

Leigh Spinners Limited
Unaudited Financial Statements
For the Year Ended
28 February 2021



BEEVER AND STRUTHERS

Chartered accountants
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Leigh Spinners Limited
Financial Statements
Year Ended 28 February 2021

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Leigh Spinners Limited

Directors' Report

Year Ended 28 February 2021

The directors present their report and the unaudited financial statements of the company for the year ended 28 February 2021.

Directors

The directors who served the company during the year were as follows:

Mr P D G Horrocks
Mr M W Horrocks
Mrs P A E Horrocks
Mr N J Horrocks
Mr J S Morrison
Mr A Walsh
Mr J R J Horrocks

Business review

The company incurred a loss for the year of £39,749 (2020: loss of £483,097). The Covid 19 pandemic had a major impact on the business in the first half of the year as a number of major contracts were deferred and retailers of our product were subject to restrictions in their operations. The reduction in the cost base compared to the previous year and the Government grant assistance for operations impacted by the pandemic meant that losses incurred in the periods when the factory was not able to operate were significantly mitigated. The grant benefit in the year was £182,836. The final quarter saw the commencement of two significant new contracts that will provide consistent volume and cashflow to the business which is otherwise highly seasonal. Management expect the economic environment to continue to be challenging with polymer in short supply and transport costs rising sharply both of which impact on our quick turnaround capability, but expect the coming months to be busy as deferred contracts are delivered.

Directors' Responsibilities Statement

The directors are responsible for preparing the directors' report 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). 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 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 judgments 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.

Leigh Spinners Limited

Directors' Report *(continued)*

Year Ended 28 February 2021

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 10 May 2021 and signed on behalf of the board by:



Mr B S Davis
Company Secretary

Registered office:
Park Lane
Leigh
Lancashire
WN7 2LB

Leigh Spinners Limited

Independent Chartered Accountants Review Report to the Directors of Leigh Spinners Limited

Year Ended 28 February 2021

We have reviewed the financial statements of Leigh Spinners Limited for the year ended 28 February 2021 which comprise the statement of income and retained earnings, statement of financial position and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 26 April 2018. Our review has been undertaken so that we may state to the company's directors, as a body, those matters we have agreed with them in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's directors, as a body, for our work, for this report or the conclusions we have formed.

Directors Responsibility for the Financial Statements

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants Responsibility

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements, and ICAEW Technical Release TECH 09/13AAF. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

Scope of Assurance Review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

Leigh Spinners Limited

Independent Chartered Accountants Review Report to the Directors of Leigh Spinners Limited *(continued)*

Year Ended 28 February 2021

Conclusion

Based on our review, nothing has come to our attention that causes us to believe the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 28 February 2021, and of its loss for the year then ended;
- in accordance with the United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice); and
- in accordance with the Companies Act 2006.

Beever and Struthers

BEEVER AND STRUTHERS
Chartered accountants

St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

10 May 2021

Leigh Spinners Limited
Statement of Income and Retained Earnings
Year Ended 28 February 2021

	Note	2021 £	2020 £
Turnover		2,973,287	4,452,159
Cost of sales		(2,643,629)	(4,383,542)
Gross profit		329,658	68,617
Distribution costs		(128,342)	(148,237)
Administrative expenses		(418,842)	(457,280)
Other operating income		182,836	—
Operating loss		(34,690)	(536,900)
Other interest receivable and similar income		153	605
Interest payable and similar expenses		(5,212)	(5,041)
Loss before taxation	5	(39,749)	(541,336)
Tax on loss		—	58,239
Loss for the financial year and total comprehensive income		<u>(39,749)</u>	<u>(483,097)</u>
Retained earnings at the start of the year		485,060	968,157
Retained earnings at the end of the year		<u>445,311</u>	<u>485,060</u>

All the activities of the company are from continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

Leigh Spinners Limited
Statement of Financial Position
28 February 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	50,652	71,972
Investments	7	2	2
		<u>50,654</u>	<u>71,974</u>
Current assets			
Stocks		984,625	1,111,854
Debtors	8	674,592	718,368
Cash at bank and in hand		321,606	315,660
		<u>1,980,823</u>	<u>2,145,882</u>
Creditors: amounts falling due within one year	9	906,463	1,100,593
Net current assets		<u>1,074,360</u>	<u>1,045,289</u>
Total assets less current liabilities		<u>1,125,014</u>	<u>1,117,263</u>
Creditors: amounts falling due after more than one year	10	47,500	–
Net assets		<u><u>1,077,514</u></u>	<u><u>1,117,263</u></u>
Capital and reserves			
Called up share capital		99,000	99,000
Share premium account		410,963	410,963
Capital redemption reserve		122,240	122,240
Profit and loss account		445,311	485,060
Shareholders funds		<u><u>1,077,514</u></u>	<u><u>1,117,263</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 28 February 2021 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 financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

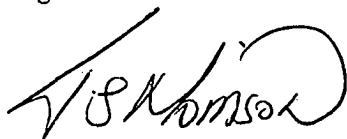
The notes on pages 8 to 12 form part of these financial statements.

Leigh Spinners Limited

Statement of Financial Position *(continued)*

28 February 2021

These financial statements were approved by the board of directors and authorised for issue on ...10 May 2021...
and are signed on behalf of the board by:



Mr J S Morrison
Director

Company registration number: 529628

The notes on pages 8 to 12 form part of these financial statements.

Leigh Spinners Limited

Notes to the Financial Statements

Year Ended 28 February 2021

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Park Lane, Leigh, Lancashire, WN7 2LB.

2. Statement of Compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

Despite the loss incurred during the year under review, and the subsequent effects on the economy of the global covid-19 pandemic, the directors continue to be of the opinion that the company is a going concern.

Revenue Recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Leigh Spinners Limited

Notes to the Financial Statements *(continued)*

Year Ended 28 February 2021

3. Accounting Policies *(continued)*

Foreign Currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property, plant and machinery - 20% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Leigh Spinners Limited

Notes to the Financial Statements *(continued)*

Year Ended 28 February 2021

3. Accounting Policies *(continued)*

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined Contribution Plans

Pension costs are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Employee Numbers

The average number of persons employed by the company during the year amounted to 47 (2020: 53).

5. Profit Before Taxation

Profit before taxation is stated after (crediting)/charging:

	2021	2020
	£	£
Depreciation of tangible assets	22,392	22,388
Stock write downs	-	84,173
Bad debt expense	-	18,001
Exceptional product issues	-	99,578
Furlough payments	(182,836)	-

Leigh Spinners Limited

Notes to the Financial Statements *(continued)*

Year Ended 28 February 2021

6. Tangible Assets

	Freehold property, plant and machinery £
Cost	
At 1 March 2020	9,406,808
Additions	1,072
At 28 February 2021	9,407,880
Depreciation	
At 1 March 2020	9,334,836
Charge for the year	22,392
At 28 February 2021	9,357,228
Carrying amount	
At 28 February 2021	50,652
At 29 February 2020	71,972

7. Investments

	Shares in group undertakings £
Cost	
At 1 March 2020 and 28 February 2021	2
Impairment	
At 1 March 2020 and 28 February 2021	--
Carrying amount	
At 28 February 2021	2
At 29 February 2020	2

The investment relates to a 50% shareholding in Thorneycroft Estates Limited, a company registered in the United Kingdom.

8. Debtors

	2021 £	2020 £
Trade debtors	634,015	676,443
Other debtors	40,577	41,925
	674,592	718,368

Leigh Spinners Limited

Notes to the Financial Statements *(continued)*

Year Ended 28 February 2021

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	2,500	—
Trade creditors	247,427	478,418
Amounts owed to group undertakings and undertakings in which the company has a participating interest	267,762	268,375
Social security and other taxes	119,160	73,017
Other creditors	269,614	280,783
	<u>906,463</u>	<u>1,100,593</u>

10. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>47,500</u>	<u>—</u>

11. Directors' Advances, Credits and Guarantees

At the year end the directors were owed the following amounts by the company:- Mr PDG Horrocks - £45,000 (2020 - £50,000), Mrs PAE Horrocks - £20,000 (2020 - £20,000) and Mr MW Horrocks £Nil (2020 - £50,000). These amounts are included in other creditors.

During the year the company paid interest on these loans amounting to £5,212 (2020 - £5,041).

Transactions are conducted on normal commercial terms.

12. Related Party Transactions

In the opinion of the directors, the company is not under the control of any one individual.

Leigh Spinners Limited have granted a long lease in respect of part of the company property to Leigh Building Preservation Trust Limited, a charity of which two of the Trustees, P D G Horrocks and J S Morrison, are directors of Leigh Spinners Limited. The company has also agreed to provide an unsecured credit facility of £30,000 to the Trust to assist with repair work. At the year end the company was owed £256 (2020 - £32,673) from Leigh Building Preservation Trust Limited. This amount is included within trade debtors.

Included in creditors falling due within one year is an amount owing to Thorneycroft Estates Limited of £267,762 (2020: £268,375). The directors of Thorneycroft Estates Limited are also directors of Leigh Spinners Limited.

At the year end, the company owed £30,000 (2020 - £30,000) to Mr JT Horrocks, a shareholder in the company. This amount is included in other creditors.