

# J.H.Ashworth & Son Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 December 2017

**Horne Brooke Shenton**

Chartered Accountants

15 Olympic Court Boardmans Way

Whitchills Business Park

Blackpool

FY4 5GU

# **J.H.Ashworth & Son Limited**

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# **J.H.Ashworth & Son Limited**

## **Company Information**

**Directors** Ms Charlotte Ashworth  
Ms Elizabeth Ashworth  
Mr John David Ashworth  
Mr Roger Frank Ashworth

**Company secretary** Ms Charlotte Ashworth

**Registered office** Kingston Mills  
Manchester Road  
Hyde  
Cheshire  
SK14 2BZ

**Accountants** Horne Brooke Shenton  
Chartered Accountants  
15 Olympic Court Boardmans Way  
Whitehills Business Park  
Blackpool  
FY4 5GU

# J.H.Ashworth & Son Limited

(Registration number: 416786)

## Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	103,923	54,536
<b>Current assets</b>			
Stocks	<u>6</u>	606,174	381,379
Debtors	<u>7</u>	509,448	500,874
Other financial assets	<u>5</u>	5,079	3,739
Cash at bank and in hand		207,682	357,443
		1,328,383	1,243,435
<b>Creditors: Amounts falling due within one year</b>	<u>8</u>	(321,962)	(237,011)
<b>Net current assets</b>		1,006,421	1,006,424
<b>Total assets less current liabilities</b>		1,110,344	1,060,960
<b>Provisions for liabilities</b>		(20,785)	(10,907)
<b>Net assets</b>		1,089,559	1,050,053
<b>Capital and reserves</b>			
Called up share capital		950	950
Profit and loss account		1,088,609	1,049,103
<b>Total equity</b>		1,089,559	1,050,053

For the financial year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 4 to 10 form an integral part of these financial statements.

**J.H.Ashworth & Son Limited**

**(Registration number: 416786)**

**Balance Sheet as at 31 December 2017**

Approved and authorised by the Board on 21 September 2018 and signed on its behalf by:

.....  
Ms Elizabeth Ashworth

Director

The notes on pages 4 to 10 form an integral part of these financial statements.  
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# **J.H.Ashworth & Son Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Kingston Mills  
Manchester Road  
Hyde  
Cheshire  
SK14 2BZ  
England

These financial statements were authorised for issue by the Board on 21 September 2018.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentation currency is £ sterling.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

## **J.H.Ashworth & Son Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Short leasehold land & buildings	6 years straight line
Plant & machinery	20% reducing balance / 10% straight line / 7 years straight line
Fixtures & fittings	20% reducing balance / 25% straight line

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **J.H.Ashworth & Son Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Share based payments**

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.



# J.H.Ashworth & Son Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### Financial instruments

#### *Recognition and measurement*

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit and loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit and loss.

### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 13 (2016 - 13).

### 4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2017	21,326	106,164	759,913	887,403
Additions	-	6,969	70,921	77,890
Disposals	-	-	(62,069)	(62,069)
At 31 December 2017	21,326	113,133	768,765	903,224
<b>Depreciation</b>				
At 1 January 2017	1,455	92,892	738,521	832,868
Charge for the year	3,973	5,694	18,398	28,065
Eliminated on disposal	-	-	(61,632)	(61,632)
At 31 December 2017	5,428	98,586	695,287	799,301
<b>Carrying amount</b>				
At 31 December 2017	15,898	14,547	73,478	103,923
At 31 December 2016	19,871	13,272	21,393	54,536

Included within the net book value of land and buildings above is £15,898 (2016 - £19,871) in respect of short leasehold land and buildings.

# J.H.Ashworth & Son Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 5 Other financial assets (current and non-current)

	Financial assets at amortised cost £	Total £
<b>Current financial assets</b>		
<b>Cost or valuation</b>		
At 1 January 2017	3,739	3,739
Revaluations	1,340	1,340
At 31 December 2017	5,079	5,079
<b>Carrying amount</b>		
At 31 December 2017	5,079	5,079

### 6 Stocks

	2017 £	2016 £
Raw materials and consumables	579,825	358,536
Work in progress	384	10
Finished goods and goods for resale	25,965	22,833
	606,174	381,379

### 7 Debtors

	2017 £	2016 £
Trade debtors	445,427	432,914
Prepayments	61,675	62,065
Other debtors	2,346	5,895
Total current trade and other debtors	509,448	500,874

# **J.H.Ashworth & Son Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

### **8 Creditors**

#### **Creditors: amounts falling due within one year**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Due within one year</b>			
Trade creditors		123,342	94,897
Owed by/(from) parent undertakings	<u>12</u>	36	36
Directors loan accounts		7,952	3,158
PAYE and NIC creditor		12,183	9,410
VAT Control account		35,431	6,519
Pensions contributions unpaid		24,480	19,630
Wages and salaries control		1,576	1,379
Income tax liability		45,193	51,294
Accruals		56,769	50,688
Deferred income - government grants		<u>15,000</u>	<u>-</u>
		<u>321,962</u>	<u>237,011</u>

#### **Government grants**

During the year J. H. Ashworth & Son Ltd received a grant for £18,750 from the Regional Growth Fund. This capital grant was used to purchase machinery and has been accounted for under the accrual model, thus income will be recognised on a systematic basis over the expected useful life of the asset.

### **9 Share capital**

#### **Allotted, called up and fully paid shares**

	<b>2017</b>		<b>2016</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary £1 of £1 each	950	950	950	950

### **10 Dividends**

	<b>2017 £</b>	<b>2016 £</b>
Dividends paid	169,420	201,000

## **J.H.Ashworth & Son Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **11 Financial commitments, guarantees and contingencies**

##### **Amounts not provided for in the balance sheet**

The total amount of financial commitments in respect of capital commitments and operating leases as at 31st December 2017 was £643,410 (2016 - £848,673).

The total amount of financial commitments not included in the balance sheet concerning pensions is £24,061 (2016 - £19,668).

#### **12 Related party transactions**

##### **Transactions with directors**

	<b>At 1 January 2017</b>	<b>Advances to directors</b>	<b>Repayments by director</b>	<b>Other payments made to company by director</b>	<b>At 31 December 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
2017					
Directors loan account	611	(25,000)	25,000	(611)	-

On 27th January 2017 the company advanced £25,000 to one of the directors. This directors loan was unsecured, interest free and repayable on demand. The loan was fully repaid on 28th July 2017.

The maximum liability during the year was £25,000.

##### **Summary of transactions with parent**

Ashworth Filament Yarns Limited

JH Ashworth & Son Limited is a wholly owned subsidiary of Ashworth Filament Yarns Limited

An intercompany dividend of £169,420 was paid during the period between Ashworth Filament Yarns Limited and JH Ashworth & Son Limited.

At the balance sheet date the amount due to Ashworth Filament Yarns Limited was £36 (2016: £36).

Ashworth Filament Yarns Limited has the same registered office as JH Ashworth & Son Limited.

#### **13 Parent and ultimate parent undertaking**

The company's immediate parent is Ashworth Filament Yarns Limited, incorporated in England and Wales.