

**REGISTERED NUMBER: 00197422 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
FOR  
JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED**



**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

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FOR THE YEAR ENDED 31 MARCH 2017**

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**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2017**

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<b>DIRECTORS:</b>	J M P Hargreaves A N Hargreaves
<b>SECRETARY:</b>	A M Robins
<b>REGISTERED OFFICE:</b>	Tameside Paper Mill Knowl Street Stalybridge Cheshire SK15 3AJ
<b>REGISTERED NUMBER:</b>	00197422 (England and Wales)
<b>AUDITORS:</b>	Howard Worth Chartered Accountants and Statutory Auditors Drake House Gadbrook Park Northwich Cheshire CW9 7RA
<b>BANKERS:</b>	National Westminster Bank Plc PO Box 65 2 Chestergate Macclesfield Cheshire SK11 6BS
<b>SOLICITORS:</b>	Wacks Caller Steam Packet House 76 Cross Street Manchester M2 4JU

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their strategic report for the year ended 31 March 2017.

**REVIEW OF BUSINESS**

In September 2016, following a 40 month installation and implementation period, commissioning was completed for the main Corrugator machine. This resulted the remaining six months of the financial year:

- a) to deliver against all our key performance indicators.
- b) be one of 'momentum', business growth, and return to profit.

Within the investment plan, to meet the rapid growth and adaptations of the e-commerce market, a prototype machine will be completed in April 2018. This will improve customer and consumer experience by increasing distribution efficiencies whilst reducing their packaging costs.

Both investment groups have been important strategic steps to meet the changing packaging business environment.

The Board look forward to the future with confidence.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'J M P Hargreaves', written over a horizontal line.

J M P Hargreaves - Director

19 December 2017

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their report with the financial statements of the company for the year ended 31 March 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture of Double Faced Corrugated Board, Corrugated Single Face Rolls and Dual Grade paper.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2017.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

J M P Hargreaves  
A N Hargreaves

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**AUDITORS**

The auditors, Howard Worth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



J M P Hargreaves - Director

19 December 2017

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED**

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We have audited the financial statements of John Hargreaves, (Collyhurst and Stalybridge)Limited for the year ended 31 March 2017 on pages seven to twenty eight. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

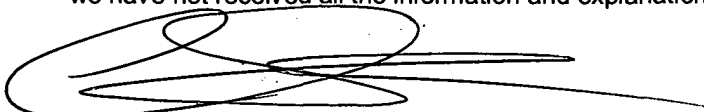
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christopher Swallow BSc FCA (Senior Statutory Auditor)  
for and on behalf of Howard Worth  
Chartered Accountants and  
Statutory Auditors  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

19 December 2017



**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	31/3/17 £	£	31/3/16 £	£
<b>TURNOVER</b>	4		17,556,467		13,453,527
Changes in stocks of finished goods and work in progress			<u>63,579</u>		<u>79,224</u>
			17,620,046		13,532,751
Other operating income			<u>2,376</u>		<u>-</u>
			17,622,422		13,532,751
Raw materials and consumables		12,924,450		9,520,359	
Commissioning costs		<u>476,797</u>		<u>695,425</u>	
			<u>13,401,247</u>		<u>10,215,784</u>
			4,221,175		3,316,967
Staff costs	5	2,112,163		1,755,109	
Depreciation		276,610		276,610	
Other operating expenses		<u>1,693,203</u>		<u>1,333,722</u>	
			<u>4,081,976</u>		<u>3,365,441</u>
<b>OPERATING PROFIT/(LOSS)</b>	7		139,199		(48,474)
Interest payable and similar expenses	8	263,362		226,134	
Other finance costs	21	<u>26,000</u>		<u>181,000</u>	
			<u>289,362</u>		<u>407,134</u>
<b>LOSS BEFORE TAXATION</b>			(150,163)		(455,608)
Tax on loss	9		<u>-</u>		<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>			<u>(150,163)</u>		<u>(455,608)</u>

The notes form part of these financial statements

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

Notes	31/3/17 £	31/3/16 £
<b>LOSS FOR THE YEAR</b>	(150,163)	(455,608)
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
Actuarial gain/(loss)	(241,000)	282,000
Income tax relating to other comprehensive (loss)/income	-	-
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<u>(241,000)</u>	<u>282,000</u>
<b>TOTAL COMPREHENSIVE LOSS</b>	<u>(391,163)</u>	
Prior year adjustment		<u>(73,928)</u>
<b>TOTAL COMPREHENSIVE LOSS SINCE LAST ANNUAL REPORT</b>		<u>(247,536)</u>

The notes form part of these financial statements

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**BALANCE SHEET  
31 MARCH 2017**

	Notes	31/3/17 £	£	31/3/16 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		6,717,203		6,825,714
<b>CURRENT ASSETS</b>					
Stocks	11	1,339,480		1,362,282	
Debtors	12	4,801,809		3,986,522	
Cash at bank and in hand		<u>14,813</u>		<u>30,709</u>	
		6,156,102		5,379,513	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>9,167,574</u>		<u>8,017,006</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(3,011,472)</u>		<u>(2,637,493)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,705,731		4,188,221
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(1,093,361)		(1,416,675)
<b>PROVISIONS FOR LIABILITIES</b>	18		(101,211)		(101,211)
<b>PENSION LIABILITY</b>	21		<u>(1,504,987)</u>		<u>(1,273,000)</u>
<b>NET ASSETS</b>			<u>1,006,172</u>		<u>1,397,335</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		8,735		8,735
Revaluation reserve	20		1,252,936		1,266,265
Capital redemption reserve	20		6,265		6,265
Retained earnings	20		<u>(261,764)</u>		<u>116,070</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,006,172</u>		<u>1,397,335</u>

The financial statements were approved by the Board of Directors on 19 December 2017 and were signed on its behalf by:



J M P Hargreaves - Director

The notes form part of these financial statements

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
<b>Balance at 1 April 2015</b>	8,735	359,265	1,121,404	6,265	1,495,669
Prior year adjustment	-	(73,928)	-	-	(73,928)
<b>As restated</b>	<u>8,735</u>	<u>285,337</u>	<u>1,121,404</u>	<u>6,265</u>	<u>1,421,741</u>
<b>Changes in equity</b>					
Total comprehensive loss	-	(169,267)	144,861	-	(24,406)
<b>Balance at 31 March 2016</b>	<u>8,735</u>	<u>116,070</u>	<u>1,266,265</u>	<u>6,265</u>	<u>1,397,335</u>
<b>Changes in equity</b>					
Total comprehensive loss	-	(377,834)	(13,329)	-	(391,163)
<b>Balance at 31 March 2017</b>	<u>8,735</u>	<u>(261,764)</u>	<u>1,252,936</u>	<u>6,265</u>	<u>1,006,172</u>

The notes form part of these financial statements

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	31/3/17 £	31/3/16 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	554,954	(251,621)
Interest paid		(140,860)	(127,459)
Interest element of hire purchase payments paid		(122,502)	(98,675)
Tax paid		<u>(4,005)</u>	<u>-</u>
Net cash from operating activities		<u>287,587</u>	<u>(477,755)</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(168,099)</u>	<u>(1,769,412)</u>
Net cash from investing activities		<u>(168,099)</u>	<u>(1,769,412)</u>
 <b>Cash flows from financing activities</b>			
Loan repayments in year		(153,924)	(148,008)
Capital repayments in year		(382,639)	1,171,117
Director loan repayments		<u>-</u>	<u>(16,019)</u>
Net cash from financing activities		<u>(536,563)</u>	<u>1,007,090</u>
 <b>Decrease in cash and cash equivalents</b>		<u>(417,075)</u>	<u>(1,240,077)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>(2,729,659)</u>	<u>(1,489,582)</u>
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>(3,146,734)</u></u>	<u><u>(2,729,659)</u></u>

The notes form part of these financial statements

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31/3/17 £	31/3/16 £
Loss before taxation	(150,163)	(455,608)
Depreciation charges	276,610	276,610
Pension funding	(35,013)	(35,000)
Finance costs	<u>289,362</u>	<u>407,134</u>
	380,796	193,136
Decrease/(increase) in stocks	22,802	(363,018)
Increase in trade and other debtors	(806,075)	(1,072,701)
Increase in trade and other creditors	<u>957,431</u>	<u>990,962</u>
<b>Cash generated from operations</b>	<u><u>554,954</u></u>	<u><u>(251,621)</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2017**

	31/3/17 £	1/4/16 £
Cash and cash equivalents	14,813	30,709
Bank overdrafts	<u>(3,161,547)</u>	<u>(2,760,368)</u>
	<u><u>(3,146,734)</u></u>	<u><u>(2,729,659)</u></u>

**Year ended 31 March 2016**

	31/3/16 £	1/4/15 £
Cash and cash equivalents	30,709	8,230
Bank overdrafts	<u>(2,760,368)</u>	<u>(1,497,812)</u>
	<u><u>(2,729,659)</u></u>	<u><u>(1,489,582)</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1. STATUTORY INFORMATION**

John Hargreaves, (Collyhurst and Stalybridge)Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Transactions are rounded to the nearest £.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

**Turnover**

Turnover, which excludes value added tax, represents the value of goods and services despatched and supplied to third parties.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

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**3. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- at variable rates on reducing balance
Motor vehicles	- 20% on cost and 20% on reducing balance

Computer equipment - at varying rates on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses except for freehold land and buildings which are stated at their revalued amount less accumulated depreciation. At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Stocks**

Stocks are stated at the lower of cost, using the average cost method, and current market values less costs to sell.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

The results and financial position are presented in Sterling (£). In preparing the financial statements, transactions in currencies other than Sterling are recognised at the spot rate at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to Sterling at the rates prevailing at that date. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

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**3. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases. Assets held under finance leases are recognised initially at the fair value of the leased asset or, if lower, the present value of minimum lease payments, at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and a reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets. Rentals payable under operating leases are charged to profit or loss on a straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to the amounts owed to the lessor. The aggregate benefit of lease incentives for operating leases entered into after the date of transition to FRS 102 are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

**Pension costs and other post-retirement benefits**

The company operated a defined benefit pension scheme which was frozen during the year ended 31st March 2009. The regular pension cost of this scheme is charged to the profit and loss and is based on the expected pension costs over the service lives of the employees.

The company makes contributions to a defined contribution scheme. Short term employee benefits and contributions to this scheme are recognised as an expense in the period in which they are incurred.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation of tangible fixed assets
- Assumptions made by the actuary in the calculation of the defined benefit pension scheme transactions and balances

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Provisions for liabilities**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises. The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

**JOHN HARGREAVES,  
(COLLYHURST AND STALYBRIDGE)LIMITED (REGISTERED NUMBER: 00197422)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

**4. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31/3/17 £	31/3/16 £
United Kingdom	17,351,943	13,409,681
Europe	<u>204,524</u>	<u>43,846</u>
	<u><u>17,556,467</u></u>	<u><u>13,453,527</u></u>

**5. EMPLOYEES AND DIRECTORS**

	31/3/17 £	31/3/16 £
Wages and salaries	1,737,953	1,500,463
Social security costs	173,333	154,975
Other pension costs	<u>84,121</u>	<u>78,298</u>
	<u><u>1,995,407</u></u>	<u><u>1,733,736</u></u>

The average monthly number of employees during the year was as follows:

	31/3/17	31/3/16
Production	43	23
Distribution	6	5
Administration	<u>8</u>	<u>6</u>
	<u><u>57</u></u>	<u><u>34</u></u>

**6. DIRECTORS' EMOLUMENTS**

	31/3/17 £	31/3/16 £
Directors' remuneration	163,398	167,797
Directors' pension contributions to money purchase schemes	<u>26,861</u>	<u>29,659</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2	-
Money purchase schemes	2	-
Defined benefit schemes	<u>-</u>	<u><u>2</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**7. OPERATING PROFIT/(LOSS)**

The operating profit (2016 - operating loss) is stated after charging/(crediting):

	31/3/17	31/3/16
	£	£
Hire of plant and machinery	6,922	6,761
Other operating leases	300,990	260,284
Depreciation - owned assets	125,470	142,240
Depreciation - assets on hire purchase contracts	151,140	134,370
Auditors' remuneration	9,360	6,680
Auditors' remuneration for non audit work	4,514	2,455
Foreign exchange differences	<u>16,103</u>	<u>(3,270)</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31/3/17	31/3/16
	£	£
Factoring charges	96,053	72,849
Loan	44,807	54,610
Hire purchase	<u>122,502</u>	<u>98,675</u>
	<u>263,362</u>	<u>226,134</u>

**9. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/3/17	31/3/16
	£	£
Loss before tax	<u>(150,163)</u>	<u>(455,608)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	(30,033)	(91,122)
Effects of:		
Expenses not deductible for tax purposes	29,000	28,566
Income not taxable for tax purposes	(23,800)	800
Capital allowances in excess of depreciation	(64,133)	(76,378)
Utilisation of tax losses	88,966	138,134
	<u>          </u>	<u>          </u>
Total tax charge	<u>          </u>	<u>          </u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

**9. TAXATION - continued**

**Tax effects relating to effects of other comprehensive income**

	Gross £	31/3/17 Tax £	Net £
Actuarial gain/(loss),	<u>(241,000)</u>	<u>-</u>	<u>(241,000)</u>

	Gross £	31/3/16 Tax £	Net £
Actuarial gain	282,000	-	282,000
Revaluation of land and buildings	<u>149,202</u>	<u>-</u>	<u>149,202</u>
	<u>431,202</u>	<u>-</u>	<u>431,202</u>

**10. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST OR VALUATION</b>			
At 1 April 2016	1,925,000	7,226,760	272,372
Additions	<u>24,409</u>	<u>119,733</u>	<u>-</u>
At 31 March 2017	<u>1,949,409</u>	<u>7,346,493</u>	<u>272,372</u>
<b>DEPRECIATION</b>			
At 1 April 2016	-	2,403,970	249,345
Charge for year	<u>6,656</u>	<u>262,627</u>	<u>1,690</u>
At 31 March 2017	<u>6,656</u>	<u>2,666,597</u>	<u>251,035</u>
<b>NET BOOK VALUE</b>			
At 31 March 2017	<u>1,942,753</u>	<u>4,679,896</u>	<u>21,337</u>
At 31 March 2016	<u>1,925,000</u>	<u>4,822,790</u>	<u>23,027</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

**10. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>			
At 1 April 2016	29,820	54,975	9,508,927
Additions	<u>4,750</u>	<u>19,207</u>	<u>168,099</u>
At 31 March 2017	<u>34,570</u>	<u>74,182</u>	<u>9,677,026</u>
<b>DEPRECIATION</b>			
At 1 April 2016	23,965	5,933	2,683,213
Charge for year	<u>140</u>	<u>5,497</u>	<u>276,610</u>
At 31 March 2017	<u>24,105</u>	<u>11,430</u>	<u>2,959,823</u>
<b>NET BOOK VALUE</b>			
At 31 March 2017	<u>10,465</u>	<u>62,752</u>	<u>6,717,203</u>
At 31 March 2016	<u>5,855</u>	<u>49,042</u>	<u>6,825,714</u>

Cost or valuation at 31 March 2017 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2003	750,295	-	-
Valuation in 2006	427,030	-	-
Valuation in 2012	(176,185)	-	-
Valuation in 2016	125,777	-	-
Cost	<u>822,492</u>	<u>7,346,493</u>	<u>272,372</u>
	<u>1,949,409</u>	<u>7,346,493</u>	<u>272,372</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2003	-	-	750,295
Valuation in 2006	-	-	427,030
Valuation in 2012	-	-	(176,185)
Valuation in 2016	-	-	125,777
Cost	<u>34,570</u>	<u>74,182</u>	<u>8,550,109</u>
	<u>34,570</u>	<u>74,182</u>	<u>9,677,026</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**10. TANGIBLE FIXED ASSETS - continued**

If freehold property had not been revalued it would have been included at the following historical cost:

	31/3/17 £	31/3/16 £
Cost	<u>822,492</u>	<u>798,083</u>
Aggregate depreciation	<u>170,734</u>	<u>154,284</u>

The latest full valuation of the land and buildings was performed on 18th November 2016 by N Ogden MRICS of Knight Frank LLP, who are independent of the company.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
<b>COST OR VALUATION</b>	
At 1 April 2016 and 31 March 2017	<u>3,823,867</u>
<b>DEPRECIATION</b>	
At 1 April 2016	324,728
Charge for year	<u>151,140</u>
At 31 March 2017	<u>475,868</u>
<b>NET BOOK VALUE</b>	
At 31 March 2017	<u>3,347,999</u>
At 31 March 2016	<u>3,499,139</u>

**11. STOCKS**

	31/3/17 £	31/3/16 £
Raw materials	1,124,690	1,211,071
Finished goods	<u>214,790</u>	<u>151,211</u>
	<u>1,339,480</u>	<u>1,362,282</u>

Stock recognised as an expense in the income statement during the year was £12,958,736 (2016: £9,532,137).

As at 31st March 2017 an impairment loss of £0 (2016: £0) was recognised against stock.

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

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

	31/3/17	31/3/16
	£	£
Trade debtors	4,477,773	3,597,123
Directors' current accounts	16,020	16,019
Tax	9,211	-
Prepayments and accrued income	298,805	373,380
	<u>4,801,809</u>	<u>3,986,522</u>

As at 31 March 2017 an impairment loss of £0 (2016: £0) was recognised against debtors.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/3/17	31/3/16
	£	£
Bank loans and overdrafts (see note 15)	3,321,032	2,913,462
Hire purchase contracts (see note 16)	1,277,478	1,497,117
Trade creditors	4,094,936	3,224,840
Taxation	5,206	-
Social security and other taxes	45,535	35,384
VAT	293,190	222,161
Other creditors	9,281	6,010
Accruals and deferred income	120,916	118,032
	<u>9,167,574</u>	<u>8,017,006</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31/3/17	31/3/16
	£	£
Bank loans (see note 15)	836,885	997,199
Hire purchase contracts (see note 16)	256,476	419,476
	<u>1,093,361</u>	<u>1,416,675</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	31/3/17	31/3/16
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	3,161,547	2,760,368
Bank loans	159,485	153,094
	<u>3,321,032</u>	<u>2,913,462</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>139,444</u>	<u>158,279</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

**15. LOANS - continued**

	31/3/17 £	31/3/16 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>322,381</u>	<u>349,802</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more than 5 years payable in instalments	<u>375,060</u>	<u>489,118</u>

There are three loans, the details of which are as follows: -

- Bank loan repayable in monthly instalments with an interest rate of 3.66%;
- Loan repayable in monthly instalments with an interest rate of 7.5%;
- Loan repayable in monthly instalments with an interest rate of 4.53%.

Details of the securities held by lenders for the above loans are provided in note 19 to these financial statements.

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 31/3/17 £	31/3/16 £
Net obligations repayable:		
Within one year	1,277,478	1,497,117
Between one and five years	<u>256,476</u>	<u>419,476</u>
	<u>1,533,954</u>	<u>1,916,593</u>

	Non-cancellable operating leases 31/3/17 £	31/3/16 £
Within one year	296,661	200,118
Between one and five years	776,709	646,343
In more than five years	<u>164,258</u>	<u>113,440</u>
	<u>1,237,628</u>	<u>959,901</u>



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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**17. SECURED DEBTS**

The following secured debts are included within creditors:

	31/3/17 £	31/3/16 £
Bank overdrafts	3,161,547	2,760,368
Bank loans	996,370	1,150,293
Hire purchase contracts	<u>1,533,954</u>	<u>1,916,593</u>
	<u>5,691,871</u>	<u>5,827,254</u>

Details of the securities held for the above debts are as follows: -

Security	Debt type	31/3/17 £	31/3/16 £
All assets debenture dated 19 March 2010	Overdraft	<u>3,161,547</u>	<u>2,760,368</u>
Debenture dated 27 March 2013 over all the undertaking, property and assets of the company	Loan	<u>90,067</u>	<u>141,695</u>
Debenture dated 14 June 2006 and a first legal charge over the company's freehold land and buildings at Tameside Paper Mill, Knowl Street, Stalybridge dated 3 July 2006. The company is obligated to maintain premium payments over a life assurance policy, the rights of which are assigned to the security holder	Loans	<u>906,304</u>	<u>1,008,598</u>
Tangible fixed assets disclosed as being subject to hire purchase contracts in note 11 to the financial statements	Hire purchase	<u>1,347,149</u>	<u>1,916,593</u>

**18. PROVISIONS FOR LIABILITIES**

	31/3/17 £	31/3/16 £
Deferred tax	<u>101,211</u>	<u>101,211</u>
		Deferred tax £
Balance at 1 April 2016		<u>101,211</u>
Balance at 31 March 2017		<u>101,211</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31/3/17 £	31/3/16 £
Number:	Class:			
8,735	Ordinary A	£1	<u>8,735</u>	<u>8,735</u>

Called up share capital represents the nominal value of shares that are in issue.

**20. RESERVES**

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2016	116,070	1,266,265	6,265	1,388,600
Deficit for the year	(150,163)	-	-	(150,163)
Reserve transfer	13,329	(13,329)	-	-
Actuarial gain/(loss) on pension scheme	<u>(241,000)</u>	<u>-</u>	<u>-</u>	<u>(241,000)</u>
At 31 March 2017	<u>(261,764)</u>	<u>1,252,936</u>	<u>6,265</u>	<u>997,437</u>

Retained earnings include all current and prior period retained profits and losses and actuarial gains and losses.

The revaluation reserve represents the unrealised surplus on revaluation of the freehold property.

The capital redemption reserve represents the par value of issued share capital bought back by the company.

**21. EMPLOYEE BENEFIT OBLIGATIONS**

The company is the sponsoring employer of a defined benefits pension scheme for the benefit of members of its staff, which was frozen during the year ended 31st March 2009. At the balance sheet date, the balance sheet deficit was £1,504,987 (2016 - £1,273,000). The most recent comprehensive actuarial valuation was undertaken as at 31st August 2016. The liabilities for accounting disclosure have been calculated by adjusting the liabilities from that funding assessment and then rolling forward the liabilities from that assessment date to the measurement date. The company has agreed a schedule of contributions whereby it contributes £36,000 to the scheme per annum until 31 August 2054.

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

**21. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31/3/17	31/3/16
	£	£
Present value of funded obligations	(4,649,000)	(4,364,000)
Fair value of plan assets	<u>3,144,013</u>	<u>3,091,000</u>
	(1,504,987)	(1,273,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(1,504,987)</u>	<u>(1,273,000)</u>
Net liability	<u>(1,504,987)</u>	<u>(1,273,000)</u>

No amounts included in the fair value of the scheme's assets are represented by the entity's own financial instruments nor any property occupied by, or other assets used by, the entity in the current or previous accounting period.

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31/3/17	31/3/16
	£	£
Current service cost	14,000	12,000
Net interest from net defined benefit asset/liability	128,000	279,000
Past service cost	<u>-</u>	<u>-</u>
	<u>142,000</u>	<u>291,000</u>
Actual return on plan assets	<u>17,000</u>	<u>(138,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31/3/17	31/3/16
	£	£
Opening defined benefit obligation	4,364,000	4,600,000
Current service cost	14,000	12,000
Interest cost	145,000	141,000
Actuarial losses/(gains)	241,000	(282,000)
Benefits paid	<u>(115,000)</u>	<u>(107,000)</u>
	<u>4,649,000</u>	<u>4,364,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**21. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31/3/17	31/3/16
	£	£
Opening fair value of scheme assets	3,091,000	3,191,000
Administration expenses	(987)	(1,000)
Interest income/(expense)	102,000	98,000
Contributions by employer	50,000	48,000
Return on assets (excluding amount included in net interest expense)	17,000	(138,000)
Benefits paid	<u>(115,000)</u>	<u>(107,000)</u>
	<u>3,144,013</u>	<u>3,091,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31/3/17	31/3/16
	£	£
Actuarial gains/(losses)	<u>(241,000)</u>	<u>282,000</u>
	<u>(241,000)</u>	<u>282,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31/3/17	31/3/16
	£	£
Equities	688,041	643,000
Bonds	383,213	358,000
Sundry debtor	21,000	-
Property	220,638	198,000
Cash	63,869	30,000
Alternative assets	95,803	-
Secured annuities	<u>1,671,449</u>	<u>1,862,000</u>
	<u>3,144,013</u>	<u>3,091,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31/3/17	31/3/16
Liability discount rate	2.65%	3.35%
Increases for pension in payment LPI (0,2.5)	2.50%	2.50%
Increases for pension in payment LPI (0,5)	3.35%	2.95%
RPI inflation	3.35%	2.95%
Revaluation of deferred pensions	2.35%	1.95%
CPI inflation	2.35%	1.95%

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**21. EMPLOYEE BENEFIT OBLIGATIONS - continued**

	31/3/17	31/3/16
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end	87.5	89.7
Female aged 65 at year end	88.2	91.5
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end	89.2	91.9
Female aged 45 at year end	89.4	93.1

	31/3/17 £	31/3/16 £	31/3/15 £	31/3/14 £
Effect of changes in assumptions underlying the liabilities	(241,000)	282,000	(831,000)	93,000

**Defined contribution scheme**

The company makes contributions to a defined contribution pension scheme for its employees and directors. The cost for the period was £79,409 (2016 - £57,126).

**22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 March 2017 and 31 March 2016:

	31/3/17 £	31/3/16 £
<b>J M P Hargreaves</b>		
Balance outstanding at start of year	12,507	-
Amounts advanced	-	12,507
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>12,507</u>	<u>12,507</u>
<b>A N Hargreaves</b>		
Balance outstanding at start of year	3,512	-
Amounts advanced	-	3,512
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>3,512</u>	<u>3,512</u>

Any outstanding loan balances are repayable on demand and no interest is charged.

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**23. RELATED PARTY DISCLOSURES**

**Key management personnel of the entity or its parent (in the aggregate)**

	31/3/17	31/3/16
	£	£
Amount due from related party	<u>16,019</u>	<u>-</u>

A member of key management personnel has provided a personal guarantee with a maximum level of £90,000 plus interest and various charges for one of the company's loans and £160,000 for another of the company's loans.

**24. ULTIMATE CONTROLLING PARTY**

The controlling party is J M P Hargreaves.

The ultimate controlling party is J M P Hargreaves.

**25. COMMISSIONING COSTS**

Additional costs continued to be recognised in the year as a result of machine installations and commissionings of machinery.

The additional costs incurred in that period were primarily increased waste and additional labour costs.