

ABRAHAM MOON & SONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2023



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

ABRAHAM MOON & SONS LIMITED

COMPANY INFORMATION

Directors	J P T Walsh M Aveyard J L Coates R D J Brown J P Mccann T Turner (appointed 7 August 2023)
Company secretary	R D J Brown
Registered number	00163364
Registered office	Netherfield Mills Netherfield Road Guiseley Leeds LS20 9PD
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants and Statutory Auditors Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS

ABRAHAM MOON & SONS LIMITED

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The following pages do not form part of the statutory financial statements:

ABRAHAM MOON & SONS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their strategic report of the company for the period ended 31 December 2023.

Review of Business

2023 was a challenging year for the business as erratic customer demand and historic over-recruitment post COVID-19 created a turbulent operating environment. Turnover decreased by 7.0% to £21.05m. Apparel fabric had a particularly strong year. Loss before tax totalled £466k as raw material, energy and labour costs increased. The business continued to invest in capital expenditure in the year. Stock levels increased by approximately 7%.

The Company uses the following key performance indicators to monitor performance:

	2023	2022
	£'000	£'000
Total sales	21,046	22,630
Profit (loss) before tax	(466)	983
(Decrease)/Increase in cash & cash equivalents	(2,177)	1,132
Stocks	11,893	11,098


Principal risks and uncertainties

The principal risks and uncertainties are around 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 sustainable sourced wool. We enter forward contracts for raw materials and foreign currency where appropriate and seek to match foreign purchases with income from overseas sales. The Company monitors cash flow as part of its day-to-day control procedures whilst credit risk is managed by monitoring payment performance and undertaking credit checks on new and existing customers.

Future Development

As with many companies in the textile industry, the operating environment post COVID has required new ways of working and more agile responses to changing political and economic factors. During 2024 the focus has returned to providing excellent customer service, improving manufacturing efficiency, reducing overheads and putting in place the Moon team of the future.

This report was approved by the board and signed on its behalf.


John Walsh (Sep 27, 2024 07:33 GMT+1)

.....
J P T Walsh
Director

Date: 27/09/2024

ABRAHAM MOON & SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

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.

Principal activity

The principal activity of the company in the year under review was that of luxury woollen fabric manufacturing.

Results and dividends

The loss for the year, after taxation, amounted to £454,380 (2022 - profit £1,036,031).

The company declared an interim dividend of £204,516 (2022 - £198,575).

Directors

The directors who served during the year were:

J P T Walsh
M Aveyard
J L Coates
R D J Brown
J P Mccann
T Turner (appointed 7 August 2023)
P De Beer (resigned 30 March 2023)

ABRAHAM MOON & SONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Disclosure of information to auditors


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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



John Walsh (Sep 27, 2024 07:33 GMT+1)

.....
J P T Walsh
Director

Date: 27/09/2024

ABRAHAM MOON & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABRAHAM MOON & SONS LIMITED

Opinion

We have audited the financial statements of Abraham Moon & Sons Limited (the 'Company') for the year ended 31 December 2023, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 2023 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

ABRAHAM MOON & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABRAHAM MOON & SONS LIMITED (CONTINUED)

Opinion 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 the 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.

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 either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

ABRAHAM MOON & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABRAHAM MOON & SONS LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and tested the operating effectiveness of key controls over purchase cycles on a sample basis.
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

ABRAHAM MOON & SONS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABRAHAM MOON & SONS LIMITED
(CONTINUED)**

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 Auditors' report.

Use of our 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 Auditors' 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.



Matthew Osbourne (Sep 27, 2024 07:38 GMT+1)

Matthew Osbourne (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants and Statutory Auditors
Leeds
Date:

ABRAHAM MOON & SONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	21,046,885	22,630,495
Cost of sales		(12,309,540)	(13,063,256)
Gross profit		8,737,345	9,567,239
Administrative expenses		(9,320,212)	(8,803,868)
Other operating income		52,747	186,241
Operating (loss)/profit	5	(530,120)	949,612
Interest receivable and similar income		63,845	36,908
Interest payable and similar expenses	8	-	(3,304)
(Loss)/profit before tax		(466,275)	983,216
Tax on (loss)/profit	9	11,895	52,815
(Loss)/profit for the financial year		(454,380)	1,036,031

There are no items of other comprehensive income for 2023 or 2022 other than the (loss)/profit for the year. As a result, no separate Statement of comprehensive income has been presented.


The notes on pages 11 to 20 form part of these financial statements.

ABRAHAM MOON & SONS LIMITED
REGISTERED NUMBER: 00163364

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	10,278,946	9,733,451
Fixed asset investments	13	75	75
		10,279,021	9,733,526
Current assets			
Stocks	14	11,892,761	11,098,125
Debtors: amounts falling due within one year	15	2,139,277	3,168,390
Cash at bank and in hand	16	4,014,687	6,191,440
		18,046,725	20,457,955
Creditors: amounts falling due within one year	17	(6,096,864)	(7,352,288)
Net current assets		11,949,861	13,105,667
Total assets less current liabilities		22,228,882	22,839,193
Creditors: amounts falling due after more than one year	18	(284,982)	(331,554)
Provisions for liabilities			
Deferred tax	19	(895,934)	(800,777)
		(895,934)	(800,777)
Net assets		21,047,966	21,706,862
Capital and reserves			
Called up share capital	20	31,768	31,768
Capital redemption reserve	21	34,004	34,004
Profit and loss account	21	20,982,194	21,641,090
		21,047,966	21,706,862

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



 Rod Brown (Sep 26, 2024 21:48 GMT+1)

.....
R D J Brown
 Director

Date: 26/09/2024

The notes on pages 11 to 20 form part of these financial statements.

ABRAHAM MOON & SONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2022	31,768	34,004	20,803,634	20,869,406
Profit for the year	-	-	1,036,031	1,036,031
Dividends: Equity capital	-	-	(198,575)	(198,575)
At 1 January 2023	31,768	34,004	21,641,090	21,706,862
Loss for the year	-	-	(454,380)	(454,380)
Dividends: Equity capital	-	-	(204,516)	(204,516)
At 31 December 2023	31,768	34,004	20,982,194	21,047,966

The notes on pages 11 to 20 form part of these financial statements.

ABRAHAM MOON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Abraham Moon & Sons Limited is a private company, limited by shares, registered in England and Wales. The company's registered number & registered office address can be found on the Company Information page.

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 company has not produced consolidated financial statements as it qualifies for exemption under Section 400 of the Companies Act 2006 as a wholly owned subsidiary of a UK parent company, Abraham Moon Holdings Limited, which publishes consolidated financial statements.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer. Revenue is measured as the fair value of the consideration receivable excluding discounts and VAT.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% pa
Leasehold property	- 6.67% pa
Plant and machinery	- varying rates between 6.67% and 33.3% pa
Motor vehicles	- 25% pa
Assets under construction	- No depreciation charge until complete

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.4 Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

ABRAHAM MOON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.5 Foreign currencies

Foreign currency transactions are translated into the functional currency using the prevailing exchange rate at the date of the transactions. At the year end, foreign currency monetary items are translated using the year end exchange rate. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation of foreign currency monetary assets or liabilities are recognised in the profit and loss account.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the purchase cost. Work in progress and finished goods include an appropriate proportion of fixed and variable overheads. At each balance sheet date, stocks are assessed for impairment. If the value of stocks is impaired, the carrying amount is reduced accordingly and the impairment is charged to the profit and loss account.

2.8 Financial instruments

Basic financial instruments

The company enters into basic financial instrument transactions resulting in the recognition of financial assets and liabilities such as trade debtors and trade creditors, loans from banks and loans to and from related parties. Debt instruments that are payable or receivable within one year, typically trade debtors or trade creditors, are measured at the undiscounted amount of cash or other consideration expected to be received or paid. If a short term instrument constitutes a financing transaction, such as the payment of a trade debt beyond normal business terms or financed at a non-market rate of interest, the financial asset or liability is initially measured at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Other financial instruments

The company enters into forward currency contracts which are initially valued at the transaction price. The fair value of the contracts is recalculated at the year end using the spot rate of exchange. Where the year end value is materially different from the transaction price of the contracts, the movement in value is charged to the profit and loss account.

2.9 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 profit or loss 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.

ABRAHAM MOON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

3. Significant judgements and estimates

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The main judgement concerns the likely future demand for the company's product and how that impacts on the carrying value of stock. The directors have based their judgement on their considerable experience and understanding of the product and its market place.

4. Turnover

	2023 £	2022 £
Sales	21,046,885	22,630,495
	<u>21,046,885</u>	<u>22,630,495</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
Asia	5,466,750	6,191,888
Europe	4,255,100	4,353,587
North America	1,390,096	2,013,944
Rest of world	439,433	511,729
United Kingdom	9,495,506	9,559,347
	<u>21,046,885</u>	<u>22,630,495</u>

ABRAHAM MOON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Operating (loss)/profit

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

	2023	2022
	£	£
Other operating lease rentals	367,281	294,555
Depreciation - owned assets	1,077,523	1,015,548
Loss/(Profit) on disposal of fixed assets	(1,696)	56,713
Auditors' remuneration	33,700	37,500
Exchange differences	(52,290)	145,229
	<u> </u>	<u> </u>

6. Employees

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

	2023	2022
	£	£
Wages and salaries	7,938,232	7,027,518
Social security costs	792,965	701,723
Cost of defined contribution scheme	292,839	245,490
	<u> </u>	<u> </u>
	<u>9,024,036</u>	<u>7,974,731</u>

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

	2023	2022
	No.	No.
Administration	60	57
Manufacturing	179	156
Distribution	14	14
	<u> </u>	<u> </u>
	<u>253</u>	<u>227</u>

7. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	547,831	588,402
Company contributions to defined contribution pension schemes	52,909	39,735
	<u> </u>	<u> </u>
	<u>600,740</u>	<u>628,137</u>

During the year retirement benefits were accruing to 7 directors (2022 - 7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £126,216 (2022 - £153,775).

ABRAHAM MOON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest	-	3,304
	<u> </u>	<u> </u>

9. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	(107,052)	63,927
Adjustments in respect of previous periods	-	(235,102)
	<u>(107,052)</u>	<u>(171,175)</u>
Total current tax	<u>(107,052)</u>	<u>(171,175)</u>
Deferred tax		
Tax on profit	95,157	118,360
Total deferred tax	<u>95,157</u>	<u>118,360</u>
Taxation on loss on ordinary activities	<u>(11,895)</u>	<u>(52,815)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023	2022
	£	£
(Loss)/profit on ordinary activities before tax	<u>(466,275)</u>	<u>983,216</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	(109,670)	186,811
Effects of:		
Expenses not deductible for tax purposes	12,007	10,898
Capital allowances for year in excess of depreciation	26,251	(43,829)
Increase/decrease in deferred tax provision	(4,491)	28,407
Adjustments to tax charge in respect of prior periods	(107,052)	(235,102)
Movement in deferred tax not recognised	171,060	-
Total tax charge for the year	<u>(11,895)</u>	<u>(52,815)</u>

ABRAHAM MOON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Dividends

	2023 £	2022 £
Ordinary shares of £1 each Interim	<u>204,516</u>	<u>198,575</u>

11. Analysis of net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	6,191,440	(2,176,754)	4,014,686
	<u>6,191,440</u>	<u>(2,176,754)</u>	<u>4,014,686</u>

12. Tangible fixed assets

	Freehold property £	Short leasehold £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2023	5,793,484	193,600	13,133,402	352,832	-	19,473,318
Additions	-	27,184	1,358,285	-	279,553	1,665,022
Disposals	-	-	-	(65,819)	-	(65,819)
At 31 December 2023	<u>5,793,484</u>	<u>220,784</u>	<u>14,491,687</u>	<u>287,013</u>	<u>279,553</u>	<u>21,072,521</u>
Depreciation						
At 1 January 2023	940,829	68,837	8,504,018	226,184	-	9,739,868
Charge for the year on owned assets	115,870	14,265	910,070	37,318	-	1,077,523
Disposals	-	-	-	(23,816)	-	(23,816)
At 31 December 2023	<u>1,056,699</u>	<u>83,102</u>	<u>9,414,088</u>	<u>239,686</u>	<u>-</u>	<u>10,793,575</u>
Net book value						
At 31 December 2023	<u>4,736,785</u>	<u>137,682</u>	<u>5,077,599</u>	<u>47,327</u>	<u>279,553</u>	<u>10,278,946</u>
At 31 December 2022	<u>4,852,655</u>	<u>124,763</u>	<u>4,629,384</u>	<u>126,649</u>	<u>-</u>	<u>9,733,451</u>

ABRAHAM MOON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	75
At 31 December 2023	<u>75</u>
Net book value	
At 31 December 2023	<u>75</u>
At 31 December 2022	<u>75</u>
Subsidiary undertaking	

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Abraham Moon (1837) Inc	2544 Weddington Avenue, Apt 2447, Charlotte NC 28204, USA	US sales office	Ordinary	100%

The results of the US subsidiary have been consolidated by the ultimate parent company Abraham Moon Holdings Limited.

14. Stocks

	2023 £	2022 £
Raw materials	5,115,153	4,953,830
Stores	111,806	104,196
Work-in-progress	387,741	613,425
Finished goods	6,278,061	5,426,674
	<u>11,892,761</u>	<u>11,098,125</u>

ABRAHAM MOON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Debtors

	2023	2022
	£	£
Trade debtors	1,189,013	1,984,644
Amounts owed by group undertakings	201,399	196,757
Other debtors	118,405	235,104
Prepayments and accrued income	630,460	751,885
	<u>2,139,277</u>	<u>3,168,390</u>

16. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	<u>4,014,687</u>	<u>6,191,440</u>

17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,452,637	1,822,619
Amounts owed to group undertakings	3,155,796	3,413,392
Corporation tax	-	120,494
PAYE/NI control	201,140	346,496
VAT	230,933	189,984
Other creditors	93,652	152,354
Accruals and deferred income	833,266	855,478
Financial instruments	129,440	451,471
	<u>6,096,864</u>	<u>7,352,288</u>

18. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Accruals and deferred income	<u>284,982</u>	<u>331,554</u>

ABRAHAM MOON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. Deferred taxation

	2023 £	2022 £
At beginning of year	(800,777)	(682,417)
Charged to profit or loss	(95,157)	(118,360)
At end of year	(895,934)	(800,777)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(895,934)	(800,777)
	(895,934)	(800,777)

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
31,768 Ordinary shares of £1.00 each	31,768	31,768

21. Reserves

Capital redemption reserve

A statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

Other reserves

The other reserves account represents cumulative profit or losses, net of dividends paid and other adjustments.

Retained earnings

Includes all current and prior period retained profits and losses.

ABRAHAM MOON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. Capital commitments

At 31 December 2023 the Company had capital commitments as follows:

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>1,216,063</u>	<u>1,616,651</u>

23. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £292,839 (2022 - £245,490). There was an accrued contribution at the year end of £58,313 (2022 - £41,942).

24. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Within one year	116,700	116,000
Between one and five years	388,600	370,500
In more than five years	242,833	366,833
	<u>748,133</u>	<u>853,333</u>

25. Controlling party

The Company's immediate and ultimate parent undertaking is Abraham Moon Holdings Limited, whose registered office is the same as the company. The company's financial statements have been consolidated by its parent company.

The ultimate controlling party is J P T Walsh.