Registrar

Registration number 00079310

Failsworth Hats Limited

Abbreviated accounts

for the year ended 31st December 2006

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Failsworth Hats Limited

Contents

	Page
Abbreviated balance sheet	1 - 2
Notes to the financial statements	3 - 6

Failsworth Hats Limited

Abbreviated balance sheet
as at 31st December 2006

	Notes	2006 £	2006 £	Restated 2005 £	Restated 2005 £
Fixed assets					
Intangible assets	3		15,767		19,217
Tangible assets	3		362,024		386,252
			377,791		405,469
Current assets					
Stocks		1,156,730		1,094,018	
Debtors		729,594		851,945	
Cash at bank and in hand		130,347		28,491	
		2,016,671		1,974,454	
Creditors: amounts falling due within one year	4	(1,183,020)		(1,562,487)	
Net current assets			833,651		411,967
Total assets less current liabilities			1,211,442		817,436
Creditors: amounts falling due after more than one year			(1,308,143)		(874,768)
Net excluding pension asset			(96,701)		(57,332)
Other pension asset			28,000		226,000
Net (liabilities)/assets			(68,701)		168,668
Capital and reserves					
Called up share capital	5		25,125		25,125
Profit and loss account			(93,826)		143,543
Shareholders' funds			(68,701)		168,668

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 6 form an integral part of these financial statements.

Abbreviated balance sheet (continued)

Directors' statements required by Section 249B(4) for the year ended 31st December 2006

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 31st December 2006 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 accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The abbreviated accounts were approved by the Board on 11th June 2007 and signed on its behalf by

Mr P C Wilson
Director

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2. Changes in accounting policy

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

-The final transitional arrangements requiring full adoption of FRS 17 'Retirement Benefits,

The change in policy requires the company to recognise the surplus/deficit in the defined benefit scheme to the extent that it is able to recover a surplus either through reduced contributions in the future or through refunds from the scheme The current service costs are included within operating profit

The effect of the change in accounting policy on the preceding and current years is shown in note 6 to these financial statements

1.3. Turnover

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

1.4. Goodwill

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

1.5. 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

1.6. 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

1.7. Stock and work in progress

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

continued

1.8. Pensions and other post-retirement benefits

The current service cost is included within operating profit in the profit and loss account Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using a discount rate of 4 8% Pension scheme assets are valued at market value at the balance sheet date

The pension scheme surplus to the extent that it can be recovered is recognised in full on the balance sheet

The deferred tax relating to a defined benefit asset/liability is offset against the defined benefit asset/liability and not included with other deferred tax assets or liabilities

1.9. 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

1.10. 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

1.11. 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

continued

2. Interest receivable and similar income	2006 £	Restated 2005 £
Bank interest	12,641	-
Net Finance Income in respect of defined benefit schemes	43,000	38,000
	55,641	38,000

3. Fixed assets	Intangible assets £	Tangible fixed assets £	Total £
Cost			
At 1st January 2006	34,500	912,343	946,843
Additions	-	16,014	16,014
Disposals	-	(9,946)	(9,946)
At 31st December 2006	34,500	918,411	952,911
Depreciation and Provision for diminution in value			
At 1st January 2006	15,283	526,092	541,375
On disposals	-	(6,254)	(6,254)
Charge for year	3,450	36,549	39,999
At 31st December 2006	18,733	556,387	575,120
Net book values			
At 31st December 2006	15,767	362,024	377,791
At 31st December 2005	19,217	386,251	405,468

4. Creditors: amounts falling due within one year	2006 £	2005 £
Creditors include the following		
Secured creditors	(635,704)	(835,198)

5. Shape capital

	2006 £	2005 £
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
Equity Shares		
25,125 Ordinary shares of 1 each	25,125	25,125

6. Prior year adjustment

	2006	2005
Reserves		
b/f as previously reported	(82,459)	9,896
Losses as stated prior to change in accounting policy	(39,367)	(92,355)
	(121,826)	(82,459)
Effects of Prior Year Adjustment		
On operating loss	(83,000)	(74,000)
Actuarial gain/(loss)	(115,000)	60,000
Pension scheme surplus	-	240,000
Prior year adjustment	226,000	-
Reserve as restated	(93,826)	143,541