

Z HINCHLIFFE & SONS LIMITED
REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2014

CONTENTS

	Page
Company information	1
Strategic report	2
Directors' report	3-4
Auditor's report	5-6
Consolidated profit and loss account	7
Consolidated statement of total recognised gains and losses	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated cash flow statement	11
Notes to the financial statements	12-30

Company registration number 78708

SATURDAY



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28/03/2015
COMPANIES HOUSE

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

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**STRATEGIC REPORT**

The directors present their strategic report for the year ended 30 June 2014.

Principal activity, business review, key performance indicators and future developments

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.

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 the turnover remained static despite the temporary reduction in production capacity with the closure of Phoenix Mills.

Redundancy plus professional fees and other reorganisational costs account for the disappointing results. Resultant numbers employed have fallen dramatically making way for substantial on-going savings and overall efficiencies.

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.

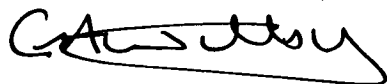
Due to the nature of the financial instruments used by the Group there is no exposure to price risk. The Group's approach to managing other risks applicable to the financial instruments is shown below.

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.

This report was approved by the board on 20 March 2015 and is signed on its behalf by:



G A WILBY
Director

Z HINCHLIFFE & SONS LIMITED

DIRECTORS' REPORT

The directors present their directors' report and financial statements for the year ended 30 June 2014.

Directors

The directors who served during the year were:

G P Wilby (resigned 7 March 2014)
J R Hinchliffe
J H Hinchliffe
G A Wilby

The directors wish to acknowledge in this report the enormous contribution that George Wilby has made over many years to the activities of the company prior to his retirement in October.

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
J R Hinchliffe	12,591	4,778
J H Hinchliffe	12,592	4,777
G A Wilby	60,583	4,647
 <u>Harold Hinchliffe Limited</u>	 Ordinary shares of 5p each	 Cumulative preference shares of 5p each
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.

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.

Z HINCHLIFFE & SONS LIMITED

DIRECTORS' REPORT (continued)

Directors' responsibilities for preparing the financial statements (continued)

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.

Strategic report

In accordance with section 414C(11) Companies Act 2006, the following information required to be contained in this report is set out in the company's Strategic Report on page 2 : principal activities, business review, future developments and financial risks.

Results and dividends

The group loss for the year, after taxation, was £761,041.

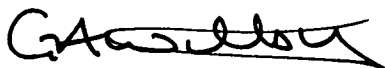
The directors' recommend the following dividends:-

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

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 A WILBY
Director
20 March 2015

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 2014 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 pages 3 to 4, 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Strategic Report and 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
20 March 2015

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

for the year ended

30 JUNE 2014

Notes	£	2014	£	2013	£
2 Turnover			14,831,324		14,673,690
Cost of sales - recurring	13,326,166			13,817,415	
- exceptional	284,321			-	
			(13,610,487)		(13,817,415)
Gross profit			1,220,837		856,275
Distribution costs			(1,230,543)		(1,223,917)
Administrative expenses			(752,019)		(746,868)
3 Operating (loss)			(761,725)		(1,114,510)
4 Interest receivable and similar income			9,123		11,283
5 Interest payable and similar charges			(8,180)		(2,462)
(Loss) on ordinary activities before taxation			(760,782)		(1,105,689)
6 Taxation on (loss) on ordinary activities			(259)		(263)
21 (Loss) for the financial year			(761,041)		(1,105,952)

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.

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

for the year ended

30 JUNE 2014

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
(Loss) for the financial year	(761,041)	(1,105,952)
Actuarial valuation (loss) on defined benefit pension scheme assets and liabilities	(270,000)	(39,000)
Total recognised gains and losses for the year	(1,031,041)	(1,144,952)

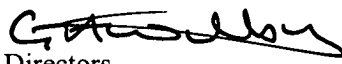
The notes on pages 12 to 30 form part of these financial statements.

Z HINCHLIFFE & SONS LIMITED**CONSOLIDATED BALANCE SHEET****30 JUNE 2014**

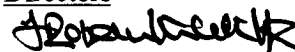
Notes		2014 £	2013 £
	Fixed assets		
10	Tangible assets	2,335,816	2,281,913
	Current assets		
12	Stocks	9,037,170	8,394,103
13	Debtors	6,595,099	5,376,993
	Cash at bank and in hand	1,716,251	4,596,865
		17,348,520	18,367,961
14	Creditors: amounts falling due within one year	(984,554)	(958,144)
	Net current assets	16,363,966	17,409,817
	Total assets less current liabilities	18,699,782	19,691,730
15	Creditors: amounts falling due after more than one year	-	(18,207)
		18,699,782	19,673,523
18	Deferred income	(102,600)	(24,300)
	Net assets excluding pension deficit	18,597,182	19,649,223
19	Pension scheme deficit	-	-
19	Pension scheme deficit	-	-
	Net assets	18,597,182	19,649,223
	Capital and reserves		
20	Called up share capital	254,968	254,968
21	Profit and loss account	18,342,214	19,394,255
22	Shareholders' funds	18,597,182	19,649,223

The financial statements were approved by the board of directors and authorised for issue on 20 March 2015 and signed on its behalf by

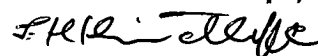
G A WILBY

) 
) Directors

J R HINCHLIFFE

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J H HINCHLIFFE

) 

Company Registration Number : 78708

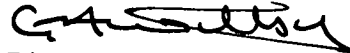
The notes on pages 12 to 30 form part of these financial statements.

Z HINCHLIFFE & SONS LIMITED**COMPANY BALANCE SHEET****30 JUNE 2014**

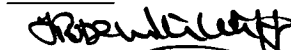
Notes		2014 £	2013 £
	Fixed assets		
10	Tangible assets	2,124,977	2,064,456
11	Investments	1,843,835	1,862,506
		<u>3,968,812</u>	<u>3,926,962</u>
	Current assets		
12	Stocks	9,037,170	8,394,103
13	Debtors	6,541,166	5,331,075
	Cash at bank and in hand	1,572,831	4,435,910
		<u>17,151,167</u>	<u>18,161,088</u>
14	Creditors: amounts falling due within one year	<u>(2,581,413)</u>	<u>(2,573,932)</u>
	Net current assets	<u>14,569,754</u>	<u>15,587,156</u>
	Total assets less current liabilities	<u>18,538,566</u>	<u>19,514,118</u>
15	Creditors: amounts falling due after more than one year	<u>-</u>	<u>(18,207)</u>
		<u>18,538,566</u>	<u>19,495,911</u>
18	Deferred income	<u>(102,600)</u>	<u>(24,300)</u>
	Net assets excluding pension deficit	<u>18,435,966</u>	<u>19,471,611</u>
19	Pension scheme deficit	-	-
19	Pension scheme deficit	-	-
	Net assets	<u>18,435,966</u>	<u>19,471,611</u>
	Capital and reserves		
20	Called up share capital	254,968	254,968
21	Profit and loss account	18,180,998	19,216,643
22	Shareholders' funds	<u>18,435,966</u>	<u>19,471,611</u>

The financial statements were approved by the board of directors and authorised for issue on 20 March 2015 and signed on its behalf by

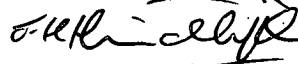
G A WILBY

) ) Directors

J R HINCHLIFFE

) 

J H 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 2014

		2014 £	2013 £
Notes			
8	Net cash (outflow)/inflow from operating activities	(2,531,671)	1,095,450
8	Returns on investments and servicing of finance	(107)	7,670
	Taxation	(283)	54,196
8	Capital expenditure and financial investment	(320,653)	(289,451)
8	Financing	(7,950)	(6,744)
		(2,860,664)	861,121
	Equity dividend paid	(19,950)	(19,950)
9	(Decrease)/increase in cash in the year	<u><u>(2,880,614)</u></u>	<u><u>841,171</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 2014

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 2014. 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 £744,645 (2013: loss of £1,102,103).

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. Tangible fixed assets are reviewed for impairment if events or circumstances indicate the carrying value may not be recoverable in full.

No depreciation is provided on freehold land.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****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 2014****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.

	2014 £	2013 £
Home	7,925,705	7,755,956
Export - Europe	4,679,740	5,099,780
- Rest of the World	2,225,879	1,817,954
	<u>14,831,324</u>	<u>14,673,690</u>

3 Operating (loss)

	2014 £	2013 £
(a) This is stated after charging and (crediting):		
Directors' emoluments (see below)	583,501	617,507
Auditor's remuneration	28,000	28,000
Depreciation of owned assets	350,551	379,023
Depreciation of assets held under hire purchase contracts	7,960	7,960
Profit on disposal of tangible fixed assets	(1,761)	(8,673)
Amortisation of deferred capital grant income	(11,700)	(2,700)
Exchange losses/(gains)	233,841	(182,797)
Rents receivable from property (net of expenses)	<u>(51,537)</u>	<u>(65,027)</u>
(b) Directors' emoluments:		
Aggregate emoluments	533,501	614,572
Company pension contributions	<u>50,000</u>	<u>2,935</u>
	<u>583,501</u>	<u>617,507</u>

Retirement benefits are accruing to three (2013: three) directors under money purchase schemes.

Emoluments of the highest paid director:

Aggregate emoluments	149,526	160,786
Company pension contributions	<u>50,000</u>	<u>-</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****3 Operating (loss) (continued)****(c) Particulars of staff:**

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

	2014 Number	2013 Number
Administration	4	5
Production	194	218
Selling	2	2
Directors	4	4
	<u>204</u>	<u>229</u>

	£	£
Staff costs:		
Wages and salaries	4,117,255	4,196,672
Social security costs	331,188	358,793
Pension costs – defined benefit schemes	-	-
– defined contribution schemes	98,796	59,666
	<u>4,547,239</u>	<u>4,615,131</u>

(d) Exceptional cost:

The wages and salaries cost above includes an exceptional cost of £277,581. This is the cost of redundancy arising from the closure of one of its sites and other redundancies at another of its sites. Moving costs of £6,740 have also been incurred in the year relating to the site closure.

4 Interest receivable and other similar income

	2014 £	2013 £
Bank interest	6,158	6,230
Other interest and similar income	2,965	5,053
	<u>9,123</u>	<u>11,283</u>

5 Interest payable

	2014 £	2013 £
Other interest and similar charges	6,924	-
Hire purchase interest	1,256	2,462
	<u>8,180</u>	<u>2,462</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014**

6 Taxation on (loss) on ordinary activities	2014 £	2013 £
(a) Analysis of charge for the year		
Current taxation:		
UK Corporation tax on the (loss) for the year	-	-
Foreign taxes	259	263
	<u>259</u>	<u>263</u>
Total current taxation (note 6 (b))	259	263
Deferred taxation:		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Taxation on (loss) on ordinary activities	<u>259</u>	<u>263</u>

At 30 June 2014 the group and company had unrelieved trading losses of £4,500,000 (2013: £4,090,000) and unrelieved capital losses of £99,126 (2013: £99,126).

- (b) Factors affecting the charge for the year
The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014 £	2013 £
(Loss) on ordinary activities before taxation	(760,782)	(1,105,689)
Corporation tax at 23% (2013: 24%)	(174,980)	(265,365)
Effects of:		
Depreciation charges in excess of capital allowances	74,136	57,543
Expenses not deductible for tax purposes	2,256	171
Profits charged to tax at rates higher than standard rate	3,970	1,124
Taxation losses generated in the year and carried forward	157,253	271,878
Net income relating to defined benefit pension schemes calculated under FRS 17 not taxable	(62,100)	(64,800)
Group relief utilised from ultimate parent	(276)	(288)
	<u>259</u>	<u>263</u>
Current tax charge for the year (note 6 (a))	<u>259</u>	<u>263</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014**

7 Dividends	2014	2013
	£	£
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 1 July 2014 (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	2014	2013
	£	£
(a) Reconciliation of operating (loss) to net cash (outflow)/inflow from operating activities		
Operating (loss)	(761,725)	(1,114,510)
Depreciation	358,511	386,983
Profit on disposal of tangible fixed assets	(1,761)	(8,673)
Amortisation of deferred capital grant	(11,700)	(2,700)
(Increase)/decrease in stocks	(643,067)	1,201,710
(Increase)/decrease in debtors	(1,218,082)	1,008,882
Increase/(decrease) in creditors	16,153	(106,242)
Decrease in defined benefit pension scheme employee benefits	(270,000)	(270,000)
Net cash (outflow)/inflow from operating activities	<u>(2,531,671)</u>	<u>1,095,450</u>
(b) Returns on investments and servicing of finance		
Interest received	9,123	11,182
Interest paid	(8,180)	(2,462)
Preference dividend paid	(1,050)	(1,050)
	<u>(107)</u>	<u>7,670</u>
(c) Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(417,153)	(328,434)
Receipts from sales of tangible fixed assets	6,500	11,983
Capital grant received	90,000	27,000
	<u>(320,653)</u>	<u>(289,451)</u>
(d) Financing		
Capital element of hire purchase agreements	<u>(7,950)</u>	<u>(6,744)</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014**

	At 1 July 2013 £	Cash flows £	At 30 June 2014 £
9 Analysis of changes in net funds			
Net cash:			
Cash in hand and at bank	4,596,865	(2,880,614)	1,716,251
Debt:			
Hire purchase agreement	(26,157)	7,950	(18,207)
Net funds	<u>4,570,708</u>	<u>(2,872,664)</u>	<u>1,698,044</u>

Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
(Decrease)/increase in cash in the period	(2,880,614)	841,171
Net cash outflow in respect of hire purchase agreements	7,950	6,744
Change in net funds resulting from cash flows	(2,872,664)	847,915
New hire purchase agreement	-	-
	<u>(2,872,664)</u>	<u>847,915</u>

	Freehold land and buildings £	Plant and machinery £	Total £
10 Tangible fixed assets			
Group			
Cost			
At 1 July 2013	6,455,677	12,158,981	18,614,658
Additions	97,544	319,609	417,153
Disposals	-	(64,882)	(64,882)
At 30 June 2014	<u>6,553,221</u>	<u>12,413,708</u>	<u>18,966,929</u>
Depreciation:			
At 1 July 2013	4,602,636	11,730,109	16,332,745
Charge for the year	190,407	168,104	358,511
Disposals	-	(60,143)	(60,143)
At 30 June 2014	<u>4,793,043</u>	<u>11,838,070</u>	<u>16,631,113</u>
Net book amount at:			
30 June 2014	<u>1,760,178</u>	<u>575,638</u>	<u>2,335,816</u>
30 June 2013	<u>1,853,041</u>	<u>428,872</u>	<u>2,281,913</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014**

10 Tangible fixed assets (continued)	Freehold land and buildings £	Plant and machinery £	Total £
Company			
Cost			
At 1 July 2013	6,044,662	12,158,981	18,203,643
Additions	62,719	319,609	382,328
Disposals	-	(64,882)	(64,882)
At 30 June 2014	6,107,381	12,413,708	18,521,089
Depreciation:			
At 1 July 2013	4,409,078	11,730,109	16,139,187
Charge for the year	148,964	168,104	317,068
Disposals	-	(60,143)	(60,143)
At 30 June 2014	4,558,042	11,838,070	16,396,112
Net book amount at:			
30 June 2014	1,549,339	575,638	2,124,977
30 June 2013	1,635,584	428,872	2,064,456

Included in the total net book value of group and company tangible fixed assets held at 30 June 2014 was £15,920 (2013: £23,880) in respect of assets held under hire purchase contracts.

Assets costing £618,879 (2013: £618,879), 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 2013 and 30 June 2014	2,779,630
Provision	
At 1 July 2013	917,124
Charge	18,671
At 30 June 2014	935,795
Net book value	
At 30 June 2014	1,843,835
At 30 June 2013	1,862,506

	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 2014**

12	Stocks	Group		Company	
		2014 £	2013 £	2014 £	2013 £
	Raw materials and consumables	5,183,405	3,873,191	5,183,405	3,873,191
	Work in progress	947,929	440,471	947,929	440,471
	Finished yarn	2,905,836	4,080,441	2,905,836	4,080,441
		<u>9,037,170</u>	<u>8,394,103</u>	<u>9,037,170</u>	<u>8,394,103</u>

13	Debtors	Group		Company	
		2014 £	2013 £	2014 £	2013 £
	Trade debtors	6,263,877	5,104,138	6,091,397	4,931,658
	Amounts owed by subsidiary undertaking	-	-	141,171	141,410
	Other debtors	7,444	1,141	7,444	1,141
	Foreign taxes	1,407	1,383	1,355	1,355
	Prepayments and accrued income	322,371	270,331	299,799	255,511
		<u>6,595,099</u>	<u>5,376,993</u>	<u>6,541,166</u>	<u>5,331,075</u>

The above company total includes £16,480 (2013: £17,330) which is recoverable after more than one year.

14	Creditors: amounts falling due within one year	Group		Company	
		2014 £	2013 £	2014 £	2013 £
	Trade creditors	412,830	368,537	412,830	368,537
	Amounts owed to subsidiary undertaking	-	-	1,601,108	1,622,201
	Other taxes and social security	206,253	252,409	204,703	250,888
	Accruals and deferred income	337,261	322,354	334,562	317,462
	Other creditors	10,003	6,894	10,003	6,894
	Hire purchase agreements	18,207	7,950	18,207	7,950
		<u>984,554</u>	<u>958,144</u>	<u>2,581,413</u>	<u>2,573,932</u>

15	Creditors: amounts falling due after more than one year	Group		Company	
		2014 £	2013 £	2014 £	2013 £
	Hire purchase agreements	-	18,207	-	18,207

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****16 Commitments under hire purchase agreements**

	Group and Company	
	2014	2013
	£	£
Amounts payable within 1 year	18,207	7,950
Amounts payable between 2 and 5 years	-	18,207
	<u>18,207</u>	<u>26,157</u>

17 Secured Liabilities

The hire purchase liability referred to in note 16 totalling £18,207 (2013: £26,157) is secured on the asset to which it relates.

18 Deferred income

	Group and Company	
	2014	2013
	£	£
At 1 July 2013	24,300	-
Grant received in year	90,000	27,000
Amortisation of deferred capital grant income	(11,700)	(2,700)
At 30 June 2014	<u>102,600</u>	<u>24,300</u>

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****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 2012. The results of this have been projected to 30 June 2014 by a qualified independent actuary. The major assumptions used by the actuary were:

	At 30 June 2014	At 30 June 2013
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in deferment	2.70%	2.60%
Rate of increase in pensions in payment		
- Pension accrued before 5 April 1997	0.0%	0.0%
- Pension accrued from 6 April 1997	2.70%	2.60%
Discount rate	4.40%	4.80%
Inflation assumption (RPI)	3.40%	3.30%
Inflation assumption (CPI)	2.70%	2.60%

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

	2014 £	2013 £
Current service cost	-	-
Past service cost	-	-
Interest on obligations	209,000	218,000
Expected return on scheme assets	(332,000)	(280,000)
Restriction of expected return on scheme investments	123,000	62,000
	<u>-</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 £105,000 (2013: gains of £787,000) have been recognised on the statement of recognised gains and losses. A further restriction of £95,000 (2013: £825,000) has been made in accordance with paragraph 37 of FRS17.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****19 Pension commitments (continued)****1 The Z Hinchcliffe & Sons Limited 1978 Retirement & Death Benefit Scheme (continued)**

The amounts recognised in the balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(4,814,000)	(4,452,000)
Fair value of scheme assets	5,919,000	5,339,000
Surplus in the scheme before restriction	1,105,000	887,000
Restriction of surplus	(1,105,000)	(887,000)
Surplus in the scheme after restriction	-	-

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

	2014 £	2013 £
Opening defined benefit obligation	4,452,000	4,873,000
Current service cost	-	-
Past service cost	-	-
Employee contributions	-	-
Interest cost	209,000	218,000
Actuarial losses/(gains)	331,000	(354,000)
Benefits paid	(178,000)	(285,000)
Closing defined benefit obligation	4,814,000	4,452,000

Changes in fair value of scheme assets are as follows:

	2014 £	2013 £
Opening fair value of scheme assets	5,339,000	4,711,000
Expected return	332,000	280,000
Actuarial gains	226,000	433,000
Employer contributions	200,000	200,000
Employee contributions	-	-
Benefits paid	(178,000)	(285,000)
Closing fair value of scheme assets	5,919,000	5,339,000

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

	£	% of total	Expected rate of return
Cash	251,000	4.2	2.00%
Property	384,000	6.5	4.75%
Bonds	958,000	16.2	3.90%
Equities	4,326,000	73.1	7.00%
	5,919,000	100.0	

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****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:

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(4,814,000)	(4,452,000)	(4,873,000)	(4,779,000)	(4,569,000)
Fair value of scheme assets	5,919,000	5,339,000	4,711,000	5,061,000	4,208,000
Surplus/(deficit) in the scheme before restriction	1,105,000	887,000	(162,000)	282,000	(361,000)
Restriction of irrecoverable surplus	(1,105,000)	(887,000)	-	(282,000)	-
Surplus/(deficit) in the scheme after restriction	-	-	(162,000)	-	(361,000)
Experience adjustments on scheme liabilities	(4,000)	23,000	39,000	(12,000)	26,000
Experience adjustments on scheme assets	226,000	433,000	(445,000)	539,000	425,000

The cost of company contributions into the scheme in respect of the year ended 30 June 2014 were £200,000.

The FRS17 actuarial valuation at 30 June 2014 showed a surplus before restriction of £1,105,000. This was restricted to £nil in the financial statements in accordance with paragraph 37 of FRS17. The FRS17 actuarial valuation at 30 June 2013 showed a surplus of £887,000 which was restricted to nil. The main reasons for the improvement are the company's deficit funding contributions and better than expected returns on the scheme's assets, although this has been offset slightly by the increase in the scheme's liabilities due to the decrease in corporate bond yields in the year.

As noted above the scheme was closed to future accrual from 1 June 2010. The expected employer contributions, being deficit funding contributions, to the scheme in the year ended 30 June 2015 are £200,000 pa pro rata to September 2014 and £100,000 pa pro rata after that date.

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. Up to the year ended 30 June 2012 the figures above had been calculated using the RPI rather than the CPI as the Trustees had not yet taken legal advice as to whether this impacted on this Scheme. From the year ended 30 June 2013 CPI was adopted as the basis for future statutory pension increases in deferment and payment, and the surplus at 30 June 2014 has been calculated on this basis. The effect on the FRS17 valuation at 30 June 2013 of using CPI rather than RPI was a reduction in liabilities of approximately £430,000.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****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 31 May 2012. The results of this have been projected to 30 June 2014 by a qualified independent actuary. The major assumptions used by the actuary were:

	At 30 June 2014	At 30 June 2013
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in deferment	2.70%	2.60%
Rate of increase in pensions in payment		
- Pension accrued before 5 April 1997	0.0%	0.0%
- Pension accrued after 6 April 1997	2.70%	2.60%
Discount rate	4.40%	4.80%
Inflation assumption (RPI)	3.40%	3.30%
Inflation assumption (CPI)	2.70%	2.60%

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

	2014 £	2013 £
Current service cost	-	-
Interest on obligations	71,000	74,000
Expected return on scheme assets	(93,000)	(87,000)
Restriction of expected return on scheme assets	22,000	13,000
	-	-

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 £107,000 (2013: gains of £168,000) have been recognised on the statement of recognised gains and losses. The restriction within the statement of recognised gains and losses has reduced by £37,000 (2013: increased by £169,000) in accordance with paragraph 37 of FRS17.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****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:

	2014 £	2013 £
Present value of funded obligations	(1,637,000)	(1,525,000)
Fair value of scheme assets	1,804,000	1,707,000
Surplus in the scheme before restriction	167,000	182,000
Restriction of surplus	(167,000)	(182,000)
Surplus in the scheme after restriction	-	-

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

	2014 £	2013 £
Opening defined benefit obligation	1,525,000	1,639,000
Current service cost	-	-
Employee contributions	-	-
Interest cost	71,000	74,000
Actuarial losses/(gains)	133,000	(140,000)
Benefits paid	(92,000)	(48,000)
Closing defined benefit obligation	1,637,000	1,525,000

Changes in fair value of scheme assets are as follows:

	2014 £	2013 £
Opening fair value of scheme assets	1,707,000	1,570,000
Expected return on assets	93,000	87,000
Actuarial gains/(losses)	26,000	28,000
Employer contributions	70,000	70,000
Employee contributions	-	-
Benefits paid	(92,000)	(48,000)
Closing fair value of scheme assets	1,804,000	1,707,000

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****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	1,668,000	92.46%	
Cash	136,000	7.54%	
	<u>1,804,000</u>	<u>100.0%</u>	5.50%

Amounts for the current and previous four periods are as follows:

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(1,637,000)	(1,525,000)	(1,639,000)	(1,474,000)	(1,467,000)
Fair value of scheme assets	<u>1,804,000</u>	<u>1,707,000</u>	<u>1,570,000</u>	<u>1,498,000</u>	<u>1,350,000</u>
Surplus/(deficit) in the scheme before restriction	167,000	182,000	(69,000)	24,000	(117,000)
Restriction of irrecoverable surplus	<u>(167,000)</u>	<u>(182,000)</u>	<u>-</u>	<u>(24,000)</u>	<u>-</u>
Surplus/(deficit) in the scheme after restriction	<u>-</u>	<u>-</u>	<u>(69,000)</u>	<u>-</u>	<u>(117,000)</u>
Experience adjustments on scheme liabilities	<u>(6,000)</u>	<u>8,000</u>	<u>(56,000)</u>	<u>(4,000)</u>	<u>34,000</u>
Experience adjustments on scheme assets	<u>26,000</u>	<u>28,000</u>	<u>(41,000)</u>	<u>65,000</u>	<u>128,000</u>

The cost of company contributions into the scheme in respect of the year ended 30 June 2014 were £70,000 (2013 £70,000).

The FRS17 actuarial valuation at 30 June 2014 showed a surplus before restriction of £167,000. This was restricted to £nil in the financial statements in accordance with paragraph 37 of FRS17. The FRS17 actuarial valuation at 30 June 2013 showed a surplus of £182,000. The main reasons for the improvement are the company's deficit funding contributions and better than expected returns on the scheme's assets, although this has been offset slightly by the increase in the scheme's liabilities due to the decrease in corporate bond yields in the year.

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 2015 are £73,100, being deficit funding contributions.

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014****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. Up to the year ended 30 June 2012 the figures above had been calculated using the RPI rather than the CPI as the Trustees had not yet taken legal advice as to whether this impacted on this Scheme. From the year ended 30 June 2013 CPI was adopted as the basis for future statutory pension increases in deferment and payment, and the surplus at 30 June 2014 has been calculated on this basis. The effect on the FRS17 valuation at 30 June 2013 of using CPI rather than RPI was a reduction in liabilities of approximately £160,000.

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 £98,796 (2013: £59,666).

20 Share capital

	Allotted, called up and fully paid	
	2014	2013
	Number	Number
	and	and
	£	£
5% cumulative preference shares of £1 each	30,000	30,000
Ordinary shares of £1 each	224,968	224,968
	<u>254,968</u>	<u>254,968</u>

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 2014**

21	Profit and loss account		Group £	Company £
	At 1 July 2013		19,394,255	19,216,643
	(Loss) for the financial year		(761,041)	(744,645)
	Dividends		(21,000)	(21,000)
	Actuarial valuation loss on defined benefit pension scheme deficit		(270,000)	(270,000)
	At 30 June 2014		<u>18,342,214</u>	<u>18,180,998</u>
			2014 £	2013 £
	Group			
	Profit and loss reserve excluding pension deficit		18,342,214	19,394,255
	Pension reserve		-	-
	Profit and loss reserve		<u>18,342,214</u>	<u>19,394,255</u>
	Company			
	Profit and loss reserve excluding pension deficit		18,180,998	19,216,643
	Pension reserve		-	-
	Profit and loss reserve		<u>18,180,998</u>	<u>19,216,643</u>

22	Reconciliation of movements in shareholders' funds	Group		Company	
		2014 £	2013 £	2014 £	2013 £
	(Loss) for the financial year	(761,041)	(1,105,952)	(744,645)	(1,102,103)
	Dividends	(21,000)	(21,000)	(21,000)	(21,000)
	Actuarial valuation (loss) on defined benefit pension scheme assets and liabilities	(270,000)	(39,000)	(270,000)	(39,000)
	Net (decrease) in shareholders' funds	<u>(1,052,041)</u>	<u>(1,165,952)</u>	<u>(1,035,645)</u>	<u>(1,162,103)</u>
	Shareholders' funds at 1 July	<u>19,649,223</u>	<u>20,815,175</u>	<u>19,471,611</u>	<u>20,633,714</u>
	Shareholders' funds at 30 June	<u>18,597,182</u>	<u>19,649,223</u>	<u>18,435,966</u>	<u>19,471,611</u>
	Equity interests	18,567,182	19,619,223	18,405,966	19,441,611
	Non-equity interests	30,000	30,000	30,000	30,000
		<u>18,597,182</u>	<u>19,649,223</u>	<u>18,435,966</u>	<u>19,471,611</u>

The cumulative amount of goodwill written off is £1,047,831 (2013 £1,047,831).

Z HINCHLIFFE & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****30 JUNE 2014**

23	Capital commitments	Group		Company	
		2014	2013	2014	2013
		£	£	£	£
	Capital expenditure contracted but not provided for in the accounts	924,017	28,125	924,017	28,125

24 Contingent liability

The company has given a guarantee to H M Customs & Excise in respect of deferred duty amounting to £350,000 (2013: £350,000).

25 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

26 Directors' advances

During the year amounts totalling £5,644 were paid to the director, J R Hinchliffe. The balance owed at 30 June 2014 by the director was £5,644.

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.