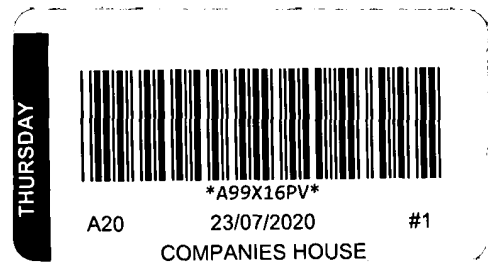


**COLE FABRICS PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2020**



## **COLE FABRICS PLC**

### **COMPANY INFORMATION**

<b>Directors</b>	J R Cole D I Forster J H Kingsley N J R Cole P L Saxby
<b>Company secretary</b>	S J Forster
<b>Registered number</b>	02150561
<b>Registered office</b>	Romandus House Ludlow Hill Road West Bridgford Nottingham NG2 6HF
<b>Independent auditors</b>	Smith Cooper Audit Limited Chartered Accountants and Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

## **COLE FABRICS PLC**

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## **COLE FABRICS PLC**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2020**

#### **Introduction**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

#### **Business review**

It is impossible to write this report without reference to the current financial uncertainties. Brexit continues to remain a threat with nearly 50% of the U.K. Company sales within the European Union (outside the UK). Turnover for the year represented a 1.9% reduction from the previous year largely based on the fluctuations of Pre-Brexit ordering. However, figures for the current year are showing a reduction of 40% due to the COVID-19 pandemic. We are not expecting this percentage to alter significantly throughout the remainder of the year.

Gross margins are marginally lower, with the mix of business slightly changing. The volatility of exchange rates during the year has had little effect on profitability. Margins for the current year are slightly higher, again largely a reflection on the mix of business.

Group profits for the year (before taxation) are down by 20.6%. On the back of this and prior to the pandemic lockdown in the UK the Company voted a final dividend payment of 50p/share. The Company is currently operating at breakeven levels largely as a result of the Government Furlough scheme.

Stock levels have decreased by 3.3%. However, they are currently much higher as a result of the reduction in turnover. Stock valuation and management policy remain unaltered.

Costs have remained stable.

Cash flow remains positive, with virtually no change to the cash in the business at the end of the financial year. This has enabled the Directors to continue with our current investment plan and this is providing significant support through the current uncertain times. There is no long-term borrowing and we have not required further government assistance from their short-term loan program.

The business made significant investments of £100,774 in manufacturing equipment during the year with further commitments made for the current period to date, representing our commitment to UK manufacturing.

The IT department has continued to expand, and we are making a significant investment into our new website that has just been launched.

All expenditure has been financed out of working capital.

Cole Fabrics (Far East) Ltd has a decreased turnover by 11.6%, with profits reduced. Sales and orders for the current year have also started significantly lower. However, we are still expecting to be able to break even in the year.

Cole Fabrics (Shanghai) Co. Ltd (as a 100% subsidiary of Cole Fabrics (Far East) Ltd) has now been set up, based in Shanghai, China. Trading has successfully started, with 2019 turnover of 875,000RMB. With operation costs largely covered through Hong Kong, the Company is in profit. Profits have been left in China to cover future cash flow. The business has started strongly in 2020.

Global Ribbons Italia Srl, turnover for 2019 decreased by 27%. However, the Company remains in profit. Sales for this year are down, but we are still expecting to break even by the year end.

Although we are still committed to our LEAN working principles, staff engagement & training, processes improvement and product development, our current position will inevitably lead to staff reduction as the furlough scheme unwinds. We have invested heavily in changing our Health and Safety and working practices within the business to adapt to the new requirements of the pandemic. This will lead to some inefficiencies as we change our working environment to maintain social distance and increase sanitising equipment before and after every use.

**COLE FABRICS PLC**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2020**

As environmental awareness continues to grow, we have continued to actively develop our range of sustainable raw materials. This is allowing us to broaden our offerings in all products; ribbons, cords, bags and pouches.

Currency fluctuations remain a risk, although forward trades cover quoted prices for the forthcoming financial year. The Company has significant exposure to the Euro and US Dollar and we are constantly reviewing this position.

The whole group of Companies are in a stable position with cash reserves. While there is no doubt significant challenges lie ahead, there are also clear opportunities to develop the business. The Directors are confident that the structure is in place to strengthen our position in the market.

We are also pleased to have been able to donate ribbon hearts to the NHS to support their Ribbon Day as a token of our appreciation to all key workers during the current pandemic crisis.

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

  
.....  
**J R Cole**  
Director

Date:

10 / Jun / 2020

## **COLE FABRICS PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2020**

The directors present their report and the financial statements for the year ended 31 January 2020.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 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 for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The principal activity of the group during the year has been the manufacture and supply of decorative and label ribbon.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £622,453 (2019 - £918,233).

An ordinary dividend of £310,536 (2019: £310,536) was paid during the year.

#### **Directors**

The directors who served during the year were:

J R Cole  
D I Forster  
J H Kingsley  
N J R Cole  
P L Saxby

**COLE FABRICS PLC**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2020**

**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 and the Group'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 and the Group's auditors are aware of that information.

**Post balance sheet events**

An ordinary dividend of £258,780 was paid in March 2020 in respect of the year ended 31 January 2020.

**Auditors**

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

This report was approved by the board on 10th July 2020 and signed on its behalf.

  
.....  
**J R Cole**  
Director

## **COLE FABRICS PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLE FABRICS PLC**

#### **Opinion**

We have audited the financial statements of Cole Fabrics Plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 January 2020, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company 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 Group's and of the parent Company's affairs as at 31 January 2020 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.

#### **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 Group 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 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 financial statements 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.



## **COLE FABRICS PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLE FABRICS PLC (CONTINUED)**

We have nothing to report in this regard.

#### **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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### **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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**COLE FABRICS PLC**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLE FABRICS PLC (CONTINUED)**

**Use of our report**

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

*Smith Cooper Audit Limited*

Sarah Flear (Senior statutory auditor)

for and on behalf of

**Smith Cooper Audit Limited**

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 22/7/2020

**COLE FABRICS PLC**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2020**

	Note	2020 £	2019 £
Turnover	3	11,573,123	11,793,970
Cost of sales		(6,790,335)	(6,741,698)
<b>Gross profit</b>		<b>4,782,788</b>	<b>5,052,272</b>
Administrative expenses		(4,190,301)	(4,338,935)
<b>Operating profit</b>	4	<b>592,487</b>	<b>713,337</b>
Income from participating interests		71,009	146,095
Income from fixed assets investments		81,154	78,148
Interest receivable and similar income		4,558	6,025
<b>Profit before taxation</b>		<b>749,208</b>	<b>943,605</b>
Tax on profit	9	(126,755)	(25,372)
<b>Profit for the financial year</b>		<b>622,453</b>	<b>918,233</b>
Gains/(losses) on cash flow hedges		(9,111)	205,519
Deferred tax relating to components of other comprehensive income		1,640	(36,993)
<b>Other comprehensive income for the year</b>		<b>(7,471)</b>	<b>168,526</b>
<b>Total comprehensive income for the year</b>		<b>614,982</b>	<b>1,086,759</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 14 to 29 form part of these financial statements.

**COLE FABRICS PLC**  
**REGISTERED NUMBER: 02150561**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 JANUARY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	1,408,888	1,452,666
Investments	13	1,017,798	946,789
		<u>2,426,686</u>	<u>2,399,455</u>
<b>Current assets</b>			
Stocks	14	1,378,767	1,426,178
Debtors: amounts falling due within one year	15	2,064,382	2,114,061
Cash at bank and in hand	16	2,600,936	2,622,343
		<u>6,044,085</u>	<u>6,162,582</u>
Creditors: amounts falling due within one year	17	(895,916)	(1,296,754)
<b>Net current assets</b>		<u>5,148,169</u>	<u>4,865,828</u>
<b>Total assets less current liabilities</b>		<u>7,574,855</u>	<u>7,265,283</u>
<b>Provisions for liabilities</b>			
Deferred taxation	19	(54,340)	(49,214)
		<u>(54,340)</u>	<u>(49,214)</u>
<b>Net assets</b>		<u><u>7,520,515</u></u>	<u><u>7,216,069</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	517,560	517,560
Share premium account	21	18,893	18,893
Revaluation reserve	21	349,486	349,486
Fair value reserve	21	33,605	41,076
Capital redemption reserve	21	84,954	84,954
Profit and loss account	21	6,516,017	6,204,100
		<u>7,520,515</u>	<u>7,216,069</u>

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

10/7/20

.....  
**J R Cole**  
 Director

The notes on pages 14 to 29 form part of these financial statements.

**COLE FABRICS PLC**  
**REGISTERED NUMBER: 02150561**

**COMPANY BALANCE SHEET**  
**AS AT 31 JANUARY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	1,408,888	1,452,666
Investments	13	124,465	124,465
		<u>1,533,353</u>	<u>1,577,131</u>
<b>Current assets</b>			
Stocks	14	1,378,767	1,426,178
Debtors: amounts falling due within one year	15	2,064,382	2,114,061
Cash at bank and in hand	16	2,600,936	2,622,343
		<u>6,044,085</u>	<u>6,162,582</u>
Creditors: amounts falling due within one year	17	(895,916)	(1,296,754)
<b>Net current assets</b>		<u>5,148,169</u>	<u>4,865,828</u>
<b>Total assets less current liabilities</b>		<u>6,681,522</u>	<u>6,442,959</u>
<b>Provisions for liabilities</b>			
Deferred taxation	19	(54,340)	(49,214)
		<u>(54,340)</u>	<u>(49,214)</u>
<b>Net assets</b>		<u>6,627,182</u>	<u>6,393,745</u>
<b>Capital and reserves</b>			
Called up share capital	20	517,560	517,560
Share premium account	21	18,893	18,893
Revaluation reserve	21	349,486	349,486
Fair value reserve	21	33,605	41,076
Capital redemption reserve	21	84,954	84,954
Profit and loss account	21	5,622,684	5,381,776
		<u>6,627,182</u>	<u>6,393,745</u>

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

.....  
**J R Cole**  
 Director

10/7/20

COLE FABRICS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020

	Called up share capital £	Share premium account £	Revaluation reserve £	Fair value reserve £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 February 2018</b>	<b>517,560</b>	<b>18,893</b>	<b>349,486</b>	<b>(127,450)</b>	<b>84,954</b>	<b>5,596,403</b>	<b>6,439,846</b>
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	918,233	918,233
Gains/(losses) on cash flow hedges	-	-	-	205,519	-	-	205,519
Deferred tax relating to components of other comprehensive income	-	-	-	(36,993)	-	-	(36,993)
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,526</b>	<b>-</b>	<b>-</b>	<b>168,526</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,526</b>	<b>-</b>	<b>918,233</b>	<b>1,086,759</b>
Dividends: Equity capital	-	-	-	-	-	(310,536)	(310,536)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(310,536)</b>	<b>(310,536)</b>
<b>At 1 February 2019</b>	<b>517,560</b>	<b>18,893</b>	<b>349,486</b>	<b>41,076</b>	<b>84,954</b>	<b>6,204,100</b>	<b>7,216,069</b>
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	622,453	622,453
Gains/(losses) on cash flow hedges	-	-	-	(9,111)	-	-	(9,111)
Deferred tax relating to components of other comprehensive income	-	-	-	1,640	-	-	1,640
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,471)</b>	<b>-</b>	<b>-</b>	<b>(7,471)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,471)</b>	<b>-</b>	<b>622,453</b>	<b>614,982</b>
Dividends: Equity capital	-	-	-	-	-	(310,536)	(310,536)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(310,536)</b>	<b>(310,536)</b>
<b>At 31 January 2020</b>	<b>517,560</b>	<b>18,893</b>	<b>349,486</b>	<b>33,605</b>	<b>84,954</b>	<b>6,516,017</b>	<b>7,520,515</b>

**COLE FABRICS PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020**

	<b>Called up share capital £</b>	<b>Share premium account £</b>	<b>Revaluation reserve £</b>	<b>Fair value reserve £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>At 1 February 2018</b>	<b>517,560</b>	<b>18,893</b>	<b>349,486</b>	<b>(127,450)</b>	<b>84,954</b>	<b>4,920,174</b>	<b>5,763,617</b>
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	<b>772,138</b>	<b>772,138</b>
Gains/(losses) on cash flow hedges	-	-	-	<b>205,519</b>	-	-	<b>205,519</b>
Deferred tax relating to components of other comprehensive income	-	-	-	<b>(36,993)</b>	-	-	<b>(36,993)</b>
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,526</b>	<b>-</b>	<b>-</b>	<b>168,526</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,526</b>	<b>-</b>	<b>772,138</b>	<b>940,664</b>
Dividends: Equity capital	-	-	-	-	-	<b>(310,536)</b>	<b>(310,536)</b>
<b>At 1 February 2019</b>	<b>517,560</b>	<b>18,893</b>	<b>349,486</b>	<b>41,076</b>	<b>84,954</b>	<b>5,381,776</b>	<b>6,393,745</b>
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	<b>551,444</b>	<b>551,444</b>
Gains/(losses) on cash flow hedges	-	-	-	<b>(9,111)</b>	-	-	<b>(9,111)</b>
Deferred tax relating to components of other comprehensive income	-	-	-	<b>1,640</b>	-	-	<b>1,640</b>
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,471)</b>	<b>-</b>	<b>-</b>	<b>(7,471)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,471)</b>	<b>-</b>	<b>551,444</b>	<b>543,973</b>
Dividends: Equity capital	-	-	-	-	-	<b>(310,536)</b>	<b>(310,536)</b>
<b>At 31 January 2020</b>	<b>517,560</b>	<b>18,893</b>	<b>349,486</b>	<b>33,605</b>	<b>84,954</b>	<b>5,622,684</b>	<b>6,627,182</b>

**COLE FABRICS PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	622,453	918,233
<b>Adjustments for:</b>		
Depreciation of tangible assets	163,491	170,991
Loss on disposal of tangible assets	5,417	(33,701)
Income from investments	(156,721)	(230,268)
Taxation charge	126,755	25,372
Decrease/(increase) in stocks	47,411	(249,394)
Decrease/(increase) in debtors	9,065	(274,145)
Decrease in amounts owed by participating interests	31,503	149,618
(Decrease)/increase in creditors	(513,690)	323,688
Corporation tax (paid)/received	(7,137)	42,192
<b>Net cash generated from operating activities</b>	<b>328,547</b>	<b>842,586</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(127,130)	(306,488)
Sale of tangible fixed assets	2,000	46,285
Interest received	4,558	6,025
Dividends received	81,154	78,148
<b>Net cash from investing activities</b>	<b>(39,418)</b>	<b>(176,030)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(310,536)	(310,536)
<b>Net cash used in financing activities</b>	<b>(310,536)</b>	<b>(310,536)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(21,407)</b>	<b>356,020</b>
Cash and cash equivalents at beginning of year	2,622,343	2,266,323
<b>Cash and cash equivalents at the end of year</b>	<b>2,600,936</b>	<b>2,622,343</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,600,936	2,622,343
	<b>2,600,936</b>	<b>2,622,343</b>

The notes on pages 14 to 29 form part of these financial statements.



## **COLE FABRICS PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

Cole Fabrics Plc is a private company limited by shares incorporated in the United Kingdom. The address of the registered office is given in the company information of these financial statements. The company's registration number is 02150561. The nature of the company's operations and principal activities are given in the Directors' Report.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in Sterling which is the functional currency of the company.

The following principal accounting policies have been applied:

##### **1.2 Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 January each year.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006.

##### **1.3 Foreign currency translation**

Functional and presentation currency

The group's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

## COLE FABRICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

#### 1. Accounting policies (continued)

##### 1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is generally recognised on the despatch of goods. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

##### 1.6 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

##### 1.7 Pensions

The group operates a defined contribution pension scheme and contributions to the scheme are recognised in the profit and loss account in the period in which they become payable.

##### 1.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, unless it relates to items in other comprehensive income or directly in equity. In such cases, the restated tax is also other comprehensive income or directly in equity.

Current tax liabilities are measured at the amount expected to be paid, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method and is calculated using rates of taxation enacted or substantively enacted at the balance sheet date which are expected to apply when the asset or liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

## COLE FABRICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

#### 1. Accounting policies (continued)

##### 1.9 Tangible fixed assets

Tangible fixed assets are stated at 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.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life.

Depreciation is provided on the following basis:

Freehold buildings	-	2% straight line
Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance to 50% straight line

Land is not depreciated.

##### 1.10 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

##### 1.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in associates are stated at the amount of the group's share of net assets. The Profit and loss account includes the group's share of associated companies' profits after taxation using the equity accounting basis.

## COLE FABRICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

#### 1. Accounting policies (continued)

##### 1.12 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

##### 1.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 1.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 1.15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in hand and short term deposits with an original maturity date of three months or less.

##### 1.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 1.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

## **COLE FABRICS PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020**

#### **1. Accounting policies (continued)**

##### **1.18 Financial instruments**

Derivative financial instruments ("derivatives") are used to manage risks arising from changes in foreign currency exchange rates relating to the purchase of overseas sourced products. In accordance with the group foreign exchange policy, the group does not enter into derivatives for speculative purposes. Derivatives are stated at their fair value, being the estimated amount that the group would receive or pay to terminate them at the balance sheet date based on prevailing foreign currency exchange rates.

Changes in fair value of foreign currency derivatives which are designated and effective as hedges of future cash flows are recognised in equity in the fair value reserve, and subsequently transferred to the carrying amount of the hedged item or the profit and loss account. Realised gains and losses on cash flow hedges are therefore recognised in the profit and loss account in the same period as the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument previously recognised in equity is retained in equity until the hedged transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is then transferred to the profit and loss account.

Changes in fair value of derivatives which are ineffective or do not meet the criteria for hedge accounting in FRS 102 are recognised in the profit and loss account.

##### **1.19 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### **2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Financial instruments - fair values have been estimated at the amount the company would expect to receive or pay to terminate the forward contracts at the balance sheet date based on prevailing foreign currency rates.

Stock provisions - the degree of provision varies depending on the age of stock.

**COLE FABRICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**3. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sale of goods	11,573,123	11,793,970
	<u>11,573,123</u>	<u>11,793,970</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	4,970,031	5,223,291
Rest of Europe	5,751,806	5,697,160
Rest of the world	851,286	873,519
	<u>11,573,123</u>	<u>11,793,970</u>

**4. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	163,491	170,991
Foreign currency losses/(gains)	(127,206)	10,903
Operating lease rentals - land and buildings	60,000	60,000
Operating lease rentals - plant and machinery	8,606	11,565
Defined contribution pension cost	151,627	142,716

**5. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>12,500</u>	<u>12,500</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
All other services	<u>8,475</u>	<u>8,155</u>
	<u>8,475</u>	<u>8,155</u>

**COLE FABRICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**6. Employees**

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

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Wages and salaries	<b>2,667,981</b>	<i>2,688,188</i>	<b>2,667,981</b>	<i>2,688,188</i>
Social security costs	<b>259,111</b>	<i>251,306</i>	<b>259,111</b>	<i>251,306</i>
Cost of defined contribution scheme	<b>151,627</b>	<i>142,716</i>	<b>151,627</b>	<i>142,716</i>
	<b><u>3,078,719</u></b>	<i><u>3,082,210</u></i>	<b><u>3,078,719</u></b>	<i><u>3,082,210</u></i>

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

	<b>2020 No.</b>	<i>2019 No.</i>
Production	<b>48</b>	<i>45</i>
Sales	<b>7</b>	<i>7</i>
Administration	<b>25</b>	<i>24</i>
	<b><u>80</u></b>	<i><u>76</u></i>

**7. Directors' remuneration**

	<b>2020 £</b>	<i>2019 £</i>
Directors' emoluments	<b>613,004</b>	<i>639,017</i>
Company contributions to defined contribution pension schemes	<b>44,369</b>	<i>42,376</i>
	<b><u>657,373</u></b>	<i><u>681,393</u></i>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £150,696 (2019 - £158,428).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,723 (2019 - £8,891).

COLE FABRICS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

8. Income from investments

	2020 £	2019 £
Dividends received from unlisted investments	81,154	78,148
	<u>81,154</u>	<u>78,148</u>

9. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	119,989	7,137
	<u>119,989</u>	<u>7,137</u>
<b>Total current tax</b>	<u>119,989</u>	<u>7,137</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	6,766	18,235
<b>Total deferred tax</b>	<u>6,766</u>	<u>18,235</u>
<b>Taxation on profit on ordinary activities</b>	<u>126,755</u>	<u>25,372</u>



**COLE FABRICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**9. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<b>749,208</b>	<b>943,605</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>142,350</b>	<b>179,285</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>14,796</b>	5,260
Capital allowances for year in excess of depreciation	<b>(8,246)</b>	(14,192)
Research and development	-	(120,668)
Deferred tax - origination and reversal of temporary timing differences	<b>6,766</b>	18,235
Non-taxable income	<b>(15,419)</b>	(14,848)
Overseas profit subject to tax at a different rate	<b>(13,492)</b>	(27,700)
<b>Total tax charge for the year</b>	<b>126,755</b>	<b>25,372</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**10. Dividends**

	2020 £	2019 £
Dividends paid	<b>310,536</b>	310,536
	<b>310,536</b>	310,536

On 6 March 2020 the directors proposed a dividend of £258,780.

**11. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £551,444 (2019 - £772,138).

**COLE FABRICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**12. Tangible fixed assets**

**Group and Company**

	Freehold land & property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 February 2019	1,215,000	1,932,276	45,345	473,948	3,666,569
Additions	-	100,774	26,356	-	127,130
Disposals	-	(2,970)	(20,745)	-	(23,715)
At 31 January 2020	<u>1,215,000</u>	<u>2,030,080</u>	<u>50,956</u>	<u>473,948</u>	<u>3,769,984</u>
<b>Depreciation</b>					
At 1 February 2019	232,980	1,614,641	17,686	348,596	2,213,903
Charge for the year on owned assets	14,700	104,290	13,163	31,338	163,491
Disposals	-	(2,031)	(14,267)	-	(16,298)
At 31 January 2020	<u>247,680</u>	<u>1,716,900</u>	<u>16,582</u>	<u>379,934</u>	<u>2,361,096</u>
<b>Net book value</b>					
At 31 January 2020	<u><u>967,320</u></u>	<u><u>313,180</u></u>	<u><u>34,374</u></u>	<u><u>94,014</u></u>	<u><u>1,408,888</u></u>
At 31 January 2019	<u><u>982,020</u></u>	<u><u>317,635</u></u>	<u><u>27,659</u></u>	<u><u>125,352</u></u>	<u><u>1,452,666</u></u>

As permitted by the transitional provisions of FRS 102, the company elected to revalue the freehold properties on an open market value on 1 February 2014 and adopt the revalued amount as a deemed cost on transition. The company has not adopted a policy of revaluation but will retain the carrying value of freehold land and buildings as deemed cost. The properties were valued by an independent professional specialist.

The original cost of the land and buildings stood at £865,514 and the revaluation on 1 February 2014 resulted in an increase of £260,000. A previous revaluation in 1993 resulted in an increase of £89,486 meaning that the total increase represented by revaluation reserves at 31 January 2020 stands at £349,486.

**COLE FABRICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**12. Tangible fixed assets (continued)**

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
<b>Group and company</b>		
Cost	865,514	865,514
Accumulated depreciation	(175,840)	(170,250)
<b>Net book value</b>	<u>689,674</u>	<u>695,264</u>

**13. Fixed asset investments**

**Group**

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost</b>			
At 1 February 2019	3	946,786	946,789
Share of profit/(loss)	-	71,009	71,009
<b>At 31 January 2020</b>	<u>3</u>	<u>1,017,795</u>	<u>1,017,798</u>

**Company**

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost or valuation</b>			
At 1 February 2019	3	124,462	124,465
<b>At 31 January 2020</b>	<u>3</u>	<u>124,462</u>	<u>124,465</u>

**COLE FABRICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**13. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Corotec Limited	Romandus House, Ludlow Hill Road, West Bridgford, Nottingham, NG2 6HF	Dormant	Ordinary	100%
Global Ribbons Limited	Romandus House, Ludlow Hill Road, West Bridgford, Nottingham, NG2 6HF	Dormant	Ordinary	100%

**Associates**

The following were associates of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Cole Fabrics (Far East) Limited	Supply of decorative and label ribbon	Ordinary	21%
Global Ribbons Italia S.r.l.	Supply of decorative ribbon	Ordinary	50%

**14. Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Raw materials and consumables	<b>19,678</b>	<b>16,048</b>	<b>19,678</b>	<b>16,048</b>
Work in progress (goods to be sold)	<b>231,021</b>	<b>192,170</b>	<b>231,021</b>	<b>192,170</b>
Finished goods and goods for resale	<b>1,128,068</b>	<b>1,217,960</b>	<b>1,128,068</b>	<b>1,217,960</b>
	<b><u>1,378,767</u></b>	<b><u>1,426,178</u></b>	<b><u>1,378,767</u></b>	<b><u>1,426,178</u></b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £5,819,688 (2019: £5,683,368).

COLE FABRICS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

15. Debtors

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade debtors	1,834,097	1,839,193	1,834,097	1,839,193
Amounts owed by joint ventures and associated undertakings	69,101	100,604	69,101	100,604
Other debtors	99,056	103,265	99,056	103,265
Prepayments and accrued income	21,360	21,120	21,360	21,120
Financial instruments	40,768	49,879	40,768	49,879
	<b>2,064,382</b>	<b>2,114,061</b>	<b>2,064,382</b>	<b>2,114,061</b>

16. Cash and cash equivalents

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Cash at bank and in hand	2,600,936	2,622,343	2,600,936	2,622,343
	<b>2,600,936</b>	<b>2,622,343</b>	<b>2,600,936</b>	<b>2,622,343</b>

17. Creditors: Amounts falling due within one year

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade creditors	389,974	843,990	389,974	843,990
Corporation tax	119,989	7,137	119,989	7,137
Other taxation and social security	59,665	58,169	59,665	58,169
Accruals and deferred income	326,288	387,458	326,288	387,458
	<b>895,916</b>	<b>1,296,754</b>	<b>895,916</b>	<b>1,296,754</b>

COLE FABRICS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

18. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	40,768	49,879	40,768	49,879
Financial assets that are debt instruments measured at amortised cost	2,002,254	2,043,062	2,002,254	2,043,062
	<u>2,043,022</u>	<u>2,092,941</u>	<u>2,043,022</u>	<u>2,092,941</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(716,262)	(1,231,448)	(716,262)	(1,231,448)

Financial assets measured at fair value through other comprehensive income comprise derivative financial instruments in the form of forward contracts designated as hedges of variable exchange rate.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by undertakings in which the company has a participating interest and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals and deferred income.

19. Deferred taxation

Group and company

	2020 £			
At beginning of year				(49,214)
Charged to profit or loss				(6,766)
Charged to other comprehensive income				1,640
At end of year				<u>(54,340)</u>
	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(47,177)	(40,411)	(47,177)	(40,411)
Deferred tax on forward contracts through OCI	(7,163)	(8,803)	(7,163)	(8,803)
	<u>(54,340)</u>	<u>(49,214)</u>	<u>(54,340)</u>	<u>(49,214)</u>

# COLE FABRICS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

### 20. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
517,560 (2019 - 517,560) Ordinary shares of £1.00 each	<b>517,560</b>	<b>517,560</b>

### 21. Reserves

#### Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### Revaluation reserve

This reserve is used to record increases in the fair value of land and buildings.

#### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

#### Other reserves

#### Fair value reserve

Includes movements in fair values on derivative financial instruments identified as designated and effective hedges. This is a non-distributable reserve impacting Other Comprehensive Income.

#### Profit and loss account

Includes all current and prior period retained profits and losses.

### 22. Capital commitments

At 31 January 2020 the Group and Company had capital commitments as follows:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Contracted for but not provided in these financial statements	<b>67,754</b>	-	<b>67,754</b>	-
	<b>67,754</b>	-	<b>67,754</b>	-

### 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 £151,627 (2019: £142,716).

There were no outstanding or pre-paid contributions at either the beginning or end of the financial year.

# COLE FABRICS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

### 24. Commitments under operating leases

At 31 January 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Not later than 1 year	<b>64,909</b>	68,606	<b>64,909</b>	68,606
Later than 1 year and not later than 5 years	<b>74,195</b>	139,104	<b>74,195</b>	139,104
	<b>139,104</b>	207,710	<b>139,104</b>	207,710

### 25. Related party transactions

#### Subsidiary undertakings

There were no transactions with the two dormant subsidiaries during the year.

#### Associated undertakings

In relation to transactions with the first associated company, commissions receivable totalled £456,943 (2019: £511,556) and sales totalled £467 (2019: £1,760). Commissions payable totalled £187,212 (2019: £205,794) and purchases totalled £34,498 (2019: £17,597). Amounts due from the associated company as at 31 January 2020 totalled £59,466 (2019: £50,315).

In relation to transactions with the second associated company, sales totalled £772,077 (2019: £1,083,900). Monthly fees charged totalled £27,982 (2019: £24,201) and commissions payable totalled £66,319 (2019: £66,696). Accruals totalling £16,800 (2019: £21,708) are owing to the associated company as at 31 January 2020. Amounts due from the associated company as at 31 January 2020 totalled £9,634 (2019: £50,288).

#### Directors' transactions

Dividends paid to directors totalled £210,577 (2019: £198,263). No directors received advances during the year (2019: £Nil).

#### Key management personnel

All directors of the parent and subsidiaries who have authority and responsibility for planning, directing and controlling the activities of the group are considered to be key management personnel. Total remuneration in respect of these individuals is £657,373 (2019: £681,394).

### 26. Controlling party

The group is controlled by the directors.