

REGISTERED NUMBER: 00274345 (England and Wales)

Unaudited Financial Statements

for the Year Ended

28 February 2022

for

H.Dawson Sons and Company (Wool) Limited



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for the Year Ended 28 February 2022**

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H.Dawson Sons and Company (Wool) Limited

**Company Information
for the Year Ended 28 February 2022**

DIRECTORS:

A G Dawson
J H Dawson

SECRETARY:

J H Dawson

REGISTERED OFFICE:

1st Floor Salts Mill
Victoria Road
Shipley
BD18 3LA

REGISTERED NUMBER:

00274345 (England and Wales)

ACCOUNTANTS:

Kirk Newsholme
Chartered Accountants
4315 Park Approach
Thorpe Park
Leeds
West Yorkshire
LS15 8GB

H.Dawson Sons and Company (Wool) Limited (Registered number: 00274345)

**Balance Sheet
28 February 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	4	15,732	12,091
CURRENT ASSETS			
Stocks		651,433	418,568
Debtors	5	1,372,568	563,245
Cash at bank		12,468	271,373
		<u>2,036,469</u>	<u>1,253,186</u>
CREDITORS			
Amounts falling due within one year	6	<u>1,485,472</u>	<u>818,879</u>
NET CURRENT ASSETS		<u>550,997</u>	<u>434,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>566,729</u></u>	<u><u>446,398</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	93,456	93,456
Share premium		65,309	65,309
Capital redemption reserve		199,284	199,284
Retained earnings		<u>208,680</u>	<u>88,349</u>
SHAREHOLDERS' FUNDS		<u><u>566,729</u></u>	<u><u>446,398</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28 February 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 28 February 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2022 and were signed on its behalf by:


J H Dawson - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 28 February 2022**

1. COMPANY INFORMATION

H. Dawson, Sons and Company (Wool) Limited is a private company, limited by shares, registered in England and Wales. The company's registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in UK and Republic of Ireland" and the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to give a true and fair view.

The financial statements have been prepared under the historical cost convention.

The functional currency of the company is considered to be pounds sterling.

Going concern

Despite the challenges of recent years, the actions taken by management allowed the company to fully satisfy all obligations under the Company Voluntary Arrangement ("CVA") in April 2021. The focus on higher added-value products coupled with a lower overhead structure has seen the company to return to profitability during the period.

The Directors have prepared forecasts for a period up to February 2023 that show the company improving on the current years profitability.

The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised on delivery to the customer. Where payments are received from customers in advance of delivery the amounts are recorded as deferred income and included as part of creditors due within one year.

Tangible fixed assets

Tangible fixed assets are stated at purchase cost or valuation together with any incidental expenses of acquisition, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life.

Plant and machinery	10 years
Fixtures and fittings	3 - 4 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset after deducting estimated costs of disposal, if the asset were already at an age and in the condition expected at the end of its estimated useful life.

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the assets against the higher of realisable value and value in use.

The gain or loss arising on the disposal of an asset is determined on the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

**Notes to the Financial Statements - continued
for the Year Ended 28 February 2022**

2. ACCOUNTING POLICIES - continued

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to sell, which is equivalent to net realisable value. Cost includes material, duty and freight charges and is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The following assets and liabilities are classified as basic financial instruments - trade debtors, other debtors, cash and bank balances, trade creditors and other creditors.

Trade debtors, other debtors, cash and bank balances, trade creditors and other creditors are measured at the amortised cost equivalent to the undiscounted amount of cash or other consideration expected to be paid or received.

Taxation

Current tax, including UK and foreign corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the reversal of the timing difference.

Research and development

All expenditure in respect of product development projects are written off to the profit and loss account as incurred.

**Notes to the Financial Statements - continued
for the Year Ended 28 February 2022**

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in the profit and loss account.

Pension costs

The Company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme and that of directors' personal pension schemes are charged to profit or loss in the period to which they relate.

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

Non financial assets

An asset is impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had impairment not been recognised.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement, where significant, is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination payments

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Notes to the Financial Statements - continued
for the Year Ended 28 February 2022**

2. ACCOUNTING POLICIES - continued

The critical judgements that the directors have made in applying the company's accounting policies and the key sources of estimation uncertainty that have had the most significant effect on the amounts recognised in the financial statements are described below:

Net realisable value of stock

The Company establishes an impairment provision for stock estimated to realise a lower value than cost. When calculating the stock impairment provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of stocks and its estimated selling value less costs expected to be incurred to sell the item. The directors also consider the purchase history of the stock items to assess whether the items remain in use.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2021 - 11).

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 March 2021	430,060
Additions	9,673
Disposals	<u>(207,370)</u>
At 28 February 2022	<u>232,363</u>
DEPRECIATION	
At 1 March 2021	417,969
Charge for year	5,966
Eliminated on disposal	<u>(207,304)</u>
At 28 February 2022	<u>216,631</u>
NET BOOK VALUE	
At 28 February 2022	<u><u>15,732</u></u>
At 28 February 2021	<u><u>12,091</u></u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,251,384	436,055
Other debtors	121,184	127,190
	<u>1,372,568</u>	<u>563,245</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	1,076,640	616,524
Taxation and social security	39,671	105,489
Other creditors	369,161	96,866
	<u>1,485,472</u>	<u>818,879</u>

**Notes to the Financial Statements - continued
for the Year Ended 28 February 2022**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

The company's invoice discounting facility is secured on book debts and other assets of the company.

7. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	-	7,121
	<u> </u>	<u> </u>

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
93,456	Ordinary	£1	93,456	93,456
			<u> </u>	<u> </u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

9. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is considered to be J H Dawson.