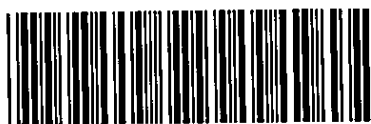


Registrar

Registration number 00079310

Failsworth Hats Limited
Abbreviated accounts
for the year ended 31st December 2008

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Failsworth Hats Limited

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**Independent 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 31st December 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

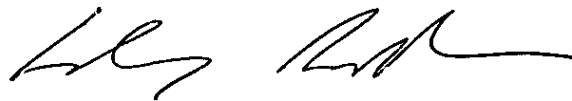
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and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

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

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, and the abbreviated accounts have been properly prepared in accordance with those provisions.



**Wrigley Partington
Chartered Accountants and
Registered Auditor**

16th September 2009

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

Failsworth Hats Limited

**Abbreviated balance sheet
as at 31st December 2008**

		2008		Unaudited 2007	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	2		8,867		12,317
Tangible assets	2		337,741		358,220
			<u>346,608</u>		<u>370,537</u>
Current assets					
Stocks		1,270,550		1,169,174	
Debtors		1,364,249		1,248,172	
Investments		673,030		-	
Cash at bank and in hand		106,907		9,189	
		<u>3,414,736</u>		<u>2,426,535</u>	
Creditors: amounts falling due within one year	3	<u>(1,900,802)</u>		<u>(1,124,211)</u>	
Net current assets			<u>1,513,934</u>		<u>1,302,324</u>
Total assets less current liabilities			1,860,542		1,672,861
Creditors: amounts falling due after more than one year			<u>(1,280,158)</u>		<u>(1,280,158)</u>
Net assets excluding pension asset			580,384		392,703
Other pension asset			-		28,000
Net assets			<u>580,384</u>		<u>420,703</u>
Capital and reserves					
Called up share capital	4		25,125		25,125
Profit and loss account			555,259		395,578
Shareholders' funds			<u>580,384</u>		<u>420,703</u>

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 2007) relating to small companies.

The abbreviated accounts were approved by the Board on 16th September 2009 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 financial statements for the year ended 31st December 2008

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 2007).

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.

1.6. Investments

Current asset investments are at the lower of cost and net realisable value.

1.7. Stock and work in progress

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

1.8. Pensions and other post-retirement benefits

The pension costs charged in the financial statements represent the contribution payable by the company in the year.

Failsworth Hats Limited

Notes to the abbreviated financial statements for the year ended 31st December 2008

..... continued

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.

Failsworth Hats Limited

Notes to the abbreviated financial statements for the year ended 31st December 2008

..... continued

2. Fixed assets	Intangible assets £	Tangible fixed assets £	Total £
Cost			
At 1st January 2008	34,500	928,106	962,606
Additions	-	23,986	23,986
Disposals	-	(13,750)	(13,750)
At 31st December 2008	<u>34,500</u>	<u>938,342</u>	<u>972,842</u>
Depreciation and Provision for diminution in value			
At 1st January 2008	22,183	569,886	592,069
On disposals	-	(9,017)	(9,017)
Charge for year	3,450	39,732	43,182
At 31st December 2008	<u>25,633</u>	<u>600,601</u>	<u>626,234</u>
Net book values			
At 31st December 2008	<u>8,867</u>	<u>337,741</u>	<u>346,608</u>
At 31st December 2007	<u><u>12,317</u></u>	<u><u>358,220</u></u>	<u><u>370,537</u></u>
 3. Creditors: amounts falling due within one year		2008 £	2007 £
Creditors include the following:			
Secured creditors		<u>550,161</u>	<u>629,738</u>
 4. Share capital		2008 £	Unaudited 2007 £
Authorised			
36,750 Ordinary shares of £1 each		<u>36,750</u>	<u>36,750</u>
Allotted, called up and fully paid			
25,125 Ordinary shares of £1 each		<u>25,125</u>	<u>25,125</u>
 Equity Shares			
25,125 Ordinary shares of £1 each		<u>25,125</u>	<u>25,125</u>