

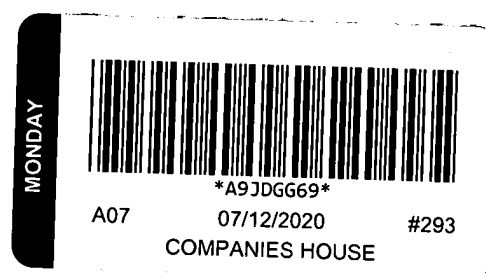
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Company Registration Number 01016110

HATTERSLEY ALADDIN LIMITED

FINANCIAL STATEMENTS

30 JUNE 2020



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

HATTERSLEY ALADDIN LIMITED
REGISTERED NUMBER: 01016110

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	92,741	99,267
		<u>92,741</u>	<u>99,267</u>
Current assets			
Stocks	7	888,923	878,144
Debtors: amounts falling due within one year	8	384,711	501,768
Cash at bank and in hand		895,160	988,420
		<u>2,168,794</u>	<u>2,368,332</u>
Creditors: amounts falling due within one year	9	(274,463)	(341,894)
Net current assets		<u>1,894,331</u>	<u>2,026,438</u>
Total assets less current liabilities		<u>1,987,072</u>	<u>2,125,705</u>
Provisions for liabilities			
Deferred tax	10	-	(1,200)
		<u>-</u>	<u>(1,200)</u>
Net assets		<u><u>1,987,072</u></u>	<u><u>2,124,505</u></u>
Capital and reserves			
Called up share capital		39,000	39,000
Share premium account	11	333,500	333,500
Profit and loss account	11	1,614,572	1,752,005
		<u><u>1,987,072</u></u>	<u><u>2,124,505</u></u>

HATTERSLEY ALADDIN LIMITED
REGISTERED NUMBER: 01016110

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



D S Batty
Director

Date: 26 November 2020

The notes on pages 3 to 12 form part of these financial statements.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

The company is a private company limited by shares incorporated and domiciled in the United Kingdom. The company is a tax resident in the United Kingdom. It trades from its registered office address at Greengate, Keighley, West Yorkshire, BD21 5JL.

The principal activity of the company is the manufacture and supply of narrow fabrics.

The financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic will bring over the coming weeks and months, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the UK economy – the company's current level of cash is positive and the company has the continued support of the parent undertaking, George Hattersley Limited.

In reaching their conclusion, the directors have considered cash flow forecasts covering a period of 12 months from the date of sign off, the various financial support measures that have been announced by the UK government and the availability of funding both externally and internally.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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. 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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.

2.4 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- Fifty years
Plant, machinery and motor vehicles	- Four to seven years

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

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

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	5	years
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2.6 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 reporting 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.

2.7 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.10 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.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.12 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.

2.13 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

HATTERSLEY ALADDIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The directors consider the key accounting estimates to be provision for trade debtors, useful life and residual value of tangible fixed assets and provision for obsolete stock.

Provisions for trade debtors are reviewed by the directors on an ongoing basis who use their specific industry knowledge and experience to ensure the correct judgements are made.

The useful lives and residual values of tangible fixed assets are reviewed on an ongoing basis by the directors.

The company values its land and buildings at an open market value subject to existing leases. These are reviewed on a regular basis for reasonableness. The directors have considered the COVID-19 impact on this judgement and due to the value in use they believe that no impairment is required.

Provisions for obsolete stock are reviewed by the directors on an ongoing basis who use their specific industry knowledge and experience to ensure the correct judgements are made.

In preparing the financial statements the directors have also considered the likelihood of any post year end impairment to asset values that may have arisen as a result of COVID-19 pandemic. The directors have concluded that no such impairment has arisen and, accordingly, there has been no material diminution in asset values following the year end.

4. Employees

The average monthly number of employees, including directors, during the year was 37 (2019 - 37).

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

5. Intangible assets

	Goodwill £
Cost	
At 1 July 2019	60,000
At 30 June 2020	<u>60,000</u>
Amortisation	
At 1 July 2019	60,000
At 30 June 2020	<u>60,000</u>
Net book value	
At 30 June 2020	<u>-</u>
At 30 June 2019	<u>-</u>

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

6. Tangible fixed assets

	Freehold property £	Plant, machinery and motor vehicles £	Total £
Cost or valuation			
At 1 July 2019	129,661	1,327,905	1,457,566
Additions	-	10,372	10,372
At 30 June 2020	129,661	1,338,277	1,467,938
Depreciation			
At 1 July 2019	51,153	1,307,146	1,358,299
Charge for the year on owned assets	2,016	14,882	16,898
At 30 June 2020	53,169	1,322,028	1,375,197
Net book value			
At 30 June 2020	76,492	16,249	92,741
At 30 June 2019	78,508	20,759	99,267

Included in the cost of freehold property is £25,000 (2019 - £25,000) of land which is not depreciated.

7. Stocks

	2020 £	2019 £
Work in progress	10,407	21,300
Finished goods	878,516	856,844
	888,923	878,144

Stock recognised in cost of sales during the year as an expense was £759,732 (2019 - £912,701).

HATTERSLEY ALADDIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

8. Debtors

	2020 £	2019 £
Trade debtors	301,009	477,387
Other debtors	25,390	540
Prepayments and accrued income	58,312	23,841
	<u>384,711</u>	<u>501,768</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	120,685	178,040
Corporation tax	-	6,800
Other taxation and social security	29,095	69,114
Other creditors	8,981	23,265
Accruals and deferred income	115,702	64,675
	<u>274,463</u>	<u>341,894</u>

10. Deferred taxation

	2020 £	2019 £
At beginning of year	1,200	3,000
Utilised in year	(1,200)	(1,800)
At end of year	<u>-</u>	<u>1,200</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	-	1,200
	<u>-</u>	<u>1,200</u>

HATTERSLEY ALADDIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

11. Reserves

Share premium account

The share premium account represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares.

12. Contingent liabilities

The company has issued a guarantee of £20,000 in favour of H M Revenue & Customs.

13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £65,150 (2019 - £42,247). At the year end the company had unpaid pension contributions of £5,957 (2019 - £5,853).

14. Controlling party

The ultimate parent undertaking is George Hattersley Limited, a company registered in England and Wales. The consolidated financial statements of George Hattersley Limited are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

15. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2020 was unqualified.

The audit report was signed on 26 November 2020 by Rohan Day (Senior statutory auditor) on behalf of Armstrong Watson Audit Limited.