

Company Registration No. 08523004 (England and Wales)

TRADE FABRICS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
PAGES FOR FILING WITH REGISTRAR

TRADE FABRICS LTD

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TRADE FABRICS LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	4		439,057		495,356
Current assets					
Stocks		471,990		384,113	
Debtors	5	1,864,043		1,594,690	
Cash at bank and in hand		59,676		80,948	
		<u>2,395,709</u>		<u>2,059,751</u>	
Creditors: amounts falling due within one year	6	<u>(1,972,394)</u>		<u>(1,886,097)</u>	
Net current assets			<u>423,315</u>		<u>173,654</u>
Total assets less current liabilities			<u>862,372</u>		<u>669,010</u>
Creditors: amounts falling due after more than one year	7		(496,448)		(349,633)
Provisions for liabilities			(77,449)		(67,668)
Government grants			(9,528)		(11,209)
Net assets			<u>278,947</u>		<u>240,500</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			<u>278,847</u>		<u>240,400</u>
Total equity			<u>278,947</u>		<u>240,500</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 and signed by the director and authorised for issue on 12 January 2023

Mr G S Kareer
Director

Company Registration No. 08523004

TRADE FABRICS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

Trade Fabrics Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 171 Church Hill Road, Thurmaston, Leicester, LE4 8DH.

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. The principal accounting policies adopted are set out below.

1.2 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 trade discounts, settlement discounts and volume 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 (usually 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.

1.3 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% on reducing balance basis.
Fixtures, fittings & equipment	15% on reducing balance basis.
Computer equipment	20% on straight line basis.
Motor vehicles	20% on reducing balance basis.

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.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.5 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.

TRADE FABRICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

1.6 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 statement of financial position 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 AND LIABILITIES

Basic financial assets and liabilities, which include debtors and creditors with no stated interest rate and receivables or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

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

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 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 income statement 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 income statement, 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.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

TRADE FABRICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

1.10 Retirement benefits

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

1.11 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 statement of financial position 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.

1.12 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.

1.13 Factored Debts

The gross amount of debts held using factoring arrangements are shown within trade debtors and amounts received from the factor in respect of these debts are shown as other creditors. Factoring interest and charges are included in the Profit and Loss account in the period to which they relate.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

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

	2022 Number	2021 Number
Total	24	23

TRADE FABRICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2021	612,309	16,639	1,495	95,771	726,214
Additions	57,259	-	3,135	-	60,394
Disposals	-	-	-	(67,935)	(67,935)
At 31 August 2022	669,568	16,639	4,630	27,836	718,673
Depreciation					
At 1 September 2021	205,298	6,606	1,196	17,758	230,858
Depreciation charged in the year	46,427	1,505	926	2,544	51,402
Eliminated in respect of disposals	-	-	-	(2,644)	(2,644)
At 31 August 2022	251,725	8,111	2,122	17,658	279,616
Carrying amount					
At 31 August 2022	417,843	8,528	2,508	10,178	439,057
At 31 August 2021	407,011	10,033	299	78,013	495,356

Tangible fixed assets include assets with a carrying amount of £345,007 (2021 - £383,341) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,329,610	1,469,671
Other debtors	534,433	125,019
	1,864,043	1,594,690

Factored debts are secured over the assets of the company.

TRADE FABRICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loan	-	6,829
Trade creditors	769,674	921,272
Taxation and social security	212,157	187,193
Other creditors	990,503	770,803
	<u>1,972,394</u>	<u>1,886,097</u>

Net obligations under hire purchase contracts (included within other creditors) are secured on the assets concerned.

Other borrowings (included within other creditors) are secured by personal guarantees given by the directors.

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loan	-	41,463
Other creditors	496,448	308,170
	<u>496,448</u>	<u>349,633</u>

Net obligations under hire purchase contracts (included within other creditors) are secured on the assets concerned.

Other borrowings (included within other creditors) are secured by personal guarantees given by the directors.

8 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
	284,483	75,600
	<u>284,483</u>	<u>75,600</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.