

**REGISTERED NUMBER: 00274345 (England and Wales)**

**Unaudited Financial Statements**

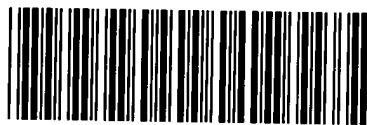
**for the Year Ended**

**28 February 2021**

**for**

**H.Dawson Sons and Company (Wool) Limited**

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COMPANIES HOUSE

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

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for the Year Ended 28 February 2021**

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**H.Dawson Sons and Company (Wool) Limited**

**Company Information  
for the Year Ended 28 February 2021**

**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 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	4	12,091	8,296
Investments	5	-	-
		<u>12,091</u>	<u>8,296</u>
<b>CURRENT ASSETS</b>			
Stocks		418,568	581,202
Debtors	6	563,245	1,596,248
Cash at bank		271,373	129,837
		<u>1,253,186</u>	<u>2,307,287</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	818,879	1,535,852
		<u>818,879</u>	<u>1,535,852</u>
<b>NET CURRENT ASSETS</b>		<u>434,307</u>	<u>771,435</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>446,398</u>	<u>779,731</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	93,456	93,456
Share premium		65,309	65,309
Capital redemption reserve		199,284	199,284
Retained earnings		88,349	421,682
		<u>446,398</u>	<u>779,731</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>446,398</u>	<u>779,731</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28 February 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 28 February 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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 notes form part of these financial statements

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

**Balance Sheet - continued**  
**28 February 2021**

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 1 September 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J H Dawson', written over a horizontal line.

J H Dawson - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 28 February 2021**

**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**

The effects of previous factors coupled with a global pandemic have taken its toll on the business this year, culminating in an overall loss. Nevertheless, the company has continued with its restructuring plans and as a consequence we were able to fully satisfy all obligations under the Company Voluntary Arrangement ("CVA") in April 2021.

The company now operates on a significantly lower overhead structure, whilst retaining much of its core strengths and knowledge. In addition, the company is now supplying higher added-value products, with unique propositions to new customers.

The Directors have prepared forecasts for a period up to February 2022 that show the company returning to profitability. Working capital requirements have been reduced significantly, significant debt has been written off as part of the CVA as recorded in these and the previous financial statements, and the business now has the headroom needed to achieve success for many years to come. However, at the point of approving these financial statements the Directors are aware of the uncertainties and risks Covid-19 continues to pose to all businesses, H. Dawson, Sons (Wool) Limited is no exception, but the Directors continue to adjust the contingency plans prepared to manage through what are difficult economic times and are aware of the support packages that are available from the Government if required. Following the changes referred to above the Directors feel that the business is now better equipped to cope with these challenging circumstances.

**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.

**Notes to the Financial Statements - continued  
for the Year Ended 28 February 2021**

**2. ACCOUNTING POLICIES - continued**

**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.

**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.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

**Stocks**

Stocks are stated at the lower of cost and 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.

**Notes to the Financial Statements - continued  
for the Year Ended 28 February 2021**

**2. ACCOUNTING POLICIES - continued**

Trade creditors, accruals, bank and other loans included within the Company Voluntary Arrangement had in the previous year seen a change to their contractual terms resulting in either a revision to the estimates of payments or a substantial modification to the terms of these financial liabilities. As a consequence the original financial liability was extinguished and a new financial liability recognised representing the amounts payable under the CVA, or if materially different, the present value of estimated future cash flows at the original effective interest rate. The difference between the carrying amount of the financial liability extinguished and the new financial liability was recognised as a creditor balance compromised under the Company Voluntary Arrangement in the profit and loss account.

**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.

**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.

**Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.



**Notes to the Financial Statements - continued  
for the Year Ended 28 February 2021**

**2. ACCOUNTING POLICIES - continued**

**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, unless those costs are required to be recognised as part of the cost of stock.

The cost of any unused holiday entitlement 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.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**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 2021

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 11 (2020 - 17).

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
<b>COST</b>	
At 1 March 2020	420,079
Additions	9,981
	<hr/>
At 28 February 2021	430,060
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<b>DEPRECIATION</b>	
At 1 March 2020	411,783
Charge for year	6,186
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At 28 February 2021	417,969
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<b>NET BOOK VALUE</b>	
At 28 February 2021	12,091
	<hr/>
At 29 February 2020	8,296
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Notes to the Financial Statements - continued  
for the Year Ended 28 February 2021

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 March 2020	2
Disposals	(2)
	<hr/>
At 28 February 2021	-
	<hr/>
<b>PROVISIONS</b>	
At 1 March 2020	2
Eliminated on disposal	(2)
	<hr/>
At 28 February 2021	-
	<hr/>
<b>NET BOOK VALUE</b>	
At 28 February 2021	-
	<hr/>
At 29 February 2020	-
	<hr/>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade debtors	436,055	784,186
Other debtors	127,190	812,062
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	563,245	1,596,248
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7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Bank loans and overdrafts	-	40,000
Trade creditors	616,524	1,037,704
Taxation and social security	105,489	110,622
Other creditors	96,866	347,526
	<hr/>	<hr/>
	818,879	1,535,852
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The company's invoice discounting facility is secured on book debts and other assets of the company. Other loans were unsecured. The bank loan was secured by a fixed and floating charge over the company's assets, alongside the assignment of certain contract monies.

8. **LEASING AGREEMENTS**

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

	2021 £	2020 £
Within one year	7,121	7,121
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**Notes to the Financial Statements - continued  
for the Year Ended 28 February 2021**

**9. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
93,456	Ordinary	£1	<u>93,456</u>	<u>93,456</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.

**10. ULTIMATE CONTROLLING PARTY**

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