

Company Registration No. 06480806 (England and Wales)

HANGERWORLD LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

PAGES FOR FILING WITH REGISTRAR

HANGERWORLD LIMITED

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HANGERWORLD LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	4		24,000		25,000
Tangible assets	3		135,790		135,771
Investments	5		20,910		20,910
			<u>180,700</u>		<u>181,681</u>
Current assets					
Stocks		1,249,926		1,422,104	
Debtors	6	424,882		436,131	
Cash at bank and in hand		1,063,927		301,812	
		<u>2,738,735</u>		<u>2,160,047</u>	
Creditors: amounts falling due within one year	7	<u>(1,185,235)</u>		<u>(974,938)</u>	
Net current assets			<u>1,553,500</u>		<u>1,185,109</u>
Total assets less current liabilities			<u>1,734,200</u>		<u>1,366,790</u>
Creditors: amounts falling due after more than one year	8		(325,189)		(22,800)
Provisions for liabilities			<u>(24,728)</u>		<u>(21,748)</u>
Net assets			<u><u>1,384,283</u></u>		<u><u>1,322,242</u></u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves			<u>1,384,183</u>		<u>1,322,142</u>
Total equity			<u><u>1,384,283</u></u>		<u><u>1,322,242</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

HANGERWORLD LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

The financial statements were approved by the board of directors and authorised for issue on 12 October 2020 and are signed on its behalf by:

Mr J A Elliot
Director

Company Registration No. 06480806

HANGERWORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Hangerworld Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit B Prestige House, Cornford Road, Blackpool, FY4 4QQ.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

The directors are monitoring the impact of the Covid-19 pandemic, putting plans in place to mitigate any losses or shortfalls in cash flow and taking precautions where necessary.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Website	20% straight line
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1.5 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

HANGERWORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

HANGERWORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

HANGERWORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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 or fixed assets.

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 benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

HANGERWORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 52 (2019 - 57).

3 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2019	52,990	112,438	174,224	5,500	345,152
Additions	125	26,549	9,511	-	36,185
Disposals	-	(6,808)	-	-	(6,808)
At 30 June 2020	53,115	132,179	183,735	5,500	374,529
Depreciation and impairment					
At 1 July 2019	24,835	65,547	113,842	5,158	209,382
Depreciation charged in the year	5,310	11,866	15,853	86	33,115
Eliminated in respect of disposals	-	(3,758)	-	-	(3,758)
At 30 June 2020	30,145	73,655	129,695	5,244	238,739
Carrying amount					
At 30 June 2020	22,970	58,524	54,040	256	135,790
At 30 June 2019	28,155	46,891	60,383	342	135,771

HANGERWORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

4 Intangible fixed assets

	Website £
Cost	
At 1 July 2019	25,000
Additions - separately acquired	5,000
	<u> </u>
At 30 June 2020	30,000
	<u> </u>
Amortisation and impairment	
At 1 July 2019	-
Amortisation charged for the year	6,000
	<u> </u>
At 30 June 2020	6,000
	<u> </u>
Carrying amount	
At 30 June 2020	24,000
	<u> </u>
At 30 June 2019	25,000
	<u> </u>

5 Fixed asset investments

	2020 £	2019 £
Investments	20,910	20,910
	<u> </u>	<u> </u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost	
At 1 July 2019 & 30 June 2020	20,910
	<u> </u>
Carrying amount	
At 30 June 2020	20,910
	<u> </u>
At 30 June 2019	20,910
	<u> </u>

HANGERWORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	92,212	109,762
Amounts due from group undertakings	6,123	535
Other debtors	326,547	325,834
	<u>424,882</u>	<u>436,131</u>

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	451,043	316,025
Trade creditors	102,871	248,387
Taxation and social security	297,406	203,485
Other creditors	333,915	207,041
	<u>1,185,235</u>	<u>974,938</u>

The bank loan is secured by fixed and floating charges with negative pledges over all property or undertakings of the company.

8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	<u>325,189</u>	<u>22,800</u>

The long-term loans are secured by fixed and floating charges with negative pledges over all property or undertakings of the company.

9 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

HANGERWORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	738,281	919,083
	<u><u>738,281</u></u>	<u><u>919,083</u></u>

11 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loan to the director	2.50	87,744	97,034	1,794	(86,725)	99,847
Loan to the director	2.50	85,706	37,202	615	(123,523)	-
		<u>173,450</u>	<u>134,236</u>	<u>2,409</u>	<u>(210,248)</u>	<u>99,847</u>
		<u><u>173,450</u></u>	<u><u>134,236</u></u>	<u><u>2,409</u></u>	<u><u>(210,248)</u></u>	<u><u>99,847</u></u>

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