REGISTERED NUMBER: 01143652 (England and Wales)

# UNAUDITED FINANCIAL STATEMENTS

# FOR THE PERIOD 1 OCTOBER 2019 TO 31 MARCH 2020

# FOR

# H. CHARLESWORTH & CO LIMITED

Sedulo Accountants Limited
Chartered Certified Accountants
62-66 Deansgate
Manchester
M3 2EN

## CONTENTS OF THE FINANCIAL STATEMENTS
## FOR THE PERIOD 1 OCTOBER 2019 TO 31 MARCH 2020

# COMPANY INFORMATION
# FOR THE PERIOD 1 OCTOBER 2019 TO 31 MARCH 2020

| | |
|---|---|
| **DIRECTORS:** | M Gray<br>L M Hewitt |
| **REGISTERED OFFICE:** | Flanshaw Way<br>Flanshaw Lane<br>Wakefield<br>West Yorkshire<br>WF2 9LP |
| **REGISTERED NUMBER:** | 01143652 (England and Wales) |
| **ACCOUNTANTS:** | Sedulo Accountants Limited<br>Chartered Certified Accountants<br>62-66 Deansgate<br>Manchester<br>M3 2EN |
| **BANKERS:** | National Westminister<br>PO Box 14<br>23 Sankey Street<br>Warrington<br>WA1 1XG |

**BALANCE SHEET**
**31 MARCH 2020**

| | | 31.3.20 | | 30.9.19 | |
|---|---|---|---|---|---|
| | Notes | £ | £ | £ | £ |
| **FIXED ASSETS** | | | | | |
| Tangible assets | 4 | | 3,150,522 | | 2,620,563 |
| | | | | | |
| **CURRENT ASSETS** | | | | | |
| Stocks | | 106,614 | | 73,980 | |
| Debtors | 5 | 722,958 | | 1,344,157 | |
| Cash at bank and in hand | | 51,071 | | 24,204 | |
| | | 880,643 | | 1,442,341 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 6 | 1,049,926 | | 1,594,791 | |
| **NET CURRENT LIABILITIES** | | | (169,283) | | (152,450) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 2,981,239 | | 2,468,113 |
| | | | | | |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 7 | | (1,987,886) | | (1,605,378) |
| | | | | | |
| **PROVISIONS FOR LIABILITIES** | | | - | | (70,000) |
| **NET ASSETS** | | | 993,353 | | 792,735 |
| | | | | | |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | | | 750,000 | | 750,000 |
| Retained earnings | | | 243,353 | | 42,735 |
| **SHAREHOLDERS' FUNDS** | | | 993,353 | | 792,735 |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements



continued...

**BALANCE SHEET - continued**
**31 MARCH 2020**

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 5 May 2020 and were signed on its behalf by:

M Gray - Director

## 1. STATUTORY INFORMATION

H. Charlesworth & Co 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.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The 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. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The principal accounting policies adopted are set out below.

**Significant judgements and estimates**
In the application of accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Going concern**
In common with virtually every other business in the country, the Company has been experiencing the effects of the Coronavirus pandemic. Whilst the full impact of this exceptional situation on the Company cannot be assessed with complete certainty at the current time, the Directors believe they have taken all possible steps to protect the Company including accessing relevant Government assistance.
At the time of signing these accounts the Directors are of the opinion that the Company will remain viable for the foreseeable future and therefore these Financial Statements have been prepared on the Going Concern basis.

**Turnover**
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably

The total turnover of the company for the year has been derived from its principle activity wholly undertaken in the United Kingdom.



continued...

2. **ACCOUNTING POLICIES - continued**

**Tangible fixed assets**
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery 10 % straight line and 25% straight line
Office equipment and fittings 20% straight line and 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

**Stocks**
Stock and work in progress are valued at the lower of cost and net realisable value. Work in progress is valued on the basis of direct costs plus attributable overheads based on the normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**Taxation**
The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**
Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



continued...

## 2. 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 to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**Retirement benefits**
The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

**Invoice discounting**
The company discounts its trade debts. The policy is to include trade debts within current assets as trade debtors and to record cash advances within creditors due within one year. Discounting fees and interest are charged to the profit and loss account when incurred. Bad debts are borne by the company and are charged to the profit and loss account when incurred.



continued...

2. **ACCOUNTING POLICIES - continued**

**Financial instruments**
The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.
Financial instruments are recognised in the statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Other financial assets**
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Impairment of financial assets**
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Classification of financial liabilities**
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.



continued...

2. **ACCOUNTING POLICIES - continued**

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**Determination of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the period was 47 (2019 - 59 ) .



continued...

## 4. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 October 2019 | 5,543,912 | 707,394 | 6,251,306 |
| Additions | 672,050 | 1,956 | 674,006 |
| At 31 March 2020 | 6,215,962 | 709,350 | 6,925,312 |
| **DEPRECIATION** | | | |
| At 1 October 2019 | 2,961,000 | 669,743 | 3,630,743 |
| Charge for period | 140,082 | 3,965 | 144,047 |
| At 31 March 2020 | 3,101,082 | 673,708 | 3,774,790 |
| **NET BOOK VALUE** | | | |
| At 31 March 2020 | 3,114,880 | 35,642 | 3,150,522 |
| At 30 September 2019 | 2,582,912 | 37,651 | 2,620,563 |

## 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.20 £ | 30.9.19 £ |
|---|---|---|
| Trade debtors | 353,168 | 509,674 |
| Other debtors | 369,790 | 834,483 |
| | 722,958 | 1,344,157 |

## 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.20 £ | 30.9.19 £ |
|---|---|---|
| Hire purchase contracts | 393,619 | 569,591 |
| Trade creditors | 339,531 | 387,686 |
| Amounts owed to group undertakings | 2,412 | - |
| Taxation and social security | 77,103 | 103,790 |
| Other creditors | 237,261 | 533,724 |
| | 1,049,926 | 1,594,791 |

## 7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 31.3.20 £ | 30.9.19 £ |
|---|---|---|
| Hire purchase contracts | 1,987,886 | 1,605,378 |



continued...

## 8. SECURED DEBTS

The following secured debts are included within creditors:

| | 31.3.20 | 30.9.19 |
|---|---|---|
| | £ | £ |
| Hire purchase contracts | 2,381,505 | 2,174,969 |
| Invoice discount facility | 234,079 | 372,577 |
| | 2,615,584 | 2,547,546 |

Included within other creditors is an amount of £234,079 (2019: £372,577) in relation to a confidential invoice discounting facility that is secured upon the debtor book.

Hire purchase liabilities are secured on the fixed assets to which the finance relates.

## 9. OTHER FINANCIAL COMMITMENTS

At the balance sheet date, H Charlesworth & Co. Limited had total commitments under non-cancellable operating leases of £11,866 (2019: £16,086).

## 10. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Watadventure Publishing Ltd is a related party due its common directorship. During the period sales of £Nil (2019: £330) were made to the company. As at the year end there was a balance due from the company of £nil (2018: £Nil).

## 11. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr M Gray by virtue of his 100% shareholding in parent company Charlesworth Holdings Limited.

## 12. CREDITORS VOLUNTARY ARRANGEMENT

The company had previously entered into a Creditors Voluntary Arrangement on 22 March 2016 and agreed to make monthly contributions commencing in April 2016. The CVA was fully satisfied in the previous year and and the termination documentation was filed on 15 October 2019.