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Company Registration Number 01016110

HATTERSLÉY ALADDIN LIMITED

UNAUDITED
FINANCIAL STATEMENTS

30 JUNE 2018



ArmstrongWatson[®]

Accountants, Business & Financial Advisers

HATTERSLEY ALADDIN LIMITED
REGISTERED NUMBER: 01016110

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	<u>114,735</u>	<u>129,271</u>
		114,735	129,271
Current assets			
Stocks	7	675,479	671,855
Debtors: amounts falling due within one year	8	587,427	548,983
Cash at bank and in hand		<u>1,125,633</u>	<u>1,212,283</u>
		2,388,539	2,433,121
Creditors: amounts falling due within one year	9	<u>(326,883)</u>	<u>(393,688)</u>
Net current assets		<u>2,061,656</u>	<u>2,039,433</u>
Total assets less current liabilities		2,176,391	2,168,704
Provisions for liabilities			
Deferred tax	10	<u>(3,000)</u>	<u>(6,400)</u>
		(3,000)	(6,400)
Net assets		<u><u>2,173,391</u></u>	<u><u>2,162,304</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	<u>1,800,891</u>	<u>1,789,804</u>
		<u>2,173,391</u>	<u>2,162,304</u>

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: 11 September 2018

The notes on pages 2 to 9 form part of these financial statements.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. General information

The company is a limited liability company incorporated and domiciled in the United Kingdom. The company is a tax resident in the United Kingdom.

The principal activity of the company is the manufacture and supply of narrow fabrics. The company trades from its registered office Greengate, Keighley, West Yorkshire, BD21 5JL.

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.

The following principal accounting policies have been applied:

2.2 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.

2.3 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.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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.

Depreciation is provided on the following basis:

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 the Statement of income and retained earnings.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

Other 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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2.5 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.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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 non-puttable ordinary shares.

2.9 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.

2.10 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 the Statement of income and retained earnings 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 the Statement of income and retained earnings within 'other operating income'.

2.11 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.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings 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.

2.13 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 the Statement of income and retained earnings 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.

2.14 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.

2.15 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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.

2.17 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.

3. Employees

The average monthly number of employees, including directors, during the year was 36 (2017 - 39).

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

4. Intangible assets

	Goodwill £
Cost	
At 1 July 2017	60,000
At 30 June 2018	<u>60,000</u>
Amortisation	
At 1 July 2017	60,000
At 30 June 2018	<u>60,000</u>
Net book value	
At 30 June 2018	<u><u>-</u></u>
At 30 June 2017	<u><u>-</u></u>

5. Tangible fixed assets

	Freehold property £	Plant, machinery and motor vehicles £	Total £
Cost or valuation			
At 1 July 2017	129,661	1,325,797	1,455,458
Additions	-	1,453	1,453
At 30 June 2018	<u>129,661</u>	<u>1,327,250</u>	<u>1,456,911</u>
Depreciation			
At 1 July 2017	47,122	1,279,065	1,326,187
Charge for the year on owned assets	2,016	13,973	15,989
At 30 June 2018	<u>49,138</u>	<u>1,293,038</u>	<u>1,342,176</u>
Net book value			
At 30 June 2018	<u><u>80,523</u></u>	<u><u>34,212</u></u>	<u><u>114,735</u></u>
At 30 June 2017	<u><u>82,539</u></u>	<u><u>46,732</u></u>	<u><u>129,271</u></u>

Included in the cost of freehold property is £25,000 (2017 - £25,000) of land which is not depreciated.

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

7. Stocks

	2018 £	2017 £
Work in progress	8,054	11,280
Finished goods	667,425	660,575
	<u>675,479</u>	<u>671,855</u>

Stock recognised in cost of sales during the year as an expense was £932,777 (2017 - £1,063,278) .

8. Debtors

	2018 £	2017 £
Trade debtors	563,374	496,830
Other debtors	400	425
Prepayments and accrued income	23,653	51,728
	<u>587,427</u>	<u>548,983</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	138,522	147,509
Corporation tax	28,000	77,000
Other taxation and social security	56,631	40,865
Other creditors	25,245	17,912
Accruals and deferred income	78,485	110,402
	<u>326,883</u>	<u>393,688</u>

10. Deferred taxation

	2018 £	2017 £
At beginning of year	6,400	8,800
Charged to profit or loss	(3,400)	(2,400)
At end of year	<u>3,000</u>	<u>6,400</u>

HATTERSLEY ALADDIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	3,000	6,400
	<u>3,000</u>	<u>6,400</u>

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 £41,766 (2017 - £45,147). At the year end the company had unpaid pension contributions of £5,962 (2017- NIL).

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 2018 was unqualified.

The audit report was signed on 11 September 2018 by Rohan Day (Senior statutory auditor) on behalf of Armstrong Watson Audit Limited.