

A.A. HAGAN LTD.

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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FOR THE YEAR ENDED 31 MARCH 2020**

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BALANCE SHEET
31 MARCH 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	4		-		40,000
Tangible assets	5		<u>214,624</u>		<u>13,910</u>
			214,624		53,910
CURRENT ASSETS					
Stocks		59,201		50,918	
Debtors	6	161,939		97,727	
Cash at bank and in hand		<u>153,940</u>		<u>69,654</u>	
		375,080		218,299	
CREDITORS					
Amounts falling due within one year	7	<u>208,746</u>		<u>99,329</u>	
NET CURRENT ASSETS			<u>166,334</u>		<u>118,970</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			380,958		172,880
CREDITORS					
Amounts falling due after more than one year	8		(113,771)		-
PROVISIONS FOR LIABILITIES			<u>(40,298)</u>		<u>(1,884)</u>
NET ASSETS			<u>226,889</u>		<u>170,996</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>226,789</u>		<u>170,896</u>
			<u>226,889</u>		<u>170,996</u>

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

The members have not required the company to obtain an audit of its financial statements for the year 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.

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 Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 11 January 2021 and were signed on its behalf by:

Mr J A Hagan - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

A. A. Hagan Ltd is a private company, limited by shares, registered in Scotland. The company's registered office is Hadley, Prieston Road, Bridge Of Weir, Renfrewshire, Scotland, PA11 3AW.

The presentation currency of the financial statements is Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. There were no material departures from the standard. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis. The validity of this is dependent on the financial performance of the company following the restrictions and other conditions placed throughout the UK due to the Covid 19 pandemic, including the recoverability of debtors and the continued support of the directors. After due consideration, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Judgements

The company considers on an annual basis the judgements that are made by management when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements. The directors consider there are no such significant judgements.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. The company's policy is to recognise a sale when substantively all the risks and rewards in connection with the goods and services have been passed to the buyer.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised over its estimated useful life of 10 years.

Fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery etc - 20% on reducing balance and 10% on cost

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value like goodwill and plant and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount which is the higher in use and the fair value less cost to sell, is estimated and compared with the carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from other third parties and loans to and from related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Taxation

Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider it to be more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the average tax rates which would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

With the exception of changes arising on the initial recognition of a business combination, the tax expense is presented either in profit or loss, other comprehensive income or statement of changes in equity depending on the transaction that resulted in the tax expense.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Hire purchase and operating lease commitments

Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged against profits on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 9 (2019 - 9) .

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2019	
and 31 March 2020	<u>400,000</u>
AMORTISATION	
At 1 April 2019	360,000
Charge for year	<u>40,000</u>
At 31 March 2020	<u>400,000</u>
NET BOOK VALUE	
At 31 March 2020	-
At 31 March 2019	<u><u>40,000</u></u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 April 2019	87,348
Additions	<u>215,307</u>
At 31 March 2020	<u>302,655</u>
DEPRECIATION	
At 1 April 2019	73,438
Charge for year	<u>14,593</u>
At 31 March 2020	<u>88,031</u>
NET BOOK VALUE	
At 31 March 2020	<u><u>214,624</u></u>
At 31 March 2019	<u><u>13,910</u></u>

Included above is £196,776 (2019: £nil) carrying value of assets for which the company has pledged security.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	158,137	78,875
Other debtors	<u>3,802</u>	<u>18,852</u>
	<u><u>161,939</u></u>	<u><u>97,727</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Hire purchase contracts (see note 9)	27,409	-
Trade creditors	146,712	65,599
Taxation and social security	2,870	28,303
Other creditors	31,755	5,427
	<u>208,746</u>	<u>99,329</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Hire purchase contracts (see note 9)	<u>113,771</u>	<u>-</u>

9. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	27,409	-
Between one and five years	113,771	-
	<u>141,180</u>	<u>-</u>
	Non-cancellable	operating leases
	2020	2019
	£	£
Within one year	8,000	8,000
Between one and five years	32,000	32,000
In more than five years	88,000	96,000
	<u>128,000</u>	<u>136,000</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Hire purchase contracts	<u>141,180</u>	<u>-</u>

Hire purchase liabilities are secured over assets in which they relate to.

11. RELATED PARTY DISCLOSURES

At the balance sheet date, there was an amount due to the directors of £21,223 (2019: £3,697). This loan is interest free, unsecured and no repayment terms have been established.

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.