

Registered number
SC016501

A&E Gütermann (UK) Limited

Report and Accounts

31 December 2023

A&E Gütermann (UK) Limited

Registered number: SC016501

Directors' Report

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

Principal activities

The company's principal activity during the period was the sale, on a commission basis, of sewing threads, zips, beads and sequins

Directors

The following persons served as directors during the year:

C R Alt

J Drescher

K H Hughes

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 enable them to ensure that the accounts 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 19 November 2024 and signed by its order.

Andreas Fischer
Secretary

A&E Gütermann (UK) Limited

Independent auditor's report

to the members of A&E Gütermann (UK) Limited

Opinion

We have audited the accounts of A&E Gütermann (UK) Limited for the year ended 31 December 2023 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

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 report and accounts, other than the accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report has 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 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 accounts 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; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

Auditor's responsibilities for the audit of the accounts

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- agreement of the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements;
- enquiries and confirmation of management as to their identification of any non-compliance with laws or regulations, or any actual or potential claims;
- in relation to the risk of management override of internal controls, by undertaking procedures to review journal entries and evaluating whether there was evidence of bias that represented a risk of material misstatement due to fraud; and
- we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

(Senior Statutory Auditor)
for and on behalf of
Begbies
Accountants and Statutory Auditors

9 Bonhill Street
LONDON
EC2A 4DJ

20 November 2024

A&E Gütermann (UK) Limited
Profit and Loss Account
for the year ended 31 December 2023

	2023	2022
	£	£
Turnover	702,337	789,187
Administrative expenses	(610,330)	(607,438)
Operating profit	<u>92,007</u>	<u>181,749</u>
Loss on the disposal of investments	-	(45,434)
Interest receivable	114,340	55,828
Interest payable	(12,000)	(7,000)
Profit before taxation	<u>194,347</u>	<u>185,143</u>
Tax on profit	-	-
Profit for the financial year	<u>194,347</u>	<u>185,143</u>

A&E Gütermann (UK) Limited
Statement of comprehensive income
for the year ended 31 December 2023

	2023	2022
	£	£
Profit for the financial year	194,347	185,143
Other comprehensive income		
Remeasurement of the net defined benefit pension scheme liability	90,000	22,000
Total comprehensive income for the year	<u>284,347</u>	<u>207,143</u>

A&E Gütermann (UK) Limited

Registered number: SC016501

Balance Sheet

as at 31 December 2023

	Notes	2023	2022
		£	£
Current assets			
Debtors	5	1,838,950	1,701,927
Cash at bank and in hand		19,255	69,876
		<u>1,858,205</u>	<u>1,771,803</u>
Creditors: amounts falling due within one year			
	6	(128,243)	(128,188)
Net current assets		<u>1,729,962</u>	<u>1,643,615</u>
Total assets less current liabilities		<u>1,729,962</u>	<u>1,643,615</u>
Defined benefit pension scheme liability	7	(91,000)	(289,000)
Net assets		<u>1,638,962</u>	<u>1,354,615</u>
Capital and reserves			
Called up share capital		1,000,000	1,000,000
Profit and loss account		638,962	354,615
Shareholders' funds		<u>1,638,962</u>	<u>1,354,615</u>

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime.

Christopher Alt

Director

Approved by the board on 19 November 2024

A&E Gütermann (UK) Limited
Statement of Changes in Equity
for the year ended 31 December 2023

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2022	1,000,000	147,472	1,147,472
Profit for the financial year	-	185,143	185,143
Remeasurement of the net defined benefit pension scheme liability	-	22,000	22,000
At 31 December 2022	<u>1,000,000</u>	<u>354,615</u>	<u>1,354,615</u>
At 1 January 2023	1,000,000	354,615	1,354,615
Profit for the financial year	-	194,347	194,347
Remeasurement of the net defined benefit pension scheme liability	-	90,000	90,000
At 31 December 2023	<u>1,000,000</u>	<u>638,962</u>	<u>1,638,962</u>

A&E Gütermann (UK) Limited
Notes to the Accounts
for the year ended 31 December 2023

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover

Turnover represents commission and fees charged to group companies.

Group accounts

The accounts comprise the accounts of A&E Gütermann (UK) Limited as an individual undertaking. Group accounts have not been prepared due to the exemption for small groups within Section 398 of the Companies Act 2006

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Motor vehicles	over 5 years
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Investments

The investment in the subsidiary is stated at cost, less any accumulated impairment losses.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

The company operates a defined benefit pension scheme which is closed for new members and has only one active member, the assets of which are held separately from those of the company in independently administered funds. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlements to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. The net interest element is determined by multiplying the net benefit liability by the discount rate at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost. Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods. The defined net benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

2 Employees	2023	2022
	Number	Number
Average number of persons employed by the company	4	5
	<hr/>	<hr/>
3 Intangible fixed assets		£
IT software:		
Cost		
At 1 January 2023		11,319
At 31 December 2023		<hr/> 11,319
Amortisation		
At 1 January 2023		11,319
At 31 December 2023		<hr/> 11,319
Net book value		
At 31 December 2023		<hr/> -

IT software is being written off in equal annual instalments over its estimated economic life of 3 years.

4 Tangible fixed assets

	Motor vehicles
	£
Cost	
At 1 January 2023	25,214
At 31 December 2023	<u>25,214</u>
Depreciation	
At 1 January 2023	25,214
At 31 December 2023	<u>25,214</u>
Net book value	
At 31 December 2023	-

5 Debtors	2023	2022
	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,777,926	1,672,827
Other debtors	61,024	29,100
	<u>1,838,950</u>	<u>1,701,927</u>
6 Creditors: amounts falling due within one year	2023	2022
	£	£
Accruals	128,243	128,188
	<u>128,243</u>	<u>128,188</u>

7 Defined Benefit Pension Scheme

The company sponsors the Perivale-Gütermann Ltd Staff Pension & Assurance Scheme, a funded defined benefit pension scheme in the UK. The Scheme is set up on a tax relieved basis as a separate trust independent of the company and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that Scheme assets are appropriately invested.

Active members of the Scheme pay contributions at the rate of 8.8% of salary and the company pays the balance of the cost as determined by regular actuarial valuations. The trustees are required to use prudent assumptions to value the liabilities and costs of the Scheme whereas the accounting assumptions must be best estimates.

To eliminate the funding shortfall disclosed in the 5 April 2020 actuarial valuation, the Trustees and Company have agreed that additional employer contributions will continue to be paid to the Scheme at the rate of £105,000 per annum, payable in equal monthly instalments until 31 August 2023.

The liabilities have been calculated using the same liability model and membership data as

used for the 5 April 2020 valuation, with allowance for assumed membership experience to 31 December 2021 and projected benefit cashflows using the assumptions set out below.

The amounts recognised in the statement of financial position are as follows:

	31/12/2023	31/12/2022
	£000	£000
Defined benefit obligation	(8,541)	(8,642)
Fair value of plan assets	8,450	8,353
Net defined benefit liability	<u>(91)</u>	<u>(289)</u>

The amounts recognised in the comprehensive income are:

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss.

Remeasurements of the net defined benefit liability are included in other comprehensive income.

	Year ended	Year ended
	31/12/2023	31/12/2022
	£000	£000
Service cost:		
Current service cost (net of employee contributions)	25	40
Administration expenses	-	-
Past service cost	-	-
Net interest expense	12	7
Charge recognised in profit or loss	<u>37</u>	<u>47</u>

	Year ended	Year ended
	31/12/2023	31/12/2022
	£000	£000
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	(225)	3,009
Actuarial losses	135	(3,031)
Credit recorded in other comprehensive income	<u>(90)</u>	<u>(22)</u>
Total defined benefit (credit)/charge	<u>(53)</u>	<u>25</u>

The principal actuarial assumptions used were:	31/12/2023	31/12/2022
Liability discount rate	4.55%	4.95%
Inflation assumption - RPI	3.25%	3.40%
Inflation assumption - CPI	2.65%	2.70%
Rate of increase in salaries	3.25%	3.40%
Revaluation of deferred pensions in excess of GMP:	2.65%	2.70%
Increases for pensions in payment:		
Post 5 April 1988 GMP	2.20%	2.35%
Post 5 April 1997 pension	3.15%	3.35%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	50.00%	50%
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end	86.5	87.0
Female aged 65 at year end	88.7	89.1
Expected age of death of future pensioner at age 65:		
Male aged 45 at year end	87.4	88.0
Female aged 45 at year end	89.8	90.2

Reconciliation of scheme assets and liabilities	Assets £000's	Liabilities £000's	Total £000's
At start of year	8,353	(8,642)	(289)
Benefits paid	(679)	679	-
Current service cost	-	(25)	(25)
Contributions from the employer	145	-	145
Contributions from employees	6	(6)	-
Interest Income/(expense)	400	(412)	(12)
Return on assets(excluding amount included in net interest expense)	225	-	225
Actuarial gains/(losses)	-	(135)	(135)
At end of year	<u>8,450</u>	<u>(8,541)</u>	<u>(91)</u>

The return on plan assets was:	31/12/2023 £000's	31/12/2022 £000's
Interest Income	400	224
Return on plan assets (excluding amount included in net interest expense)	225	(3,009)
Total return on plan assets	<u>625</u>	<u>(2,785)</u>

The major categories of scheme assets are as follows:	31/12/2023	31/12/2022
	£000's	£000's
UK Equities	295	365
Overseas Equities	770	887
Corporates	5,268	5,020
Gilts	277	373
Index Linked	-	-
Property	-	-
Alternative Assets	1,046	1,154
Cash	782	540
Insured	12	14
Total market value of assets	<u>8,450</u>	<u>8,353</u>

The Scheme has no investments in the company or in property occupied by the company.

8 Related party transactions

During the year ended 31 December 2023, the company received commissions and fees totalling £702,337 from group companies. Management and administrative charges from the group companies totalled £84,989. As at 31 December 2023, the amount due from group companies totalled £1,777,926. Interest received on advances to group companies amounted to £114,340

9 Controlling party

The immediate parent undertaking is American & Efir Global LLC, organised under the laws of the State of North Carolina, USA. The registered office is PC Stamstraat 19A, Nijverdal, Overijssel, 7442ZA, Netherlands. The ultimate controlling party is Elevate Textiles Holding Corporation (a Delaware corporation)

10 Other information

A&E Gütermann (UK) Limited is a private company limited by shares and incorporated in Scotland. Its registered office is:

41 East Port
Dunfermline
Fife
KY12 7LG

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.