Company Registration No. 02642180 (England and Wales)

HARRINGTON & HALLWORTH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

PAGES FOR FILING WITH REGISTRAR

HARRINGTON & HALLWORTH LIMITED

CONTENTS

HARRINGTON & HALLWORTH LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	4		279,166		304,062
Current assets					
Stocks		6,850,641		7,125,777	
Debtors	5	126,962		136,169	
Cash at bank and in hand		42,764		24,441	
		7,020,367		7,286,387	
Creditors: amounts falling due within one year	6	(1,759,834)		(1,769,545)	
Net current assets			5,260,533		5,516,842
Total assets less current liabilities			5,539,699		5,820,904
Creditors: amounts falling due after more than one year	7		(1,733,101)		(1,820,793)
Provisions for liabilities	9		-		(22,898)
Net assets			3,806,598		3,977,213
Capital and reserves					
Called up share capital	11		9,000		9,000
Profit and loss reserves			3,797,598		3,968,213
Total equity			3,806,598		3,977,213

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 4 November 2020 and are signed on its behalf by:

Mr P Harrington
Director

Company Registration No. 02642180

1 Accounting policies

Company information

Harrington & Hallworth Limited is a private company limited by shares incorporated in England and Wales. The registered office is 43 Grove Street, Wilmslow, Cheshire, SK9 1DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements and having due regard to the impact of Covid-19, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have indicated their willingness to support the company if needed, including selling stock quickly if needed by discounting appropriately. It is also noted that many of the Trade Creditors are on payment plans and therefore they do not seek immediate payment. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

1.4 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:

Property improvements	10% reducing balance
Fixtures and fittings	15% reducing balance
IT Equipment	33.3% straight line

1 Accounting policies **(Continued)**

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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.6 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

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

1 Accounting policies **(Continued)**

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

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 company after deducting all of its liabilities.

Basic financial 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

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 when the company has 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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Renta s payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	26	28

3 Taxation

	2020 £	2019 £
Current tax		
Adjustments in respect of prior periods	-	(2,409)

3 Taxation **(Continued)**

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	(22,898)	(18,262)
Total tax credit	(22,898)	(20,671)

4 Tangible fixed assets

	Property improvements	Fixtures and fittings	IT Equipment	Total
	£	£	£	£
Cost				
At 1 April 2019	752,700	66,881	5,292	824,873
Additions	-	7,364	720	8,084
At 31 March 2020	752,700	74,245	6,012	832,957
Depreciation and impairment				
At 1 April 2019	466,294	50,718	3,799	520,811
Depreciation charged in the year	28,643	3,032	1,305	32,980
At 31 March 2020	494,937	53,750	5,104	553,791
Carrying amount				
At 31 March 2020	257,763	20,495	908	279,166
At 31 March 2019	286,406	16,163	1,493	304,062

5 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	-	1,260
Corporation tax recoverable	2,424	2,409
Other debtors	124,538	132,500
	126,962	136,169

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	92,464	165,152
Trade creditors	1,001,128	818,651
Taxation and social security	61,248	130,040
Other creditors	604,994	655,702
	1,759,834	1,769,545

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	1,733,101	1,820,793

The long-term bank loans and bank overcraft are secured by:

An un imited debenture dated 13th July 2006 from Harrington & Hallworth Limited;

An all monies joint and several guarantee dated 27th July 2006 from Peter Harrington and Alfred Hallworth for a principal amount of £2,300,000 plus interest and other costs as detailed in the guarantee.

A legal charge from Peter Harrington and Alfred Hallworth over the freehold land and buildings at Gravel Bank Farm, Gravel Bank Road, Woodley, together with legal charges over the freehold land to the North of Woodlands Drive, Woodly and various freehold land and buildings on Gravel Bank Road, Woodley.

The amount which will fall due after five years is £Nil.

8 Provisions for liabilities

		2020	2019
		£	£
Deferred tax liabilities in respect of accelerated capital allowances	9	-	22,898
		-	22,898

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
Balances:	**£**	**£**
Accelerated capital allowances	39,895	38,506
Tax losses	(39,895)	(15,608)
	-	22,898

	2020
Movements in the year:	**£**
Liability at 1 April 2019	22,898
Credit to profit or loss	(22,898)
Liability at 31 March 2020	-

10 Retirement benefit schemes

	2020	2019
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	8,991	6,361

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

11 Called up share capital

	2020	2019
	£	**£**
Ordinary share capital		
Issued and fully paid		
9,000 Ordinary shares of £1 each	9,000	9,000

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Alison Buckley
The auditor was Mitchell Charlesworth LLP.

13 Operating lease commitments

Lessee
At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	3,209,167	3,526,516

14 Related party transactions

At 31 March 2020 an amount of £528,129 (2019 : £574,903) was owed to the directors.