Registration number: 00618464

# Pretty Legs Hosiery Limited

Annual Report and Financial Statements (Filleted)

for the Year Ended 31 December 2018

# Pretty Legs Hosiery Limited

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# Pretty Legs Hosiery Limited

## Company Information

| | |
|---|---|
| **Directors** | Mr M Hoskins<br>Mrs A Hoskins |
| **Registered office** | Caldow House<br>Crescent Road<br>Lutterworth<br>Leicestershire<br>LE17 4PE |
| **Auditors** | Burton Sweet<br>Statutory Auditor<br>Cooper House<br>Lower Charlton Estate<br>Shepton Mallet<br>Somerset<br>BA4 5QE |

# Pretty Legs Hosiery Limited

## Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 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 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.

# Pretty Legs Hosiery Limited

## (Registration number: 00618464)
## Balance Sheet as at 31 December 2018

| | Note | 2018 £ | (As restated) 2017 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 4 | 302,843 | 357,819 |
| **Current assets** | | | |
| Stocks | 5 | 649,277 | 691,154 |
| Debtors | 6 | 666,656 | 693,007 |
| Cash at bank and in hand | | 31,309 | 127,453 |
| | | 1,347,242 | 1,511,614 |
| **Creditors**: Amounts falling due within one year | 7 | (2,166,120) | (1,270,516) |
| **Net current (liabilities)/assets** | | (818,878) | 241,098 |
| **Total assets less current liabilities** | | (516,035) | 598,917 |
| **Creditors**: Amounts falling due after more than one year | 7 | (94,325) | (877,566) |
| **Net liabilities** | | (610,360) | (278,649) |
| **Capital and reserves** | | | |
| Called up share capital | | 1,000 | 1,000 |
| Profit and loss account | | (611,360) | (279,649) |
| Total equity | | (610,360) | (278,649) |

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.

Approved and authorised by the Board on 25 October 2019 and signed on its behalf by:

.........................................

Mr M Hoskins

Director

The notes on pages 4 to 9 form an integral part of these financial statements.

## 1 General information

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

The address of its registered office is:
Caldow House
Crescent Road
Lutterworth
Leicestershire
LE17 4PE
England

These financial statements were authorised for issue by the Board on 25 October 2019.

## 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.

### Going concern

The financial statements have been prepared on a going concern basis. The company has the continued support of the parent company, H & R Healthcare Limited, the directors and the bankers.

### Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 25 October 2019 was Neil Kingston FCA, who signed for and on behalf of Burton Sweet.

### 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:

| **Asset class** | **Depreciation method and rate** |
|---|---|
| Furniture, fittings and equipment | 20% reducing balance |
| Motor vehicles | 25% straight line |
| Plant and machinery | 16% 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.

**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.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.
Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.
Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

**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.

## 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 38 (2017 - 55).

## 4 Tangible assets

| | Furniture, fittings and equipment £ | Motor vehicles £ | Other property, plant and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2018 | 155,311 | 7,500 | 3,708,862 | 3,871,673 |
| Additions | 850 | - | 70,870 | 71,720 |
| At 31 December 2018 | 156,161 | 7,500 | 3,779,732 | 3,943,393 |
| **Depreciation** | | | | |
| At 1 January 2018 | 133,818 | 469 | 3,379,567 | 3,513,854 |
| Charge for the period | 4,384 | 1,875 | 120,437 | 126,696 |
| At 31 December 2018 | 138,202 | 2,344 | 3,500,004 | 3,640,550 |
| **Carrying amount** | | | | |
| At 31 December 2018 | 17,959 | 5,156 | 279,728 | 302,843 |
| At 31 December 2017 | 21,493 | 7,031 | 329,295 | 357,819 |

## 5 Stocks

| | 2018 £ | 2017 £ |
|---|---|---|
| Other inventories | 649,277 | 691,154 |

## 6 Debtors

| | Note | 2018 £ | 2017 £ |
|---|---|---|---|
| Trade debtors | | 484,582 | 480,205 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | | 143,734 | 178,746 |
| Other debtors | | 38,340 | 34,056 |
| Total current trade and other debtors | | 666,656 | 693,007 |

## 7 Creditors

| | Note | 2018<br>£ | (As restated)<br>2017<br>£ |
|---|---|---|---|
| **Due within one year** | | | |
| Bank loans and overdrafts | 8 | 437,740 | 237,187 |
| Trade creditors | | 737,970 | 329,231 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | | 758,160 | 492,943 |
| Taxation and social security | | 89,915 | 94,953 |
| Other creditors | | 142,335 | 116,202 |
| | | 2,166,120 | 1,270,516 |

| | Note | 2018<br>£ | (As restated)<br>2017<br>£ |
|---|---|---|---|
| **Due after one year** | | | |
| Loans and borrowings | 8 | 94,325 | 177,877 |
| Other non-current financial liabilities | | - | 699,689 |
| | | 94,325 | 877,566 |

**Company Voluntary Arrangement**

On 12 May 2017 the company entered a CVA in order to continue to trade and restructure it's debts.
The terms of the CVA have been adhered to and on 21 May 2019 the joint supervisor confirmed that the company had successfully completed it's obligations under the CVA and the CVA has now been fully implemented.

**Security held:-**
Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future.
Composite Company Unlimited Multilateral Guarantee given by H & R Healthcare Limited, CUI International Limited, Aria Medical Limited, Pretty Legs Holdings Limited, Pretty Legs Hosiery Limited, Medalin Limited

## 8 Loans and borrowings

| | 2018<br>£ | 2017<br>£ |
|---|---|---|
| **Non-current loans and borrowings** | | |
| Finance lease liabilities | 94,325 | 177,877 |

| | 2018 £ | 2017 £ |
|---|---|---|
| **Current loans and borrowings** | | |
| Finance lease liabilities | 84,053 | 105,496 |
| Other borrowings | 353,687 | 131,691 |
| | 437,740 | 237,187 |

**9 Parent and ultimate parent undertaking**

The company's immediate parent is Pretty Legs Holdings Limited, incorporated in England.
The ultimate parent is H & R Healthcare Limited, incorporated in England.
The ultimate controlling party is Mr Mike Hoskins.