

Company Registration No. 02150914 (England and Wales)

BRITISH TRIMMINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



BRITISH TRIMMINGS LIMITED

COMPANY INFORMATION

Directors	S Haft W Kiesling C Munyan
Secretary	R Cawthra
Company number	02150914
Registered office	PO Box 367 Coronation Street Stockport SK5 7WZ
Auditor	Baldwins Audit Services 5th Floor Ship Canal House 98 King Street Manchester M2 4WU
Solicitors	SAS Daniels LLP 30 Greek Street Stockport Cheshire SK3 8AD

BRITISH TRIMMINGS LIMITED

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BRITISH TRIMMINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company continued to be that of the wholesale of textiles.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Haft

W Kiesling

C Munyan

J Roselli

(Resigned 2 September 2018)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Baldwins Audit Services, (previously trading as CLB Coopers Audit Services), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

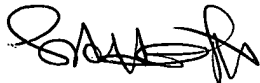
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

BRITISH TRIMMINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

On behalf of the board

A handwritten signature in black ink, appearing to be 'S Haft', written over a horizontal line.

S Haft
Director

18 December 2019

BRITISH TRIMMINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRITISH TRIMMINGS LIMITED

Opinion

We have audited the financial statements of British Trimmings Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 forming our opinion, we have considered the adequacy of the disclosures made in note 1.2 of the financial statements concerning the going concern status of the company. In view of the significance of this note, we consider that it should be brought to the attention of the reader. However, our report is not qualified in this respect.

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 auditor's 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.

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 our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

BRITISH TRIMMINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRITISH TRIMMINGS LIMITED

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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BRITISH TRIMMINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRITISH TRIMMINGS LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

A handwritten signature in black ink that reads "Baldwins Audit Services".

David Clift (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

18 December 2019

Statutory Auditor

5th Floor
Ship Canal House
98 King Street
Manchester
M2 4WU

BRITISH TRIMMINGS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2019

		Year ended 31 March 2019 £	Period ended 31 March 2018 £
	Notes		
Turnover	3	814,219	1,025,798
Cost of sales		(459,762)	(542,031)
Gross profit		354,457	483,767
Distribution costs		(346,140)	(463,827)
Administrative expenses		(232,597)	(177,406)
Operating loss	4	(224,280)	(157,466)
Interest receivable and similar income	6	26	5
Release of intercompany balances	7	-	849,825
(Loss)/profit before taxation		(224,254)	692,364
Tax on (loss)/profit	8	(6,980)	-
(Loss)/profit for the financial year		(231,234)	692,364
Retained earnings brought forward		(2,268,612)	(2,960,976)
Retained earnings carried forward		(2,499,846)	(2,268,612)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

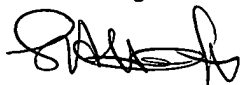
BRITISH TRIMMINGS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Stocks	12	122,223		157,712	
Debtors	13	352,414		305,573	
Cash at bank and in hand		13,887		22,535	
		<u>488,524</u>		<u>485,820</u>	
Creditors: amounts falling due within one year	14	<u>(2,056,390)</u>		<u>(1,829,432)</u>	
Net current liabilities			(1,567,866)		(1,343,612)
Provisions for liabilities			(6,980)		-
Net liabilities			<u>(1,574,846)</u>		<u>(1,343,612)</u>
Capital and reserves					
Called up share capital	17	128,889		128,889	
Share premium account	18	261,111		261,111	
Capital redemption reserve	19	535,000		535,000	
Profit and loss reserves		<u>(2,499,846)</u>		<u>(2,268,612)</u>	
Total equity			<u>(1,574,846)</u>		<u>(1,343,612)</u>

The financial statements were approved by the board of directors and authorised for issue on 18 December 2019 and are signed on its behalf by:



S Haft
Director

Company Registration No. 02150914

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

British Trimmings Limited is a private company limited by shares incorporated in England and Wales. The registered office is PO Box 367, Coronation Street, Stockport, SK5 7WZ.

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.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of CSS Industries, Inc. These consolidated financial statements are available from its registered office, 450 Plymouth Road, Suite 300, Plymouth Meeting, PA 19462.

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The company recorded an operating loss of £224,280 for the year ended 31 March 2019 (2018: £157,466).

The balance sheet net worth of the company as at 31 March 2019 included an amount of £1,708,801 (2018: £1,530,720) due to Simplicity Limited, a fellow group undertaking. Simplicity Limited has confirmed in writing that it will not demand repayment of amounts due for a period of at least 12 months from the date of signing these accounts.

The operations of both the company and Simplicity Limited are intrinsically linked to the operations of the parent company, CSS Industries Inc., a company listed on the New York Stock Exchange. CSS Industries Inc. has confirmed in writing that it will provide financial support to British Trimmings Limited to enable it to meet its liabilities as they fall due for a period of at least 12 months from 13th November 2019.

Copies of the trading results and financial position of CSS Industries Inc. are published each quarter by the Securities and Exchange Commission.

Taking all these factors into account the directors consider that is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The prior year's accounting period has been extended to be in line with the parent company and so the annual financial statements are presented for a 15 month period as at 31 March 2018.

1.4 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.

1.5 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:

Fixtures, fittings & equipment	10-15% straight line
Computer equipment	10-15% straight line

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.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 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 balance sheet 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

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 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 profit and loss account 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 profit and loss account, 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.

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

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.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.16 Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provision

The directors have reviewed the stock held at the year end and have made adequate provisions against stock that they believe to be obsolete, or that has been discontinued.

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	571,201	853,696
Rest of Europe	99,973	100,404
Rest of the world	143,045	71,698
	<u>814,219</u>	<u>1,025,798</u>

4 Operating loss

	2019 £	2018 £
Operating loss for the period is stated after charging/(crediting):		
Exchange losses/(gains)	12,637	(55,203)
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	14,200
Cost of stocks recognised as an expense	459,762	542,031
Operating lease charges	192,751	247,296
	<u></u>	<u></u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £12,637 (2018 - £55,203).

5 Employees

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

	2019 Number	2018 Number
Administrative	5	6
Selling	4	4
Distribution	9	10
	<u>18</u>	<u>20</u>

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

5 Employees (Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	338,305	446,968
Social security costs	32,154	42,740
Pension costs	11,951	17,307
	<u>382,410</u>	<u>507,015</u>

6 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	26	5
	<u>26</u>	<u>5</u>

7 Exceptional costs/(income)

	2019 £	2018 £
Release of intercompany balances		(849,825)
	<u></u>	<u>(849,825)</u>

During the prior year the company received a deed of release amounting to £849,825 from Simplicity Creative, Inc regarding outstanding debts as at 30 November 2017.

8 Taxation

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	6,980	-
	<u>6,980</u>	<u>-</u>

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
(Loss)/profit before taxation	(224,254)	692,364
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.27%)	(42,608)	133,419
Tax effect of expenses that are not deductible in determining taxable profit	-	3,486
Tax effect of income not taxable in determining taxable profit	-	(5,269)
Unutilised tax losses carried forward	(57,791)	(111,521)
Group relief	107,379	(3,638)
Permanent capital allowances in excess of depreciation	-	(16,477)
Taxation charge for the period	6,980	-

The company has estimated losses of £12,549,333 (2018: £11,835,970) available to carry forward against future trading profits.

9 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 April 2018	101,666	74,827	176,493
Disposals	(101,666)	(74,827)	(176,493)
At 31 March 2019	-	-	-
Depreciation and impairment			
At 1 April 2018	101,666	74,827	176,493
Eliminated in respect of disposals	(101,666)	(74,827)	(176,493)
At 31 March 2019	-	-	-
Carrying amount			
At 31 March 2019	-	-	-
At 31 March 2018	-	-	-

Disposals relate to the assets written off as not in use.

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

10 Fixed asset investments

Movements in fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018 & 31 March 2019	158,102
Impairment	
At 1 April 2018 & 31 March 2019	158,102
Carrying amount	
At 31 March 2019	-
At 31 March 2018	-

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
British Trimmings (1997) Limited	England and Wales	Dormant	Ordinary	100.00	
British Trimmings (Leek) Limited	England and Wales	Dormant	Ordinary	100.00	
British Trimmings (Reddish) Limited	England and Wales	Dormant	Ordinary	100.00	
Simplicity Creative Group Limited	England and Wales	Dormant	Ordinary	100.00	
Wendy A. Cushing Limited	England and Wales	Dormant	Ordinary	100.00	
Wendy Cushing Trimmings Limited	England and Wales	Dormant	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
British Trimmings (1997) Limited	-	43,749
British Trimmings (Leek) Limited	-	5,000
British Trimmings (Reddish) Limited	-	(98,502)
Simplicity Creative Group Limited	-	105,000
Wendy A. Cushing Limited	-	60,062
Wendy Cushing Trimmings Limited	-	(68,939)

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

12 Stocks

	2019 £	2018 £
Finished goods and goods for resale	122,223	157,712

Included within stock is a provision of £69,505 (2018: £69,675). £19,176 has been released (2018: £49,194 has been charged) to the profit and loss in respect of impairment of stock.

13 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	76,929	108,291
Amounts owed by group undertakings	204,459	167,441
Other debtors	71,026	29,841
	352,414	305,573

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	21,265	24,957
Amounts owed to group undertakings	1,956,074	1,744,351
Taxation and social security	15,971	25,323
Other creditors	10,047	1,928
Accruals and deferred income	53,033	32,873
	2,056,390	1,829,432

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	6,980	-

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

16 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	11,951	17,307

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the period end the company owed £2,047 (2018: £1,928) to a defined contribution pension scheme.

17 Share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
128,889 Ordinary shares of £1 each	128,889	128,889

18 Share premium account

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

19 Capital redemption reserve

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

20 Operating lease commitments

Lessee

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

	2019	2018
	£	£
Within one year	186,233	170,714
Between two and five years	574,218	682,854
	760,451	853,568

21 Related party transactions

The company has taken exemptions under FRS 102 to not disclose transactions with members of the same group.

BRITISH TRIMMINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 Ultimate controlling party

The ultimate parent undertaking is CCS Industries Inc, a Company incorporated in the USA. No one person has overall control.