

Registration number 00079310

Failsworth Hats Limited
Abbreviated accounts
for the year ended 31 December 2004



Failsworth Hats Limited

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Failsworth Hats Limited

**Abbreviated balance sheet
as at 31 December 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	2		12,250		14,700
Tangible assets	2		393,122		400,323
			<u>405,372</u>		<u>415,023</u>
Current assets					
Stocks		998,181		959,420	
Debtors		650,915		622,207	
Cash at bank and in hand		33,038		24,162	
		<u>1,682,134</u>		<u>1,605,789</u>	
Creditors: amounts falling due within one year	3	<u>(1,160,848)</u>		<u>(1,026,982)</u>	
Net current assets			<u>521,286</u>		<u>578,807</u>
Total assets less current liabilities			926,658		993,830
Creditors: amounts falling due after more than one year			<u>(891,637)</u>		<u>(931,803)</u>
Net assets			<u>35,021</u>		<u>62,027</u>
Capital and reserves					
Called up share capital	4		25,125		25,125
Profit and loss account			9,896		36,902
Shareholders' funds			<u>35,021</u>		<u>62,027</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

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

Failsworth Hats Limited

Abbreviated balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2004**

In approving these abbreviated accounts as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2004 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These 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.....26 August 2005.....and signed on its behalf by:

Mr P C Wilson
Director

A handwritten signature in black ink, appearing to be 'P C Wilson', written over a horizontal line.

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

Failsworth Hats Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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	-	Straight line over fifty years
Leasehold properties	-	Straight line over the life of the lease
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 the shorter of the lease term and 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 and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.7. Pensions

The company operates a defined benefit 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 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.

Failsworth Hats Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

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1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.10. Going concern

The company's ability to continue as a going concern is dependent upon the continued financial support of the company's bankers and also the controlling party, Failsworth Trust. The accounts have therefore been prepared on a going concern basis on the understanding that such support will not be withdrawn.

Failsworth Hats Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

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2. Fixed assets	Intangible assets £	Tangible fixed assets £	Total £
Cost			
At 1 January 2004	24,500	890,013	914,513
Additions	-	29,559	29,559
Disposals	-	(1,242)	(1,242)
At 31 December 2004	24,500	918,330	942,830
Depreciation and Provision for diminution in value			
At 1 January 2004	9,800	489,690	499,490
On disposals	-	(602)	(602)
Charge for year	2,450	36,120	38,570
At 31 December 2004	12,250	525,208	537,458
Net book values			
At 31 December 2004	12,250	393,122	405,372
At 1 January 2004	14,700	400,323	415,023

3. Creditors: amounts falling due within one year	2004 £	2003 £
Creditors include the following:		
Secured creditors	720,930	523,528

4. Share capital	2004 £	2003 £
Authorised		
36,750 Ordinary shares of £1 each	36,750	36,750
Allotted, called up and fully paid		
25,125 Ordinary shares of £1 each	25,125	25,125

5. Controlling interest

The company is controlled by Failsworth Trust.