683	94,780
	<u>1,002,415</u>	<u>1,298,617</u>

THE WILTON CARPET FACTORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

8 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	10	143,073	191,036
Trade creditors		791,384	916,996
Amounts owed to group undertakings		47,033	234,600
Corporation tax		-	4,646
Other taxation and social security		353,707	324,532
Accruals and deferred income		402,603	275,799
		<u>1,737,800</u>	<u>1,947,609</u>

9 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	10	<u>392,450</u>	<u>436,884</u>

10 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	143,073	191,036
In two to five years	392,450	436,884
	<u>535,523</u>	<u>627,920</u>

The net obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	<u>122,051</u>	<u>122,051</u>

THE WILTON CARPET FACTORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

12 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid Ordinary shares of £1 each	1	1	1	1

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The auditor was Azets Audit Services.

14 Financial commitments, guarantees and contingent liabilities

The total amount of financial commitments not included in the balance sheet is £681,737 (2019 - £829,322).

The company has a set off agreement and a debenture in place with Avon Valley Holdings Limited and The Alternative Flooring Company Limited, to enable any borrowings within these companies to be secured on the assets of The Wilton Carpet Factory Limited. The total potential liability as at the balance sheet date is £681,435 (2019 - £734,552).

15 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020 £	2019 £
Acquisition of tangible fixed assets	22,113	-

16 Parent company

During the year the group has undergone a restructuring whereby the ultimate parent company of The Wilton Carpet Factory Limited is now Wylve Valley Holdings Limited, incorporated in England and Wales.

Avon Valley Holdings Limited, the former ultimate parent company, is now the immediate parent company.

These financial statements are available upon request from Companies House.