

Registration Number 00079310

Failsworth Hats Limited

Abbreviated Accounts

for the year ended 31 December 2000



Failsworth Hats Limited

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**Auditors' Report to Failsworth Hats Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of Failsworth Hats Limited for the year ended 31 December 2000, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 December 2000, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company and of the profit or loss of the company for that year. In preparing these the directors are required to :

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements based on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.



**Wrigley Partington
Chartered Accountants and
Registered Auditor**

**Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY**

Date: 16 TH MAY 2001

Failsworth Hats Limited

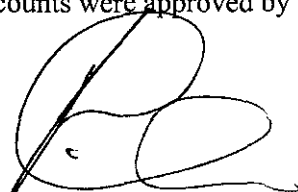
Abbreviated Balance Sheet as at 31 December 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	2		44,100		-
Tangible assets	2		381,487		355,422
			<u>425,587</u>		<u>355,422</u>
Current Assets					
Stocks		572,056		396,238	
Debtors		617,915		368,576	
Cash at bank and in hand		1,220		615	
		<u>1,191,191</u>		<u>765,429</u>	
Creditors: amounts falling due within one year	3	(635,464)		(397,261)	
Net Current Assets			<u>555,727</u>		<u>368,168</u>
Total Assets Less Current Liabilities			981,314		723,590
Creditors: amounts falling due after more than one year			(836,823)		(620,410)
Net Assets			<u>144,491</u>		<u>103,180</u>
Capital and Reserves					
Called up share capital	4		25,125		25,125
Profit and loss account			119,366		78,055
Shareholders' Funds			<u>144,491</u>		<u>103,180</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the Board on 9th April 2001 and signed on its behalf by:

Mr P C Wilson
Director



The notes on pages 3 to 5 form an integral part of these financial statements.

Failsworth Hats Limited

Notes to the Abbreviated Accounts for the year ended 31 December 2000

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax and trade discounts, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	2% straight line
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Failsworth Hats Limited

Notes to the Abbreviated Accounts for the year ended 31 December 2000

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1.8. Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

1.9. Contributions to pension fund

The company operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. Contributions to this fund are charged in the profit and loss account so as to spread the cost of pensions over the employees working lives within the company. The regular cost is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuation, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs.

2. Fixed assets

	Intangible assets £	Tangible fixed assets £	Total £
Cost			
At 1 January 2000	-	734,454	734,454
Additions	49,000	64,365	113,365
Disposals	-	(13,300)	(13,300)
At 31 December 2000	49,000	785,519	834,519
Depreciation/amortisation			
At 1 January 2000	-	379,032	379,032
On disposals	-	(7,689)	(7,689)
Charge for year	4,900	32,689	37,589
At 31 December 2000	4,900	404,032	408,932
Net book values			
At 31 December 2000	44,100	381,487	425,587
At 31 December 1999	-	355,422	355,422

3. Creditors

	2000 £	1999 £
Creditors include the following:		
Secured creditors	264,055	215,599

Failsworth Hats Limited

**Notes to the Abbreviated Accounts
for the year ended 31 December 2000**

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4. Share capital	2000	1999
	£	£
Authorised equity		
36,750 Ordinary shares of £1 each	36,750	36,750
	<u> </u>	<u> </u>
Allotted, called up and fully paid equity		
25,125 Ordinary shares of £1 each	25,125	25,125
	<u> </u>	<u> </u>

5. Transactions with directors

The bank loan and overdraft are secured by legal mortgages over Nat West life assurance policies covering the life of the director, Mr P C Wilson.

Mr A Jenkins resigned as a director on 4th December 2000 and, on leaving the company, was given his company car for nil consideration. At that date, the car had a net book value of £5,611.

6. Ultimate controlling party

The ultimate controlling party is Failsworth Trust.