

REGISTERED NUMBER: 05573731 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2014
for
Abraham Moon Holdings Limited

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for the Year Ended 31 December 2014

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Abraham Moon Holdings Limited

Company Information
for the Year Ended 31 December 2014

DIRECTORS:

J P T Walsh
L K Brophy

SECRETARY:

L K Brophy

REGISTERED OFFICE:

Netherfield Mills
Netherfield Road
Guiseley
Leeds
West Yorkshire
LS20 9PA

REGISTERED NUMBER:

05573731 (England and Wales)

AUDITORS:

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

Group Strategic Report
for the Year Ended 31 December 2014

The directors present their strategic report of the company and the group for the year ended 31 December 2014.

REVIEW OF BUSINESS

Another very positive year for the company as turnover increased by 13.8%. Sales across all divisions showed an improved performance over 2013. Operating profit increased by over £682,000 as administrative expenses were controlled. Stock levels have increased in order to meet the rise in customer demand. We have converted an old part of our mill into a new Design, Sales & Marketing Showroom to highlight our brand and product story to trade customers and international visitors. We invested £530,000 in plant and machinery in order to improve the quality of our products and help manufacturing efficiencies.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks and uncertainties centre on customer demand, raw material pricing and supply, foreign currency, liquidity and credit risk. The Company works closely with key raw material suppliers to ensure a consistent and reliable supply of high quality raw materials. Where appropriate, we enter forward contracts for raw materials and foreign currency and we seek to match foreign currency purchases with income from overseas sales in external currencies. The Company monitors cash flow as part of its day to day control procedures. Credit risk is managed by carrying out credit checks on new and existing customers and by monitoring payment performance.

FUTURE DEVELOPMENTS

The outlook remains positive as demand for high quality British textiles continues to grow in home and export markets. We continue to focus on designing consistent high quality products that meet our customer expectations. The Company is investing in the future through creating new jobs, developing new and exciting designs, simplifying processes and investing in new manufacturing equipment.

ON BEHALF OF THE BOARD:



J P T Walsh - Director

22 October 2015

Report of the Directors
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

DIRECTORS

J P T Walsh has held office during the whole of the period from 1 January 2014 to the date of this report.

Other changes in directors holding office are as follows:

L K Brophy was appointed as a director after 31 December 2014 but prior to the date of this report.

G G Lockwood ceased to be a director after 31 December 2014 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Queripel and Kettlewell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



L K Brophy - Secretary

22 October 2015

Report of the Independent Auditors to the Members of
Abraham Moon Holdings Limited

We have audited the financial statements of Abraham Moon Holdings Limited for the year ended 31 December 2014 on pages five to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

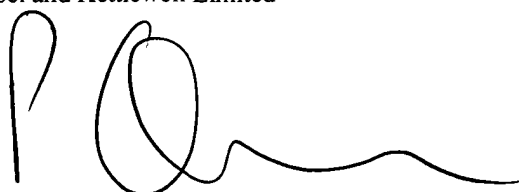
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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



22 October 2015

Consolidated Profit and Loss Account
for the Year Ended 31 December 2014

| | Notes | 31.12.14 £ | 31.12.13 £ |
|--|-------|---------------|---------------|
| TURNOVER | 2 | 21,847,437 | 19,202,438 |
| Cost of sales | | 12,262,417 | 10,980,441 |
| GROSS PROFIT | | 9,585,020 | 8,221,997 |
| Administrative expenses | | 7,449,686 | 6,769,342 |
| | | 2,135,334 | 1,452,655 |
| Other operating income | | 144,000 | 144,000 |
| OPERATING PROFIT | 4 | 2,279,334 | 1,596,655 |
| Interest receivable and similar income | | 23 | 8 |
| | | 2,279,357 | 1,596,663 |
| Interest payable and similar charges | 5 | 76,467 | 72,008 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,202,890 | 1,524,655 |
| Tax on profit on ordinary activities | 6 | 440,912 | 336,656 |
| PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP | | 1,761,978 | 1,187,999 |

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

Consolidated Balance Sheet
31 December 2014

| | Notes | 31.12.14 £ | 31.12.13 £ |
|--|-------|--------------------------|--------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 5,551,476 | 5,129,956 |
| Investments | 9 | - | - |
| | | <u>5,551,476</u> | <u>5,129,956</u> |
| CURRENT ASSETS | | | |
| Stocks | 10 | 10,176,287 | 9,338,512 |
| Debtors | 11 | 3,032,645 | 2,163,997 |
| | | <u>13,208,932</u> | <u>11,502,509</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 12 | 6,234,336 | 5,887,864 |
| | | <u>6,234,336</u> | <u>5,887,864</u> |
| NET CURRENT ASSETS | | <u>6,974,596</u> | <u>5,614,645</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>12,526,072</u> | <u>10,744,601</u> |
| PROVISIONS FOR LIABILITIES | 15 | 369,317 | 349,824 |
| | | <u>369,317</u> | <u>349,824</u> |
| NET ASSETS | | <u><u>12,156,755</u></u> | <u><u>10,394,777</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 16 | 31,768 | 31,768 |
| Capital redemption reserve | 17 | 34,004 | 34,004 |
| Other reserves | 17 | 12,090,755 | 10,328,755 |
| Profit and loss account | 17 | 228 | 250 |
| | | <u>12,156,755</u> | <u>10,394,777</u> |
| SHAREHOLDERS' FUNDS | 20 | <u><u>12,156,755</u></u> | <u><u>10,394,777</u></u> |

The financial statements were approved by the Board of Directors on 22 October 2015 and were signed on its behalf by:



J P T Walsh - Director

Company Balance Sheet
31 December 2014

| | Notes | 31.12.14 £ | 31.12.13 £ |
|--|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | - | - |
| Investments | 9 | 31,768 | 31,768 |
| | | <u>31,768</u> | <u>31,768</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>31,768</u> | <u>31,768</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 16 | 31,768 | 31,768 |
| SHAREHOLDERS' FUNDS | 20 | <u>31,768</u> | <u>31,768</u> |

The financial statements were approved by the Board of Directors on 22 October 2015 and were signed on its behalf by:



J P T Walsh - Director

Consolidated Cash Flow Statement
for the Year Ended 31 December 2014

| | Notes | 31.12.14 £ | £ | 31.12.13 £ | £ |
|--|-------|---------------|-----------|---------------|-------------|
| Net cash inflow from operating activities | 1 | | 1,214,275 | | 592,173 |
| Returns on investments and servicing of finance | 2 | | (76,444) | | (72,000) |
| Taxation | | | (295,999) | | (503,315) |
| Capital expenditure | 2 | | (840,723) | | (3,173,257) |
| | | | 1,109 | | (3,156,399) |
| Financing | 2 | | (16,662) | | (42,945) |
| Decrease in cash in the period | | | (15,553) | | (3,199,344) |
| <hr/> | | | | | |
| Reconciliation of net cash flow to movement in net debt | 3 | | | | |
| Decrease in cash in the period | | (15,553) | | (3,199,344) | |
| Cash outflow from decrease in debt and lease financing | | 16,662 | | 42,945 | |
| Change in net debt resulting from cash flows | | | 1,109 | | (3,156,399) |
| Movement in net debt in the period | | | 1,109 | | (3,156,399) |
| Net (debt)/funds at 1 January | | | (309,360) | | 2,847,039 |
| Net debt at 31 December | | | (308,251) | | (309,360) |

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2014

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

| | 31.12.14 £ | 31.12.13 £ |
|--|------------------|----------------|
| Operating profit | 2,279,334 | 1,596,655 |
| Depreciation charges | 420,470 | 313,123 |
| Profit on disposal of fixed assets | (1,267) | (39,010) |
| Increase in stocks | (837,775) | (2,148,472) |
| (Increase)/decrease in debtors | (868,648) | 792,502 |
| Increase in creditors | 222,161 | 77,375 |
| Net cash inflow from operating activities | 1,214,275 | 592,173 |

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

| | 31.12.14 £ | 31.12.13 £ |
|---|------------------|--------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 23 | 8 |
| Interest paid | (76,467) | (72,008) |
| Net cash outflow for returns on investments and servicing of finance | (76,444) | (72,000) |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (894,906) | (3,298,350) |
| Sale of tangible fixed assets | 54,183 | 125,093 |
| Net cash outflow for capital expenditure | (840,723) | (3,173,257) |
| Financing | | |
| Loan repayments in year | (16,662) | (32,282) |
| Capital repayments in year | - | (10,663) |
| Net cash outflow from financing | (16,662) | (42,945) |

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2014

3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1.1.14 £ | Cash flow £ | At 31.12.14 £ |
|--------------------------------------|------------------|-----------------|---------------------|
| Net cash: | | | |
| Cash at bank | - | - | - |
| Bank overdraft | (291,656) | (15,553) | (307,209) |
| | <u>(291,656)</u> | <u>(15,553)</u> | <u>(307,209)</u> |
| Debt: | | | |
| Debts falling due within one year | (17,704) | 16,662 | (1,042) |
| | <u>(17,704)</u> | <u>16,662</u> | <u>(1,042)</u> |
| Total | <u>(309,360)</u> | <u>1,109</u> | <u>(308,251)</u> |

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2014

1. **ACCOUNTING POLICIES**

Accounting convention

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

Turnover

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

Tangible fixed assets

Depreciation is provided to write off the cost of tangible fixed assets evenly over their expected useful lives. No depreciation is charged in the year of purchase. It is calculated at the following rates :

Freehold property - 2% pa

Leasehold property - 6% pa

Motor vehicles - 25% pa

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

Stocks

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

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

Deferred tax

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

Foreign currencies

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

2. **TURNOVER**

Turnover is wholly attributable to the principal activity of the group. The analysis of turnover by geographical markets required by the Companies Act 2006 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the group.

3. **STAFF COSTS**

| | 31.12.14 | 31.12.13 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 4,766,759 | 4,426,377 |
| Social security costs | 488,626 | 438,203 |
| Other pension costs | 177,209 | 201,258 |
| | <u>5,432,594</u> | <u>5,065,838</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

3. STAFF COSTS - continued

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

| | 31.12.14 | 31.12.13 |
|----------------|------------|------------|
| Administration | 15 | 13 |
| Manufacturing | 195 | 186 |
| Distribution | 3 | 3 |
| | <u>213</u> | <u>202</u> |

4. OPERATING PROFIT

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

| | 31.12.14 | 31.12.13 |
|--|------------------|-----------------|
| | £ | £ |
| Other operating leases | 286,598 | 318,798 |
| Depreciation - owned assets | 420,470 | 313,123 |
| Profit on disposal of fixed assets | (1,267) | (39,010) |
| Auditors' remuneration | 11,500 | 10,000 |
| Foreign exchange differences | <u>(132,920)</u> | <u>(33,408)</u> |
| Directors' remuneration | 610,460 | 518,598 |
| Directors' pension contributions to money purchase schemes | <u>32,617</u> | <u>57,256</u> |

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

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>3</u> | <u>4</u> |
|------------------------|----------|----------|

Information regarding the highest paid director is as follows:

| | 31.12.14 | 31.12.13 |
|----------------|----------------|----------------|
| | £ | £ |
| Emoluments etc | <u>167,250</u> | <u>158,927</u> |

5. INTEREST PAYABLE AND SIMILAR CHARGES

During the year the group paid loan interest of £60,885 (2103 - £63,230) to a company under common control.

6. TAXATION

Analysis of the tax charge

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

| | 31.12.14 | 31.12.13 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 421,419 | 295,949 |
| Deferred tax | <u>19,493</u> | <u>40,707</u> |
| Tax on profit on ordinary activities | <u>440,912</u> | <u>336,656</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

6. TAXATION - continued

Factors affecting the tax charge

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

| | 31.12.14 £ | 31.12.13 £ |
|--|------------------|------------------|
| Profit on ordinary activities before tax | <u>2,202,890</u> | <u>1,524,655</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.493% (2013 - 23.246%) | 473,467 | 354,421 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2,043 | 2,089 |
| Capital allowances in excess of depreciation | <u>(54,091)</u> | <u>(60,561)</u> |
| Current tax charge | <u>421,419</u> | <u>295,949</u> |

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £0 (2013 - £0).

8. TANGIBLE FIXED ASSETS

Group

| | Freehold property £ | Short leasehold £ | Plant and machinery £ | Totals £ |
|------------------------|---------------------------|-------------------------|-----------------------------|-------------------|
| COST | | | | |
| At 1 January 2014 | 2,198,542 | 72,998 | 9,620,534 | 11,892,074 |
| Additions | 364,968 | - | 529,938 | 894,906 |
| Disposals | - | - | (119,560) | (119,560) |
| At 31 December 2014 | <u>2,563,510</u> | <u>72,998</u> | <u>10,030,912</u> | <u>12,667,420</u> |
| DEPRECIATION | | | | |
| At 1 January 2014 | - | 22,865 | 6,739,253 | 6,762,118 |
| Charge for year | 43,971 | 3,581 | 372,918 | 420,470 |
| Eliminated on disposal | - | - | (66,644) | (66,644) |
| At 31 December 2014 | <u>43,971</u> | <u>26,446</u> | <u>7,045,527</u> | <u>7,115,944</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2014 | <u>2,519,539</u> | <u>46,552</u> | <u>2,985,385</u> | <u>5,551,476</u> |
| At 31 December 2013 | <u>2,198,542</u> | <u>50,133</u> | <u>2,881,281</u> | <u>5,129,956</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

9. **FIXED ASSET INVESTMENTS**

Company

| | Shares in group undertakings £ |
|---|---|
| COST | |
| At 1 January 2014 and 31 December 2014 | 31,768 |
| NET BOOK VALUE | |
| At 31 December 2014 | 31,768 |
| At 31 December 2013 | 31,768 |

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Abraham Moon & Sons Limited

Nature of business: Woollen manufacturing

| | % holding |
|------------------|--------------|
| Class of shares: | |
| Ordinary | 100.00 |

10. **STOCKS**

| | Group | |
|------------------|-------------------|------------------|
| | 31.12.14 | 31.12.13 |
| | £ | £ |
| Raw materials | 4,253,548 | 4,051,340 |
| Stores | 78,545 | 78,078 |
| Work-in-progress | 1,185,148 | 716,805 |
| Finished goods | 4,659,046 | 4,492,289 |
| | <u>10,176,287</u> | <u>9,338,512</u> |

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

| | Group | |
|--------------------------------|------------------|------------------|
| | 31.12.14 | 31.12.13 |
| | £ | £ |
| Trade debtors | 2,699,583 | 1,874,017 |
| Other debtors | 131,743 | 138,415 |
| Prepayments and accrued income | 201,319 | 151,565 |
| | <u>3,032,645</u> | <u>2,163,997</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | Group | |
|---|------------------|------------------|
| | 31.12.14 | 31.12.13 |
| | £ | £ |
| Bank loans and overdrafts (see note 13) | 307,209 | 291,656 |
| Other loans (see note 13) | 1,042 | 17,704 |
| Trade creditors | 1,481,772 | 784,683 |
| Tax | 421,369 | 295,949 |
| Social security and other taxes | 131,364 | 112,158 |
| VAT | 237,888 | 214,217 |
| Other creditors | 77,803 | 7,240 |
| Associated company | 2,209,077 | 2,232,364 |
| Accruals and deferred income | 1,366,812 | 1,931,893 |
| | <u>6,234,336</u> | <u>5,887,864</u> |

13. **LOANS**

An analysis of the maturity of loans is given below:

| | Group | |
|---|----------------|----------------|
| | 31.12.14 | 31.12.13 |
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | 307,209 | 291,656 |
| Other loans | 1,042 | 17,704 |
| | <u>308,251</u> | <u>309,360</u> |

14. **OPERATING LEASE COMMITMENTS**

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

| Group | | |
|----------------------------|---------------------------|----------------|
| | Land and buildings | |
| | 31.12.14 | 31.12.13 |
| | £ | £ |
| Expiring: | | |
| Between one and five years | <u>106,000</u> | <u>250,000</u> |

The operating lease commitment is the rent due for the period 1 January to 4 June 2015. On 4 June 2015 Abraham Moon & Sons Limited acquired the land & buildings it was renting from Tempest Bailey Limited, at which point the rental commitment lapsed.

15. **PROVISIONS FOR LIABILITIES**

| | Group | |
|--------------|----------------|----------------|
| | 31.12.14 | 31.12.13 |
| | £ | £ |
| Deferred tax | <u>369,317</u> | <u>349,824</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

15. PROVISIONS FOR LIABILITIES - continued

Group

| | Deferred tax £ |
|-----------------------------|----------------------|
| Balance at 1 January 2014 | 349,824 |
| Increase in provision | 19,493 |
| Balance at 31 December 2014 | <u>369,317</u> |

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: £1 | 31.12.14 £ | 31.12.13 £ |
|---------|----------|-------------------------|---------------|---------------|
| 31,768 | Ordinary | | <u>31,768</u> | <u>31,768</u> |

17. RESERVES

Group

| | Profit and loss account £ | Capital redemption reserve £ | Other reserves £ | Totals £ |
|---------------------|------------------------------------|---------------------------------------|------------------------|-------------------|
| At 1 January 2014 | 250 | 34,004 | 10,328,755 | 10,363,009 |
| Profit for the year | 1,761,978 | | | 1,761,978 |
| Transfer | (1,762,000) | - | 1,762,000 | - |
| At 31 December 2014 | <u>228</u> | <u>34,004</u> | <u>12,090,755</u> | <u>12,124,987</u> |

Company

| | Profit and loss account £ |
|---------------------|------------------------------------|
| Profit for the year | - |
| At 31 December 2014 | <u>-</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

18. RELATED PARTY DISCLOSURES

Tempest Bailey Limited

Company under common control

During the year the group paid rent of £250,000 to Tempest Bailey Limited, paid loan interest of £60,885 and received an annual management charge of £144,000.

On 31 May 2015 Tempest Bailey Limited joined the group as a 100% subsidiary of Abraham Moon Holdings Limited. on 4 June 2015 Abraham Moon & Sons acquired land & buildings from Tempest Bailey Limited for their market value of £2,658,500.

| | 31.12.14 | 31.12.13 |
|---|------------------|------------------|
| | £ | £ |
| Amount due to related party at the balance sheet date | <u>2,209,077</u> | <u>2,232,364</u> |

19. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J P T Walsh.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

| | 31.12.14 | 31.12.13 |
|--|--------------------------|--------------------------|
| | £ | £ |
| Profit for the financial year | 1,761,978 | 1,187,999 |
| Opening shareholder funds | | |
| Net addition to shareholders' funds | <u>1,761,978</u> | <u>1,187,999</u> |
| Opening shareholders' funds | <u>10,394,777</u> | <u>9,206,778</u> |
| Closing shareholders' funds | <u><u>12,156,755</u></u> | <u><u>10,394,777</u></u> |

Company

| | 31.12.14 | 31.12.13 |
|------------------------------------|----------------------|----------------------|
| | £ | £ |
| Profit for the financial year | - | - |
| Opening shareholder funds | | |
| Opening shareholders' funds | <u>31,768</u> | <u>31,768</u> |
| Closing shareholders' funds | <u><u>31,768</u></u> | <u><u>31,768</u></u> |