

Z HINCHLIFFE & SONS LIMITED
REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2012

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Company registration number 78708

TUESDAY



A34 *A24YT8UG* 26/03/2013 #370
COMPANIES HOUSE

Z HINCHLIFFE & SONS LIMITED**COMPANY INFORMATION****Directors**

G P Wilby (Chairman)
J R Hinchliffe
J H Hinchliffe
G A Wilby

Secretary and Registered office

J Glennon
Hartcliffe Mills
Denby Dale
Huddersfield
HD8 8QL

Auditors

Wheawill & Sudworth Limited
Chartered Accountants
35 Westgate
Huddersfield
HD1 1PA

Bankers

HSBC Bank plc
Cloth Hall Street
Huddersfield
HD1 2ES

Credit Suisse
BCMZ1
Bahnhofstrasse 17
Postfach 357
CH-6301 Zug
Switzerland

Banca Nazionale Del Lavarò Spa
Prato
Via Bettino
2-50047
Italy

Z HINCHLIFFE & SONS LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30 June 2012

Directors

The directors who served during the year were

G P Wilby
J R Hinchliffe
J H Hinchliffe
G A Wilby

Directors' responsibilities for preparing the financial statements

The directors are responsible for preparing the Directors' 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 then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Directors' interests

The interests of the directors in the share capital of the group at the end of the year and at the beginning of the year were as follows

<u>Z Hinchliffe & Sons Limited</u>	Ordinary shares of £1 each	Cumulative preference shares of £1 each
G P Wilby	2,561	515
J R Hinchliffe	12,591	4,778
J H Hinchliffe	12,592	4,777
G A Wilby	60,583	4,647

Z HINCHLIFFE & SONS LIMITED**DIRECTORS' REPORT** (continued)**Directors' interests** (continued)

<u>Harold Hinchliffe Limited</u>	Ordinary shares of 5p each	Cumulative preference shares of 5p each
G P Wilby	-	-
J R Hinchliffe	* 6,680	* 51,399
J H Hinchliffe	* 6,680	* 51,399
G A Wilby	-	-

* 2,500 ordinary shares of 5p each and 17,500 cumulative preference shares of 5p each are jointly held by J R Hinchliffe and J H Hinchliffe

The directors own no shares in any of the subsidiary companies

A qualifying indemnity provision (as defined in section 236 of the Companies Act 2006) has been provided to the directors

Principal activity

The company's principal activity during the year continued to be that of yarn spinners

The principal activities of the group's subsidiary undertakings are outlined in note 11 to the financial statements

Business review

During the year the group has continued to manufacture and sell cashmere and fine lambswool yarns to the knitwear and weaving industries

For the year under review, turnover decreased by 17%. This reduction has arisen mainly due to aggressive pricing policies adopted by overseas competitors together with reduced demand for UK customer products on both home and export markets

During the year we have continued to investigate all areas for the improvement of both quality and efficiency of our operation whilst ensuring that we provide a safe working environment for our 235 employees

The group continues to make every effort to contain overhead costs (another key performance indicator of the business) and again satisfactory savings have been achieved

The price and the levels of raw materials and finished product (a key performance indicator of the business) have been kept under constant review throughout the year during which period the markets have continued to fluctuate seeing considerable increases arising due to material price and exchange rate movements

In order to control our environmental impact, the business continued to invest in equipment and materials to make the most effective use of energy

The strength of the balance sheet and the close attention given to controlling operating costs continue to provide a firm basis for plans to continue successful trading into the foreseeable future

Z HINCHLIFFE & SONS LIMITED

DIRECTORS' REPORT (continued)

Results and dividends

The group loss for the year, after taxation, was £169,483

The directors' recommend the following dividends -

	£
On cumulative preference shares	1,050
On ordinary shares	19,950
	21,000

Financial instruments

The Group's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds for the Group's operations and to finance the Group's operations.

Due to the nature of the financial instruments used by the Group there is no exposure to price risk. The Group's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of deposits at floating rates of interest. The Group makes use of money market facilities where funds are available. Exposure to currency risks are constantly monitored to ensure that adverse movements are contained.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Credit insurance is used to cover trade debtors in export markets wherever available.

Trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Auditors

Wheawill & Sudworth Limited were re-appointed as the company's auditor during the year and have expressed their willingness to continue in that capacity.

On behalf of the board



G P WILBY

Director

7 February 2013

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF Z HINCHLIFFE & SONS LIMITED

We have audited the financial statements of Z Hinchliffe & Sons Limited for the year ended 30 June 2012 which are set out on pages 7 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Z HINCHLIFFE & SONS LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Wheawill & Sudworth Limited

Helen Solomons (Senior Statutory Auditor)

For and on behalf of Wheawill & Sudworth Limited,
Statutory Auditor

35 Westgate
Huddersfield
HD1 1PA
7 February 2013

Z HINCHLIFFE & SONS LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

for the year ended

30 JUNE 2012

Notes	2012 £	2011 £
2 Turnover	14,642,577	17,585,844
Cost of sales	(12,449,112)	(14,217,107)
Gross profit	2,193,465	3,368,737
Distribution costs	(1,723,209)	(1,507,119)
Administrative expenses	(749,927)	(926,248)
3 Operating (loss)/profit	(279,671)	935,370
4 Interest receivable	64,770	41,272
5 Interest payable	(21,610)	(72)
(Loss)/profit on ordinary activities before taxation	(236,511)	976,570
6 Taxation on (loss)/profit on ordinary activities	67,028	(25,100)
21 (Loss)/profit for the financial year	<u>(169,483)</u>	<u>951,470</u>

None of the group's activities were acquired or discontinued during the above two financial years

The notes on pages 12 to 30 form part of these financial statements

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Z HINCHLIFFE & SONS LIMITED**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

for the year ended

30 JUNE 2012

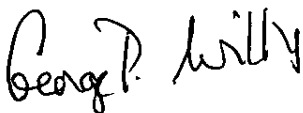
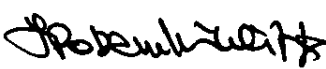
	Year ended 30 June 2012 £	Year ended 30 June 2011 £
(Loss)/profit for the financial year	(169,483)	951,470
Actuarial valuation (loss)/gain on defined benefit pension scheme assets and liabilities	(557,000)	201,000
Total recognised gains and losses for the year	(726,483)	1,152,470

The notes on pages 12 to 30 form part of these financial statements

Z HINCHLIFFE & SONS LIMITED**CONSOLIDATED BALANCE SHEET****30 JUNE 2012**

Notes		2012 £	2011 £
	Fixed assets		
10	Tangible assets	2,343,772	2,536,222
	Current assets		
12	Stocks	9,595,813	6,812,597
13	Debtors	6,438,878	7,852,493
	Cash at bank and in hand	3,755,694	5,542,263
		19,790,385	20,207,353
14	Creditors: amounts falling due within one year	(1,061,825)	(1,168,417)
	Net current assets	18,728,560	19,038,936
	Total assets less current liabilities	21,072,332	21,575,158
15	Creditors: amounts falling due after more than one year	(26,157)	-
18	Provision for liabilities and charges	-	(12,500)
	Net assets excluding pension deficit	21,046,175	21,562,658
19	Pension scheme deficit	(162,000)	-
19	Pension scheme deficit	(69,000)	-
	Net assets	20,815,175	21,562,658
	Capital and reserves		
20	Called up share capital	254,968	254,968
21	Profit and loss account	20,560,207	21,307,690
22	Shareholders' funds	20,815,175	21,562,658

The financial statements were approved by the board of directors and authorised for issue on 7 February 2013 and signed on its behalf by

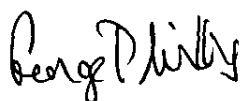
 G P WILBY)
) Directors
 J R HINCHLIFFE)
)
 Company Registration Number 78708

The notes on pages 12 to 30 form part of these financial statements

Z HINCHLIFFE & SONS LIMITED**COMPANY BALANCE SHEET****30 JUNE 2012**

Notes		2012 £	2011 £
	Fixed assets		
10	Tangible assets	2,119,697	2,204,851
11	Investments	1,923,545	1,884,790
		<u>4,043,242</u>	<u>4,089,641</u>
	Current assets		
12	Stocks	9,595,813	6,812,597
13	Debtors	6,395,858	7,826,807
	Cash at bank and in hand	3,587,149	5,331,403
		<u>19,578,820</u>	<u>19,970,807</u>
14	Creditors: amounts falling due within one year	<u>(2,731,191)</u>	<u>(2,712,489)</u>
	Net current assets	<u>16,847,629</u>	<u>17,258,318</u>
	Total assets less current liabilities	<u>20,890,871</u>	<u>21,347,959</u>
15	Creditors: amounts falling due after more than one year	(26,157)	-
18	Provision for liabilities and charges	-	-
	Net assets excluding pension deficit	<u>20,864,714</u>	<u>21,347,959</u>
19	Pension scheme deficit	(162,000)	-
19	Pension scheme deficit	(69,000)	-
	Net assets	<u><u>20,633,714</u></u>	<u><u>21,347,959</u></u>
	Capital and reserves		
20	Called up share capital	254,968	254,968
21	Profit and loss account	<u>20,378,746</u>	<u>21,092,991</u>
22	Shareholders' funds	<u><u>20,633,714</u></u>	<u><u>21,347,959</u></u>

The financial statements were approved by the board of directors and authorised for issue on 7 February 2013 and signed on its behalf by



G P WILBY

)

) Directors


J R HINCHLIFFE

)

Company Registration Number 78708

The notes on pages 12 to 30 form part of these financial statements

Z HINCHLIFFE & SONS LIMITED**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended

30 JUNE 2012

		2012 £	2011 £
Notes			
8	Net cash (outflow)/inflow from operating activities	(1,638,449)	2,904,934
8	Returns on investments and servicing of finance	(13,914)	40,150
	Taxation	(22,370)	56,640
8	Capital expenditure and financial investment	(84,987)	(176,534)
8	Financing	(6,899)	-
		<u>(1,766,619)</u>	<u>2,825,190</u>
	Equity dividend paid	(19,950)	(19,950)
9	(Decrease)/increase in cash in the year	<u><u>(1,786,569)</u></u>	<u><u>2,805,240</u></u>

The notes on pages 12 to 30 form part of these financial statements

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****30 JUNE 2012****1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable UK Accounting Standards and under the historical cost accounting rules

Consolidated financial statements

The group's financial statements consolidate the financial statements of Z Hinchliffe & Sons Limited and all its subsidiary undertakings. These financial statements are made up to 30 June 2012. Uniform accounting policies are adopted throughout the group. Unrealised profit arising on trading between group companies is eliminated on consolidation.

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off. Dividends received are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

In accordance with Section 408 of the Companies Act 2006 Z Hinchliffe & Sons Limited is exempt from the requirement to present its own profit and loss account.

The amount of the loss for the financial year dealt with in the financial statements of Z Hinchliffe & Sons Limited is £136,245 (2011 profit of £1,301,013).

Goodwill

Purchased goodwill (both positive and negative) arising on business combinations in respect of acquisitions before 1 January 1998, when FRS 10 Goodwill and intangible assets was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight line method over estimated economic lives from the time the asset is put into use. Present estimated economic lives are as follows:

Freehold buildings	- 25 to 50 years
Plant and equipment	- 5 to 10 years
Motor vehicles	- 5 years

In the year of acquisition tangible fixed assets are depreciated from the beginning of the financial year.

No depreciation is provided on freehold land.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****1 Accounting policies (continued)****Hire purchase and leased assets**

Tangible fixed assets acquired under finance and hire purchase contracts are capitalised and depreciated over their effective lives. The outstanding obligations in respect of finance leases and hire purchase contracts, net of finance charges relating to future periods, are included under creditors due within or after one year as appropriate. The finance element of the obligations is allocated to accounting periods so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Rentals payable under operating leases are charged to the profit and loss account as incurred.

Investments

Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Stocks

Stocks are stated at direct cost plus attributable overheads or net realisable value if lower.

Turnover

Turnover represents the value of goods sold and services provided net of value added tax.

Grants

Grants in respect of expenditure on tangible fixed assets are treated as deferred income which is credited to the profit and loss account by instalments over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Grants of a revenue nature are recognised in the profit and loss account of the period of which they are paid.

Deferred taxation

Provision is made on the full provision method based on current tax rates for deferred tax assets and liabilities arising from all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is more likely than not there will be suitable taxable profits generated within the foreseeable future from which the underlying timing differences can be deducted.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, or where the transaction is covered by a matching forward contract, at the rate specified in that contract. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Any differences are taken to the profit and loss account.

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.

Pension costs – defined benefit schemes

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value at such a rate that properly reflects the time value of money and the characteristics of those liabilities.

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme surplus or deficit is recognised in full on the balance sheet as an asset or a liability. The deferred tax relating to the defined benefit asset/liability is offset against the defined benefit asset/liability and not included with other deferred tax assets or liabilities.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****1 Accounting policies (continued)**

The movement upon the pension scheme surplus or deficit for the year is analysed between current service costs and finance income/charges which are recognised in the profit and loss account and actuarial valuation gains/losses which are recognised in the statement of total recognised gains and losses

Pension costs – defined contribution schemes

Contributions made to the group defined contribution schemes operated by the company are charged to the profit and loss account as they become payable

2 Turnover

The turnover is attributable to the group's principal activities

	2012 £	2011 £
Home	7,037,908	9,013,726
Export - Europe	5,024,994	6,388,186
- Rest of the World	2,579,675	2,183,932
	<u>14,642,577</u>	<u>17,585,844</u>

3 Operating (loss)/profit

	2012 £	2011 £
(a) This is stated after charging and (crediting)		
Directors' emoluments (see below)	704,667	788,007
Auditor's remuneration	28,000	28,000
Depreciation of owned assets	314,527	540,602
Depreciation of assets held under hire purchase contracts	7,960	-
Profit on disposal of tangible fixed assets	(5,250)	(158,200)
Exchange losses/(gains)	291,037	(148,517)
Operating lease payments on plant and machinery	2,584	5,168
Rents receivable from property (net of expenses)	(85,005)	(86,112)
	<u>704,667</u>	<u>788,007</u>
(b) Directors' emoluments		
Aggregate emoluments	603,006	612,888
Company pension contributions	101,661	175,119
	<u>704,667</u>	<u>788,007</u>

Retirement benefits are accruing to three (2011 three) directors under money purchase schemes

Emoluments of the highest paid director

Aggregate emoluments	160,894	159,914
Company pension contributions	38,597	57,764
	<u>160,894</u>	<u>159,914</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****3 Operating (loss)/profit (continued)****(c) Particulars of staff**

The average number of persons employed by the group during the year, including the directors, was as follows

	2012 Number	2011 Number
Administration	6	7
Production	223	232
Selling	2	2
Directors	4	4
	<u>235</u>	<u>245</u>

	£	£
Staff costs		
Wages and salaries	4,306,282	4,478,392
Social security costs	382,024	406,322
Pension costs – defined benefit schemes	-	9,629
– defined contribution schemes	130,923	221,066
	<u>4,819,229</u>	<u>5,115,409</u>

4 Interest receivable and other similar income

	2012 £	2011 £
Trade interest received	-	3,852
Bank interest	8,746	469
Other interest and similar income	24	36,951
Net finance credit in respect of defined benefit pension scheme	56,000	-
	<u>64,770</u>	<u>41,272</u>

5 Interest payable

	2012 £	2011 £
Bank overdrafts	-	72
Other interest and similar charges	19,926	-
Hire purchase interest	1,684	-
	<u>21,610</u>	<u>72</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012**

6 Taxation on (loss)/profit on ordinary activities	2012	2011
	£	£
(a) Analysis of charge for the year		
Current taxation		
UK Corporation tax on the (loss)/profit for the year	-	22,600
Over provision in previous year	(54,784)	
Foreign taxes	256	(600)
Total current taxation (note 6 (b))	(54,528)	22,000
Deferred taxation		
Origination and reversal of timing differences	(12,500)	3,100
Taxation on (loss)/profit on ordinary activities	<u>(67,028)</u>	<u>25,100</u>

At 30 June 2012 the group and company had unrelieved trading losses of £2,950,000 (2011 £2,350,000) and unrelieved capital losses of £99,126 (2011 £99,126)

- (b) Factors affecting the charge for the year
The tax assessed for the year is higher (2011 lower) than the standard rate of corporation tax in the UK of 28% (2011 28%) The differences are explained below

	2012	2011
	£	£
(Loss)/profit on ordinary activities before taxation	(236,511)	976,570
Corporation tax at 26% (2011 28%)	(61,493)	273,440
Effects of		
Depreciation charges in excess of capital allowances	42,222	57,643
Expenses not deductible for tax purposes	(1,665)	1,683
Provisions (now) deductible for tax purposes	(52,000)	-
Utilisation of taxation losses brought forward	-	(218,524)
Profits charged to tax at rates lower/(higher) than standard rate	7,823	(14,346)
Taxation losses generated in the year and carried forward	150,441	-
Net income relating to defined benefit pension schemes calculated under FRS 17 not taxable	(84,760)	(77,560)
Over provision in previous year	(54,784)	-
Group relief utilised from ultimate parent	(312)	(336)
Current tax charge for the year (note 6 (a))	<u>(54,528)</u>	<u>22,000</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012**

7 Dividends	2012	2011
	£	£
Paid during the year		
Preference shares	1,050	1,050
Ordinary shares	19,950	19,950
	<u>21,000</u>	<u>21,000</u>
Paid after the year end on 2 July 2012 (not recognised as a liability)		
Preference shares	1,050	1,050
Ordinary shares	19,950	19,950
	<u>21,000</u>	<u>21,000</u>
8 Notes to the cash flow statement	2012	2011
	£	£
(a) Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities		
Operating (loss)/profit	(279,671)	935,370
Depreciation	322,487	540,602
Profit on disposal of tangible fixed assets	(5,250)	(158,200)
(Increase)/decrease in stocks	(2,783,216)	1,956,864
Decrease/(increase) in debtors	1,467,936	(403,766)
(Decrease)/increase in creditors	(90,735)	311,064
Decrease in defined benefit pension scheme employee benefits	(270,000)	(277,000)
Net cash (outflow)/inflow from operating activities	<u>(1,638,449)</u>	<u>2,904,934</u>
(b) Returns on investments and servicing of finance		
Interest received	8,746	41,272
Interest paid	(21,610)	(72)
Preference dividend paid	(1,050)	(1,050)
	<u>(13,914)</u>	<u>40,150</u>
(c) Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(90,237)	(334,734)
Receipts from sales of tangible fixed assets	5,250	158,200
	<u>(84,987)</u>	<u>(176,534)</u>
(d) Financing		
Capital element of hire purchase agreements	<u>(6,899)</u>	<u>-</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012**

	At 1 July 2011 £	Plant and Cash flows £	Non cash changes £	At 30 June 2012 £
9 Analysis of changes in net funds				
Net cash				
Cash in hand and at bank	5,542,263	(1,786,569)	-	3,755,694
Debt				
Hire purchase agreement	-	6,899	(39,800)	(32,901)
Net funds	<u>5,542,263</u>	<u>(1,779,670)</u>	<u>(39,800)</u>	<u>3,722,793</u>

Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
(Decrease)/increase in cash in the period	(1,786,569)	2,805,240
Net cash outflow in respect of hire purchase agreements	6,899	-
Change in net funds resulting from cash flows	(1,779,670)	2,805,240
New hire purchase agreement	(39,800)	-
	<u>(1,819,470)</u>	<u>2,805,240</u>

	Freehold land and buildings £	Plant and machinery £	Total £
10 Tangible fixed assets			
Group			
Cost			
At 1 July 2011	6,384,345	11,887,532	18,271,877
Additions	-	130,037	130,037
Disposals	(8,755)	(72,282)	(81,037)
At 30 June 2012	<u>6,375,590</u>	<u>11,945,287</u>	<u>18,320,877</u>
Depreciation			
At 1 July 2011	4,201,146	11,534,509	15,735,655
Charge for the year	175,701	146,786	322,487
Disposals	(8,755)	(72,282)	(81,037)
At 30 June 2012	<u>4,368,092</u>	<u>11,609,013</u>	<u>15,977,105</u>
Net book amount at			
30 June 2012	<u>2,007,498</u>	<u>336,274</u>	<u>2,343,772</u>
30 June 2011	<u>2,183,199</u>	<u>353,023</u>	<u>2,536,222</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012**

10 Tangible fixed assets (continued)	Freehold land and buildings £	Plant and machinery £	Total £
Company			
Cost			
At 1 July 2011	5,943,985	11,887,532	17,831,517
Additions	100,677	130,037	230,714
Disposals	-	(72,282)	(72,282)
At 30 June 2012	6,044,662	11,945,287	17,989,949
Depreciation			
At 1 July 2011	4,092,157	11,534,509	15,626,666
Charge for the year	169,082	146,786	315,868
Disposals	-	(72,282)	(72,282)
At 30 June 2012	4,261,239	11,609,013	15,870,252
Net book amount at			
30 June 2012	1,783,423	336,274	2,119,697
30 June 2011	1,851,828	353,023	2,204,851

Included in the total net book value of group and company tangible fixed assets held at 30 June 2012 was £31,840 (2011 £nil) in respect of assets held under hire purchase contracts

Assets costing £478,203 (2011 £478,203), mainly being land, included above within freehold land and buildings, are not depreciated

11 Fixed asset investments	Shares in undertakings £
Company	
Cost	
At 1 July 2011 and 30 June 2012	2,779,630
Provision	
At 1 July 2011	894,840
Release	(38,755)
At 30 June 2012	856,085
Net book value	
At 30 June 2012	1,923,545
At 30 June 2011	1,884,790

	Country of registration or incorporation	Principal Activity	Class and percentage of shares held
Subsidiary undertakings			
Z Hinchliffe & Sons AG	Switzerland	Investment company	100% ordinary
John Woodhead (Dobroyd Mills) Limited	England	Property management and letting	100% ordinary
John Woodhead (Dobroyd Mills) USA Inc	USA	Dormant	100% ordinary*

*Shares in this company are held by John Woodhead (Dobroyd Mills) Limited

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012**

12	Stocks	Group		Company	
		2012 £	2011 £	2012 £	2011 £
	Raw materials and consumables	5,308,267	3,386,518	5,308,267	3,386,518
	Work in progress	454,573	469,286	454,573	469,286
	Finished yarn	3,832,973	2,956,793	3,832,973	2,956,793
		<u>9,595,813</u>	<u>6,812,597</u>	<u>9,595,813</u>	<u>6,812,597</u>
13	Debtors	Group		Company	
		2012 £	2011 £	2012 £	2011 £
	Trade debtors	6,105,952	7,605,464	5,933,472	7,432,984
	Amounts owed by subsidiary undertaking	-	-	142,765	148,958
	Other debtors	854	1,597	854	1,597
	Corporation tax	54,281	-	54,281	-
	Foreign taxes	206	165	-	-
	Prepayments and accrued income	277,585	245,267	264,486	243,268
		<u>6,438,878</u>	<u>7,852,493</u>	<u>6,395,858</u>	<u>7,826,807</u>
14	Creditors: amounts falling due within one year	Group		Company	
		2012 £	2011 £	2012 £	2011 £
	Trade creditors	443,542	266,792	443,542	266,792
	Amounts owed to subsidiary undertaking	-	-	1,678,579	1,553,403
	Foreign taxes	-	-	-	-
	Other taxes and social security	199,126	456,858	197,438	456,385
	Accruals and deferred income	408,505	418,775	400,980	413,517
	Other creditors	3,908	3,392	3,908	3,392
	Corporation tax	-	22,600	-	19,000
	Hire purchase agreements	6,744	-	6,744	-
		<u>1,061,825</u>	<u>1,168,417</u>	<u>2,731,191</u>	<u>2,712,489</u>
15	Creditors: amounts falling due after more than one year	Group		Company	
		2012 £	2011 £	2012 £	2011 £
	Hire purchase agreements	<u>26,157</u>	<u>-</u>	<u>26,157</u>	<u>-</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****16 Commitments under hire purchase agreements**

	Group and Company	
	2012	2011
	£	£
Amounts payable within 1 year	6,744	-
Amounts payable between 2 and 5 years	26,157	-
	<u>32,901</u>	<u>-</u>

17 Secured Liabilities

The hire purchase liability referred to in note 16 totalling £32,901 (2011 £nil) is secured on the asset to which it relates

18 Provision for liabilities and charges

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Deferred taxation				
Taxation allowances in advance of depreciation	-	12,500	-	-
	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>-</u>
Movement during the year				
At 1 July 2011	12,500			
Profit and loss account – charge	(12,500)			
	<u>-</u>			
At 30 June 2012	<u>-</u>			

No deferred taxation has been provided on earnings to be remitted to the parent company by Z Hinchliffe & Sons AG, an overseas subsidiary

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****19 Pension costs and commitments**

The group operates two defined benefit and two defined contribution pension schemes

Defined benefit schemes**1 The Z Hinchliffe & Sons Limited 1978 Retirement & Death Benefit Scheme**

The Scheme is a funded defined benefit final salary pension scheme which was set up by the Interim Trust Deed dated 31 May 1967. It has been approved by the Inland Revenue Savings, Pensions, Share Schemes (formerly the Pension Schemes Office) under Chapter I of Part XIV of the Income & Corporation Taxes Act 1988. The employees covered by the Scheme are contracted-out of the State Earnings Related Pension Scheme (SERPS).

Following discussions between the Trustees of the Scheme and the directors of the company, having taken appropriate advice, and having followed the necessary procedures, the Scheme was closed to further accrual from 1 June 2010.

The company has fully adopted the requirements of Financial Reporting Standard 17 'Retirement Benefits' ('FRS 17'). Under this accounting standard the following disclosures are required.

The most recent actuarial valuation was carried out at 5 April 2009. The results of this have been projected to 30 June 2012 by a qualified independent actuary. The major assumptions used by the actuary were:

	At 30 June 2012	At 30 June 2011
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in deferment	2.90%	3.50%
Rate of increase in pensions in payment		
- Pension accrued before 5 April 1997	0.0%	0.0%
- Pension accrued from 6 April 1997	2.90%	3.50%
Discount rate	4.60%	5.60%
Inflation assumption (RPI)	2.90%	3.50%

The amounts recognised in the profit and loss account are as follows:

	2012 £	2011 £
Current service cost	-	-
Past service cost	-	-
Interest on obligations	256,000	243,000
Expected return on scheme assets	(302,000)	(258,000)
Curtailment gain	-	-
Restriction of expected return on scheme investments	-	15,000
	<u>(46,000)</u>	<u>-</u>

Interest on obligations and expected return on scheme assets are included as net finance income within interest receivable and other similar income. Actuarial losses of £126,000 (2011: gains of £154,000) have been recognised on the statement of recognised gains and losses. These have been increased by £282,000 (2011: restricted by £267,000) in accordance with paragraph 37 of FRS17.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****19 Pension commitments (continued)****1 The Z Hinchliffe & Sons Limited 1978 Retirement & Death Benefit Scheme (continued)**

The amounts recognised in the balance sheet are as follows

	2012 £	2011 £
Present value of funded obligations	(4,873,000)	(4,779,000)
Fair value of scheme assets	4,711,000	5,061,000
(Deficit)/surplus in the scheme before restriction	(162,000)	282,000
Restriction of surplus	-	(282,000)
(Deficit)/ surplus in the scheme after restriction	(162,000)	-

Changes in the present value of the defined benefit obligation are as follows

	2012 £	2011 £
Opening defined benefit obligation	4,779,000	4,569,000
Service cost	-	-
Past service cost	-	-
Employee contributions	-	-
Interest cost	256,000	243,000
Actuarial losses	245,000	118,000
Benefits paid	(407,000)	(151,000)
Closing defined benefit obligation	4,873,000	4,779,000

Changes in fair value of scheme assets are as follows

	2012 £	2011 £
Opening fair value of scheme assets	5,061,000	4,208,000
Expected return	302,000	258,000
Actuarial (losses)/gains	(445,000)	539,000
Employer contributions	200,000	207,000
Employee contributions	-	-
Benefits paid	(407,000)	(151,000)
Closing fair value of scheme assets	4,711,000	5,061,000

The fair value of the scheme's assets are made up as follows

	£	% of total	Expected rate of return
Cash	272,000	5.8%	2.0%
Property	321,000	6.8%	4.75%
Bonds	869,000	18.4%	4.10%
Equities	3,249,000	69.0%	7.00%
	4,711,000	100.0%	

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****19 Pension commitments (continued)****1 The Z Hinchliffe & Sons Limited 1978 Retirement & Death Benefit Scheme (continued)**

Amounts for the current and previous four periods are as follows

	2012 £	2011 £	2010 £	2009 £	2008 £
Defined benefit obligation	(4,873,000)	(4,779,000)	(4,569,000)	(4,001,000)	(4,145,000)
Fair value of scheme assets	4,711,000	5,061,000	4,208,000	3,481,000	4,271,000
(Deficit)/surplus in the scheme before restriction	(162,000)	282,000	(361,000)	(520,000)	126,000
Restriction of irrecoverable surplus	-	(282,000)	-	-	-
(Deficit)/surplus in the scheme after restriction	(162,000)	-	(361,000)	(520,000)	126,000
Experience adjustments on scheme liabilities	39,000	(12,000)	26,000	50,000	94,000
Experience adjustments on scheme assets	(445,000)	539,000	425,000	(1,051,000)	(898,000)

The cost of company contributions into the scheme in respect of the year ended 30 June 2012 were £200,000 (2011 £200,000)

The FRS17 actuarial valuation at 30 June 2012 showed a deficit of £162,000. The FRS17 actuarial valuation at 30 June 2011 showed a surplus before restriction of £282,000. This was restricted to £nil in the financial statements in accordance with paragraph 37 of FRS17. The main reasons for the deterioration are the decrease in the yield on long dated AA-rated corporate bonds and worse than expected returns on assets, although this has been partly offset by a decrease in the market expectations of future price inflation.

As noted above the scheme was closed to future accrual from 1 June 2010. The expected employer contributions to the scheme in the year ended 30 June 2013 are £200,000, being deficit funding contributions.

In July 2010 the Government announced a switch to the Consumer Prices Index (CPI) from the Retail Prices Index (RPI) as the basis for future statutory pension increases in deferment and payment. The calculation of the scheme liabilities and therefore the surplus or deficit under FRS 17 should be calculated using the CPI rather than the RPI in most circumstances. The figures above have been calculated using the RPI rather than the CPI. Whether this impacts on a particular pension scheme depends on the specific wording in the scheme Rules, and the Trustees have not yet taken legal advice as to whether this impacts on this Scheme. However on the basis that recent inflationary increases have continued to be linked to RPI, the FRS17 deficit has been calculated using RPI as its basis. The deficit would be lower should CPI be used as the basis, but the deficit on this basis has not been calculated. However the directors believe at the present time that it is correct to continue to use RPI for the calculation of the deficit.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****19 Pension commitments (continued)****2 The John Woodhead (Dobroyd Mills) Limited Pension & Life Assurance Scheme**

The Scheme is a funded defined benefit final salary pension scheme which was set up by a Trust Deed dated 24 August 1983 and a supplemental trust deed dated 13 July 1992. It has been approved by the Inland Revenue Savings, Pensions, Share Schemes (formerly the Pension Schemes Office) under Chapter I of Part XIV of the Income & Corporation Taxes Act 1988. The employees covered by the Scheme are not contracted-out of the State Earnings Related Pension Scheme (SERPS).

Following discussions between the Trustees of the Scheme and the directors of the company, having taken appropriate advice, and having followed the necessary procedures, the Scheme was closed to further accrual from 1 June 2010.

The company has fully adopted the requirements of Financial Reporting Standard 17 'Retirement Benefits' ("FRS 17")

Under this accounting standard the following disclosures are required

The most recent actuarial valuation was carried out at 1 June 2009. The results of this have been projected to 30 June 2012 by a qualified independent actuary. The major assumptions used by the actuary were

	At 30 June 2012	At 30 June 2011
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in deferment	2.90%	3.50%
Rate of increase in pensions in payment		
- Pension accrued before 5 April 1997	0.0%	0.0%
- Pension accrued after 6 April 1997	2.90%	3.5%
Discount rate	4.60%	5.60%
Inflation assumption (RPI)	2.90%	3.50%

The amounts recognised in the profit and loss account are as follows

	2012 £	2011 £
Current service cost	-	-
Interest on obligations	81,000	77,000
Expected return on scheme assets	(91,000)	(81,000)
Restriction of expected return on scheme assets	-	4,000
	<u>(10,000)</u>	<u>-</u>

Interest on obligations and expected return on scheme assets are included as net finance income within interest receivable and other similar income. Actuarial losses of £125,000 (2011 gains of £47,000) have been recognised on the statement of recognised gains and losses. These have been increased by £24,000 (2011 restricted by £20,000) in accordance with paragraph 37 of FRS17.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****19 Pension commitments (continued)****2 The John Woodhead (Dobroyd Mills) Limited Pension & Life Assurance Scheme (continued)**

The amounts recognised in the balance sheet are as follows

	2012 £	2011 £
Present value of funded obligations	(1,639,000)	(1,474,000)
Fair value of scheme assets	1,570,000	1,498,000
	<u>(69,000)</u>	<u>24,000</u>
(Deficit)/surplus in the scheme before restriction		
Restriction of surplus	-	(24,000)
	<u>(69,000)</u>	<u>-</u>
(Deficit)/surplus in the scheme after restriction		

Changes in the present value of the defined benefit obligation are as follows

	2012 £	2011 £
Opening defined benefit obligation	1,474,000	1,467,000
Service cost	-	-
Employee contributions	-	-
Interest cost	81,000	77,000
Actuarial losses/(gains)	132,000	(2,000)
Benefits paid	(48,000)	(68,000)
	<u>1,639,000</u>	<u>1,474,000</u>
Closing defined benefit obligation		

Changes in fair value of scheme assets are as follows

	2012 £	2011 £
Opening fair value of scheme assets	1,498,000	1,350,000
Expected return on assets	91,000	81,000
Actuarial (losses)/gains	(41,000)	65,000
Employer contributions	70,000	70,000
Employee contributions	-	-
Benefits paid	(48,000)	(68,000)
	<u>1,570,000</u>	<u>1,498,000</u>
Closing fair value of scheme assets		

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****19 Pension commitments (continued)****2 The John Woodhead (Dobroyd Mills) Limited Pension & Life Assurance Scheme (continued)**

The fair value of the scheme's assets are made up as follows

	£	% of total	Expected rate of return
With profits investment plan	1,434,000	91.3%	5.5%
Cash	136,000	8.7%	2.0%
	<u>1,570,000</u>	<u>100.0%</u>	

Amounts for the current and previous four periods are as follows

	2012 £	2011 £	2010 £	2009 £	2008 £
Defined benefit obligation	(1,639,000)	(1,474,000)	(1,467,000)	(1,257,000)	(1,315,000)
Fair value of scheme assets	<u>1,570,000</u>	<u>1,498,000</u>	<u>1,350,000</u>	<u>1,108,000</u>	<u>1,338,000</u>
(Deficit)/surplus in the scheme before restriction	(69,000)	24,000	(117,000)	(149,000)	23,000
Restriction of irrecoverable surplus	<u>-</u>	<u>(24,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Deficit)/surplus in the scheme after restriction	(69,000)	-	(117,000)	(149,000)	23,000
Experience adjustments on scheme liabilities	<u>(56,000)</u>	<u>(4,000)</u>	<u>34,000</u>	<u>8,000</u>	<u>(29,000)</u>
Experience adjustments on scheme assets	<u>(41,000)</u>	<u>65,000</u>	<u>128,000</u>	<u>(295,000)</u>	<u>(78,000)</u>

The cost of company contributions into the scheme in respect of the year ended 30 June 2012 were £70,000 (2011 £70,000)

The FRS17 actuarial valuation at 30 June 2012 showed a deficit of £69,000. The FRS17 actuarial valuation at 30 June 2011 showed a surplus before restriction of £24,000. This was restricted to £nil in the financial statements in accordance with paragraph 37 of FRS17. The main reasons for the deterioration are the decrease in the yield on long dated AA-rated corporate bonds and worse than expected returns on assets, although this has been partly offset by a decrease in the market expectations of future price inflation.

As noted above the Scheme was closed to future accrual from 1 June 2010. The expected employer contributions to the scheme in the year ended 30 June 2013 are £70,000, being deficit funding contributions.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012****19 Pension commitments (continued)****2 The John Woodhead (Dobroyd Mills) Limited Pension & Life Assurance Scheme (continued)**

In July 2010 the Government announced a switch to the Consumer Prices Index (CPI) from the Retail Prices Index (RPI) as the basis for future statutory pension increases in deferment and payment. The calculation of the scheme liabilities and therefore the surplus or deficit under FRS 17 should be calculated using the CPI rather than the RPI in most circumstances. The figures above have been calculated using the RPI rather than the CPI. Whether this impacts on a particular pension scheme depends on the specific wording in the scheme Rules, and the Trustees have not yet taken legal advice as to whether this impacts on this Scheme. However on the basis that recent inflationary increases have continued to be linked to RPI, the FRS17 deficit has been calculated using RPI as its basis. The deficit would be lower should CPI be used as the basis, but the deficit on this basis has not been calculated. However the directors believe at the present time that it is correct to continue to use RPI for the calculation of the deficit.

3 Defined contribution schemes

The company operates and makes contributions to two defined contribution pension schemes. The assets of the schemes are held separately from those of the company in trustee administered funds. The pension cost charge for the year was £130,923 (2011 £221,066).

20 Share capital

	Allotted, called up and fully paid	
	2012	2011
	Number	Number
	and	and
	£	£
5% cumulative preference shares of £1 each	30,000	30,000
Ordinary shares of £1 each	224,968	224,968
	254,968	254,968

The preference shares are entitled to a fixed cumulative dividend and, in any future winding up, a right to repayment of £1 per share. Such a repayment would be in priority to any other shares. These shares only carry voting rights at general meetings on any resolutions relating to their rights and privileges.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012**

21	Profit and loss account		Group £	Company £
	At 1 July 2011		21,307,690	21,092,991
	(Loss) for the financial year		(169,483)	(136,245)
	Dividends		(21,000)	(21,000)
	Actuarial valuation loss on defined benefit pension scheme deficit		(557,000)	(557,000)
	At 30 June 2012		<u>20,560,207</u>	<u>20,378,746</u>
			2012 £	2011 £
	Group			
	Profit and loss reserve excluding pension deficit		20,791,207	21,307,690
	Pension reserve		(231,000)	-
	Profit and loss reserve		<u>20,560,207</u>	<u>21,307,690</u>
	Company			
	Profit and loss reserve excluding pension deficit		20,609,746	21,092,991
	Pension reserve		(231,000)	-
	Profit and loss reserve		<u>20,378,746</u>	<u>21,092,991</u>

22	Reconciliation of movements in shareholders' funds	Group		Company	
		2012 £	2011 £	2012 £	2011 £
	(Loss)/profit for the financial year	(169,483)	951,470	(136,245)	1,301,013
	Dividends	(21,000)	(21,000)	(21,000)	(21,000)
	Actuarial valuation (loss)/gain on defined benefit pension scheme assets and liabilities	(557,000)	201,000	(557,000)	201,000
	Net (decrease)/increase in shareholders' funds	<u>(747,483)</u>	<u>1,131,470</u>	<u>(714,245)</u>	<u>1,481,013</u>
	Shareholders' funds at 1 July	<u>21,562,658</u>	<u>20,431,188</u>	<u>21,347,959</u>	<u>19,866,946</u>
	Shareholders' funds at 30 June	<u>20,815,175</u>	<u>21,562,658</u>	<u>20,633,714</u>	<u>21,347,959</u>
	Equity interests	20,785,175	21,532,658	20,603,714	21,317,959
	Non-equity interests	30,000	30,000	30,000	30,000
		<u>20,815,175</u>	<u>21,562,658</u>	<u>20,633,714</u>	<u>21,347,959</u>

The cumulative amount of goodwill written off is £1,047,831 (2011 £1,047,831)

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2012**

23	Capital commitments	Group		Company	
		2012	2011	2012	2011
		£	£	£	£
	Capital expenditure contracted but not provided for in the accounts	-	-	-	-

24 Operating lease commitments

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as detailed below

Group and company		2012	2011
		£	£
Other – between one and five years		-	6,202

25 Contingent liability

The company has given a guarantee to H M Customs & Excise in respect of deferred duty amounting to £175,000 (2011 £175,000)

26 Related party transactions

During the year the company has paid dividends to the following directors

G P Wilby	£245
J R Hinchliffe	£1,284
J H Hinchliffe	£1,284
G A Wilby	£5,535

27 Ultimate parent undertaking

The company is a subsidiary of Harold Hinchliffe Limited which is the ultimate parent company and is registered in England and Wales. The ultimate controlling parties are J R Hinchliffe and J H Hinchliffe.

Copies of the financial statements of Harold Hinchliffe Limited may be obtained from

Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ