

COMPANY REGISTRATION NUMBER: 00618464

Pretty Legs Hosiery Limited
Filleted Unaudited Financial Statements
31 May 2017

Pretty Legs Hosiery Limited

Financial Statements

Period from 1 May 2016 to 31 May 2017

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The following pages do not form part of the financial statements

Chartered certified accountants report to the board of directors on the preparation of the unaudited statutory financial statements

Pretty Legs Hosiery Limited
Officers and Professional Advisers

The board of directors	Mr R Tudor
	Mr M P Hoskins
	Mrs A-M Hoskins
Company secretary	Mr R Tudor
Registered office	Crescent Road
	Lutterworth
	Leics
	LE17 4PE
Accountant	Howell & Co (Leicester) Ltd
	Chartered Certified Accountants
	1 Bitteswell Road
	Lutterworth
	Leics
Bankers	LE17 4EL
	HSBC (Midland)
	PO Box 33
	Wolverhampton
	WV1 1TE
Solicitors	Gateley Waring
	Knightsbridge House
	Lower Brown Street
	Leicester
	LE1 5NL

Pretty Legs Hosiery Limited

Statement of Financial Position

31 May 2017

	Note	31 May 17 £	30 Apr 16 £
Fixed assets			
Tangible assets	5	393,303	444,139
Current assets			
Stocks		626,507	863,666
Debtors	6	455,712	1,085,570
Cash at bank and in hand		37,771	291,138
		<u>1,119,990</u>	<u>2,240,374</u>
Creditors: amounts falling due within one year	7	<u>1,934,723</u>	<u>1,339,244</u>
Net current (liabilities)/assets		(814,733)	901,130
Total assets less current liabilities		(421,430)	1,345,269
Creditors: amounts falling due after more than one year	8	212,852	294,004
Provisions			
Taxation including deferred tax		70,164	70,164
Net (liabilities)/assets		(704,446)	981,101

Pretty Legs Hosiery Limited

Statement of Financial Position *(continued)*

31 May 2017

	31 May 17	30 Apr 16
Note	£	£
Capital and reserves		
Called up share capital	1,000	1,000
Profit and loss account	(705,446)	980,101
	-----	-----
Shareholders (deficit)/funds	(704,446)	981,101
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These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the period ending 31 May 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 financial statements for the period 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 .

These financial statements were approved by the board of directors and authorised for issue on 27 February 2018 , and are signed on behalf of the board by:

Mr R Tudor

Director

Company registration number: 00618464

Pretty Legs Hosiery Limited

Notes to the Financial Statements

Period from 1 May 2016 to 31 May 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Crescent Road, Lutterworth, Leics, LE17 4PE.

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, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year less customer discounts, exclusive of Value Added Tax.

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.

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

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:

Plant & machinery	-	16% straight line
Fixtures, fittings & equipment	-	20% reducing balance
Motor vehicles	-	25% straight line

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. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined and benefit contribution plans

Contributions to defined contribution plans 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. The company operated a defined benefit pension scheme which has now closed. The assets of the scheme are held separately from those of the company in an independently administered fund.

4. Employee numbers

The average number of persons employed by the company during the period amounted to 73 (2016: 85).

5. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 May 2016	3,566,552	155,108	4,200	3,725,860
Additions	108,346	125	—	108,471
At 31 May 2017	3,674,898	155,233	4,200	3,834,331
Depreciation				
At 1 May 2016	3,151,375	126,146	4,200	3,281,721
Charge for the period	153,852	5,455	—	159,307
At 31 May 2017	3,305,227	131,601	4,200	3,441,028
Carrying amount				
At 31 May 2017	369,671	23,632	—	393,303
At 30 April 2016	415,177	28,962	—	444,139

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 31 May 2017	373,980
At 30 April 2016	415,177

6. Debtors

	31 May 17 £	30 Apr 16 £
Trade debtors	220,634	218,628
Amounts owed by group undertakings and undertakings in which the company has a participating interest	158,370	765,724
Other debtors	76,708	101,218
	455,712	1,085,570

7. Creditors: amounts falling due within one year

	31 May 17 £	30 Apr 16 £
Trade creditors	955,744	390,991
Corporation tax	37,207	37,207
Social security and other taxes	399,040	185,909
Invoice discounting finance	108,440	380,958
Other creditors	434,292	344,179
	1,934,723	1,339,244

The secured creditor relates to invoice discounting finance of £108,440 which is secured upon the trade debtor

balance.

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

	31 May 17	30 Apr 16
	£	£
Other creditors	212,852	294,004

9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 May 17	30 Apr 16
	£	£
Not later than 1 year	21,006	17,964
Later than 1 year and not later than 5 years	1,791	1,791
	22,797	19,755

10. Events after the end of the reporting period

Due to adverse trading conditions the company experienced cashflow difficulties and entered into a Creditors Voluntary Arrangement which was approved by a majority of creditors on 12 May 2017. This arrangement is administered by BDO LLP and is expected to last for twelve months. Once the final settlement to creditors is known there is expected to be a write-down in amounts owed by the company to creditors of 50-55%.

11. Related party transactions

During the period the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	31 May 17	30 Apr 16	31 May 17	30 Apr 16
	£	£	£	£
Pretty Legs Holdings Limited	13,494	(202,508)	115,981	102,487
Medalin Limited	(10,848)	52,718	42,389	53,237
H&R Healthcare Limited	(35,000)	–	(35,000)	–
Pretty Legs Direct Limited	610,000	610,000	–	610,000

The subsidiary Pretty Legs Hosiery Ltd went into voluntary liquidation on 9 May 2017 and the investment of £640,000 has been written off during the period.

12. Controlling party

The company is a wholly owned subsidiary of Pretty Legs Holdings Limited , a company registered in England and Wales.

Pretty Legs Hosiery Limited

Management Information

Period from 1 May 2016 to 31 May 2017

The following pages do not form part of the financial statements.

Pretty Legs Hosiery Limited

Chartered Certified Accountants Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Pretty Legs Hosiery Limited

Period from 1 May 2016 to 31 May 2017

As described on the statement of financial position, the directors of the company are responsible for the preparation of the financial statements for the period ended 31 May 2017, which comprise the statement of financial position and the related notes. You consider that the company is exempt from an audit under the Companies Act 2006. In accordance with your instructions I have compiled these financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to me.

Howell & Co (Leicester) Ltd Chartered Certified Accountants

1 Bitteswell Road Lutterworth Leics LE17 4EL

27 February 2018

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.