COMPANY REGISTRATION NUMBER: 01366021

A DYSON & SON (PATTERNS) LIMITED

AND SUBSIDIARIES

FINANCIAL STATEMENTS

31 MARCH 2017

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A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

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A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS	M J Hinchliffe T Hinchliffe S Hinchliffe
COMPANY SECRETARY	H L Thornber
REGISTERED OFFICE	Water Lane South Parade Halifax West Yorkshire HX3 9HG
AUDITOR	Spenser Wilson Ltd Chartered accountant & statutory auditor Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP
BANKERS	Barclays Bank Plc P O Box 14 Halifax West Yorkshire HX1 1BG

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2017

The directors have pleasure in presenting the strategic report of the group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year has continued to be that of providers of managerial and administrative services to its subsidiaries and property manager. The principal activities of the subsidiaries were as follows:

Hargreaves Foundry Ltd.	Iron Founders
Hargreaves Foundry Drainage Ltd.	Importers & distributors of cast iron drainage and rainwater products.
Hargreaves Lock Gates Ltd	Dormant

Group turnover for the year was £5.5 million, up £635K from the previous year. Hargreaves Foundry Ltd continues to have consistent growth for its Canal Lock Gates division, with sales up £65K year on year. The Foundry business itself, also achieved significant sales growth for the second year in a row (over 18% up from 15/16 to 16/17), as it further diversified into new markets. These included; anode moulds for offshore power, lamp posts, pizza oven fronts, planters for pedestrian precincts, roof tiles & dormers for the roof of the Palace of Westminster, and pavement lights. Hargreaves Foundry Drainage Ltd saw modest sales growth of around 10% in the year, mainly due to the timing of numerous drainage projects coming to fruition, along with some increase in market share as our competitors under-performed.

Gross profits for the year have increased by £422K to £1,805K due to an increased proportion of manufacturing and installation work, which achieves a higher margin, compared to sales of bought in finished products. There have also improved efficiencies and economies of scale. The gross margins have improved across almost all business areas. Continued cost control measures taken by the directors have limited the increase in operating costs, to £33K (from £1,691K to £1,724K), which is a reduction from 34% of sales to 31% of sales in the previous year. With an increase of 11% of sales and continued cost controls, a profit before tax for the year of £105K has been achieved, which is a significant improvement compared to the loss of £283K in 2016.

Hargreaves Foundry Drainage Ltd, has seen a small amount of growth within its core business, as its service levels and stock position give the business an advantage over its competitors.

The Foundry turnover continues to grow as we constantly seek out new markets, to replace those which have declined, such as Engineering. This diversification has also presented the business with new challenges, including a successful experimental casting for the prestigious artist, Sir Antony Gormley. The other areas of Hargreaves Foundry's business, the pattern shop and canal lock gates are also steadily growing.

Given the significant improvements overall, despite the economic climate, the directors are more than satisfied with the results achieved for the year.

FUTURE DEVELOPMENTS

The Foundry continues to receive work from prestigious artistic and architectural projects, which are expected to continue for several years, in particular, the roofing renovations at the Palace of Westminster. The demand for pavement lights continues to increase due to a strategic partnership with a supplier of glass lenses, and the Foundry is also moving towards leading the market by generating a specification for this product with load-tested data. Another new area of business for the Foundry is the production of cast iron planters for pedestrian precincts, which in today's uncertain climate are a more aesthetically pleasing alternative to concrete security bollards. The Canal Lock Gates business continues to grow its reputation, to such an extent that internal resources had been limiting output. The Canal Lock Gates team has recently been strengthened & re-organised to meet the increased demand.

The Drainage business has been significantly impacted by the Brexit vote. The immediate collapse of the Pound increased the cost of the imported products, which has been passed onto the customers in the form of a price increase, resulting in some switch towards cheaper materials such as plastic. Additionally, the ensuing economic uncertainty has delayed, or in some cases cancelled, restoration and/or renovation projects as well as new builds. To counter the effects of these factors, the Drainage business is strategically targeting the EN877 market (socketless soil & drain products), where there is a great potential to grow market share. Two salesman for this product range have been poached from our main competitor, and efforts have been focused on developing the necessary technical data required to sell it. The results of this change in strategic direction are beginning to come to fruition in the second half of the year 17/18. Our principal customer for Beany Access Units has found a UK supplier able to offer most of their range cheaper than our Chinese supply, which is a further consequence of the weakened Pound, along with the effect of an anti-dumping duty imposed on this product.

The directors are cautiously optimistic the group results for the current year will return a small pre-tax profit.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors regularly review the risks facing the group and actions are taken to address these risks. The principal risks are considered to be in relation to ensuring the Group's products and pricing remain competitive and of suitable quality and availability, and that actions are taken when issues arise in production, or imported goods increase in cost.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments are bank borrowing and liabilities such as trade creditors, which arise directly from its operations. The main financial risks are cash flow and customer credit risk. The customer credit risk is well managed by credit control policies. The cash flow risk is continually managed in a controlled manner to ensure finance is available as required to meet the Group's requirements.

This report was approved by the board of directors on 15 December 2017 and signed on behalf of the board by:

M J Hinchliffe
Director

Registered office:
Water Lane
South Parade
Halifax
West Yorkshire
HX3 9HG

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements of the group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year has continued to be that of providers of managerial and administration services to its subsidiaries and property managers. The principal activities of the subsidiaries was as follows:

Hargreaves Foundry Ltd.	Iron founders
Hargreaves Foundry Drainage Ltd.	Importers & distributors of cast iron drainage and rain water products
Hargreaves Lock Gates Ltd.	Dormant

DIRECTORS

The directors who served the company during the year were as follows:

M J Hinchliffe
T Hinchliffe
S Hinchliffe

DIVIDENDS

Particulars of recommended dividends are detailed in note 13 to the financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 group and the company and the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

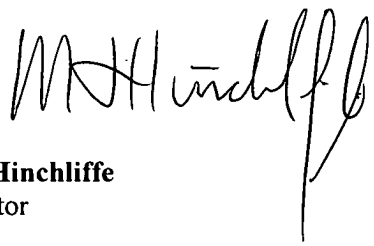
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 15 December 2017 and signed on behalf of the board by:



M J Hinchliffe
Director

Registered office:
Water Lane
South Parade
Halifax
West Yorkshire
HX3 9HG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

YEAR ENDED 31 MARCH 2017

We have audited the financial statements of A Dyson & Son (Patterns) Limited and Subsidiaries for the year ended 31 March 2017 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's 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, 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 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 strategic report and the directors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES *(continued)*

YEAR ENDED 31 MARCH 2017

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 and of the group's profit 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 the requirements of the Companies Act 2006.

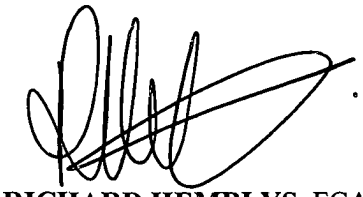
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.

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.



RICHARD HEMBLYS, FCA (Senior Statutory Auditor)

For and on behalf of
Spenser Wilson Ltd
Chartered accountant & statutory auditor
Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

15 December 2017

A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
TURNOVER	**4**	**5,545,110**	4,910,243
Cost of sales		**3,740,430**	3,527,514
GROSS PROFIT		**1,804,680**	1,382,729
Distribution costs		**447,495**	403,033
Administrative expenses		**1,261,753**	1,271,100
Other operating income	**5**	**14,408**	16,789
OPERATING PROFIT/(LOSS)	**6**	**109,840**	(274,615)
Other interest receivable and similar income	**10**	**49**	47
Interest payable and similar expenses	**11**	**4,679**	8,376
PROFIT/(LOSS) BEFORE TAXATION		**105,210**	(282,944)
Tax on profit/(loss)	**12**	**(187,669)**	(3,322)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		**292,879**	(279,622)

All the activities of the group are from continuing operations.

The notes on pages 17 to Error! Bookmark not defined. **form part of these financial statements.**

A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

Company registration number: 01366021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2017

	Note	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	14		**3,956,626**		3,984,109
CURRENT ASSETS					
Stocks	16	**1,721,599**		1,645,085	
Debtors	17	**1,063,159**		969,601	
Cash at bank and in hand		**12,087**		12,764	
		2,796,845		2,627,450	
CREDITORS: amounts falling due within one year					
Bank loans and overdrafts		**409,474**		439,274	
Trade creditors		**440,759**		349,442	
Other creditors including taxation and social security	19	**238,005**		339,805	
Accruals and deferred income		**167,543**		116,886	
		1,255,781		1,245,407	
NET CURRENT ASSETS			**1,541,064**		1,382,043
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,497,690**		5,366,152
CREDITORS: amounts falling due after more than one year					
Bank loans and overdrafts		–		17,013	
Other creditors including taxation and social security	20	–		2,150	
			–		19,163
PROVISIONS					
Taxation including deferred tax	22		**376,933**		564,611
NET ASSETS			**5,120,757**		4,782,378

The consolidated statement of financial position
continues on the following page.

The notes on pages 17 to Error! Bookmark not defined. **form part of these financial statements.**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 MARCH 2017

	Note	2017 £	2016 £
CAPITAL AND RESERVES			
Called up share capital	**26**	**47,430**	46,500
Share premium account	**27**	**392,570**	343,500
Revaluation reserve	**27**	**2,377,465**	2,178,001
Profit and loss account	**27**	**2,303,292**	2,214,377
SHAREHOLDERS FUNDS		**5,120,757**	4,782,378

These financial statements were approved by the board of directors and authorised for issue on 15 December 2017, and are signed on behalf of the board by:

M J Hinchliffe
Director

A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

Company registration number: 01366021

COMPANY STATEMENT OF FINANCIAL POSITION

31 MARCH 2017

	Note	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	**14**		**3,956,626**		3,984,109
Investments	**15**		**200**		200
			3,956,826		3,984,309
CURRENT ASSETS					
Debtors	**17**	**966,458**		951,783	
Cash at bank and in hand		**717**		2,480	
		967,175		954,263	
CREDITORS: amounts falling due within one year					
Trade creditors		**9,417**		2,076	
Other creditors including taxation and social security	**19**	**130,576**		189,149	
Accruals and deferred income		**4,750**		4,947	
		144,743		196,172	
NET CURRENT ASSETS			**822,432**		758,091
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,779,258**		4,742,400
CREDITORS: amounts falling due after more than one year					
Other creditors including taxation and social security	**20**		–		2,150
PROVISIONS					
Taxation including deferred tax	**22**		**376,933**		564,611
NET ASSETS			**4,402,325**		4,175,639

The company statement of financial position
continues on the following page.

The notes on pages 17 to Error! Bookmark not defined. **form part of these financial statements.**

COMPANY STATEMENT OF FINANCIAL POSITION *(continued)*

31 MARCH 2017

	Note	2017 £	2016 £
CAPITAL AND RESERVES			
Called up share capital	**26**	**47,430**	46,500
Share premium account	**27**	**392,570**	343,500
Revaluation reserve	**27**	**2,377,465**	2,178,001
Profit and loss account	**27**	**1,584,860**	1,607,638
SHAREHOLDERS FUNDS		**4,402,325**	4,175,639

The profit for the financial year of the parent company was £181,186 (2016: £63,687 loss).

These financial statements were approved by the board of directors and authorised for issue on 15 December 2017, and are signed on behalf of the board by:

M J Hinchliffe
Director

A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2017

	Called up Share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	**Total £**
AT 1 APRIL 2015	46,500	343,500	2,213,156	2,458,844	5,062,000
Loss for the year				(279,622)	(279,622)
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	–	(35,155)	35,155	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	(35,155)	(244,467)	(279,622)
AT 31 MARCH 2016	46,500	343,500	2,178,001	2,214,377	**4,782,378**
Profit for the year				292,879	**292,879**
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	–	199,464	(199,464)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	199,464	93,415	**292,879**
Issue of shares	930	49,070	–	–	**50,000**
Dividends paid and payable **13**	–	–	–	(4,500)	**(4,500)**
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	930	49,070	–	(4,500)	**45,500**
AT 31 MARCH 2017	47,430	392,570	2,377,465	2,303,292	**5,120,757**

The notes on pages 17 to Error! Bookmark not defined. **form part of these financial statements.**

A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2017

	Called up Share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	**Total £**
AT 1 APRIL 2015	46,500	343,500	2,213,156	1,636,170	4,239,326
Loss for the year				(63,687)	(63,687)
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	–	(35,155)	35,155	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	(35,155)	(28,532)	(63,687)
AT 31 MARCH 2016	46,500	343,500	2,178,001	1,607,638	**4,175,639**
Profit for the year				181,186	**181,186**
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	–	199,464	(199,464)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	199,464	(18,278)	**181,186**
Issue of shares	930	49,070	–	–	**50,000**
Dividends paid and payable **13**	–	–	–	(4,500)	**(4,500)**
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	930	49,070	–	(4,500)	**45,500**
AT 31 MARCH 2017	47,430	392,570	2,377,465	1,584,860	**4,402,325**

The notes on pages 17 to Error! Bookmark not defined. **form part of these financial statements.**

A DYSON & SON (PATTERNS) LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the financial year	**292,879**	(279,622)
Adjustments for:		
Depreciation of tangible assets	**89,329**	93,496
Fair value adjustment of investment property	**(47,700)**	–
Other interest receivable and similar income	**(49)**	(47)
Interest payable and similar expenses	**4,679**	8,376
Loss on disposal of tangible assets	**–**	18,734
Tax on profit/(loss)	**(187,669)**	(3,322)
Accrued expenses	**59,149**	30,874
Changes in:		
Stocks	**(76,514)**	53,130
Trade and other debtors	**(102,050)**	(106,138)
Trade and other creditors	**47,216**	132,694
Cash generated from operations	**79,270**	(51,825)
Interest paid	**(4,679)**	(8,376)
Interest received	**49**	47
Net cash from/(used in) operating activities	**74,640**	(60,154)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	**(14,146)**	(7,765)
Proceeds from sale of tangible assets	**–**	4,510
Net cash used in investing activities	**(14,146)**	(3,255)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	**50,000**	–
Proceeds from borrowings	**(95,843)**	63,563
Payments of finance lease liabilities	**(10,828)**	(10,829)
Dividends paid	**(4,500)**	–
Net cash (used in)/from financing activities	**(61,171)**	52,734
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(677)**	(10,675)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**12,764**	23,439
CASH AND CASH EQUIVALENTS AT END OF YEAR	**12,087**	12,764

The notes on pages 17 to Error! Bookmark not defined. **form part of these financial statements.**

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England. The address of the registered office is Water Lane, South Parade, Halifax, West Yorkshire, HX3 9HG.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

Based on internal forecasts and projections, prepared for a period of at least 12 months from the date of approval of the financial statements, that take into account reasonably possible changes in the group's trading performance, the directors have a reasonable expectation that the group has adequate recourses to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosure available under FRS 102:

No cash flow statement has been presented for the company.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimation that the directors have made in the process of applying the group's accounting policies and that has the most significant effect on the amounts recognised in the financial statements relate to the calculation of the stock provision in Hargreaves Foundry Drainage Limited.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from the sale of goods is recognised when goods are delivered and legal title has passed.

Current and deferred tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

3. ACCOUNTING POLICIES *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation, gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property -buildings	-	2% straight line
Plant & equipment	-	10% reducing balance & 10% straight line
Motor vehicles	-	25% reducing balance

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

No depreciation is provided on investment properties as a result of FRS 102 section 16, this represents a departure from the requirements of the Companies Act.
The directors have concluded that the financial statements present fairly the group's financial position, financial performance and cash flows and complies with applicable legislation, except for the departure above.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

3. ACCOUNTING POLICIES *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. TURNOVER

Turnover arises from:

	2017	2016
	£	£
Sale of goods	**5,545,110**	4,910,243

4. TURNOVER *(continued)*

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017	2016
	£	£
United Kingdom	**5,280,906**	4,732,196
Overseas	**264,204**	178,047
	5,545,110	4,910,243

5. OTHER OPERATING INCOME

	2017	2016
	£	£
Rental income	**14,408**	16,789

6. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	**89,329**	93,496
Loss on disposal of tangible assets	**–**	18,734
Fair value adjustments to investment property	**(47,700)**	–
Impairment of trade debtors	**–**	4,150
Foreign exchange differences	**1,144**	1,798

7. AUDITOR'S REMUNERATION

	2017	2016
	£	£
Fees payable for the audit of the financial statements	**15,890**	15,140

8. STAFF COSTS

The average number of persons employed by the group during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Production staff	17	17
Distribution staff	18	18
Administrative staff	13	12
Management staff	7	8
Number of sales staff	4	4
	59	59

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	1,604,350	1,507,668
Social security costs	165,460	144,393
Other pension costs	13,077	25,278
	1,782,887	1,677,339

9. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	106,438	107,099
Company contributions to defined contribution pension plans	2,107	16,828
	108,545	123,927

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	1	1

10. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£	£
Interest on cash and cash equivalents	49	47

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Interest on banks loans and overdrafts	**2,518**	6,215
Interest on obligations under finance leases and hire purchase contracts	**2,161**	2,161
	4,679	8,376

12. TAX ON PROFIT/(LOSS)

Major components of tax income

	2017	2016
	£	£
Current tax:		
UK current tax expense	**9**	–
Deferred tax:		
Origination and reversal of timing differences	**(187,678)**	(3,322)
Tax on profit/(loss)	**(187,669)**	(3,322)

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017	2016
	£	£
Profit/(loss) on ordinary activities before taxation	**105,210**	(282,944)
Profit/(loss) on ordinary activities by rate of tax	**21,042**	(56,588)
Effect of expenses not deductible for tax purposes	**2,998**	2,099
Effect of capital allowances and depreciation	**11,835**	14,546
Effect of revenue exempt from tax	**(9,540)**	–
Utilisation of tax losses	**(26,326)**	(1,145)
Unused tax losses	**–**	41,088
Origination & reversal of timing differences	**(187,678)**	(3,322)
Tax on profit/(loss)	**(187,669)**	(3,322)

13. DIVIDENDS

	2017	2016
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	**4,500**	–

14. TANGIBLE ASSETS

Group and company	Freehold property £	Plant and machinery £	Motor vehicles £	**Total £**
Cost or valuation				
At 1 April 2016	3,783,427	611,924	16,675	**4,412,026**
Additions	–	14,146	–	**14,146**
Disposals	–	(1,593)	–	**(1,593)**
Revaluations	47,700	–	–	**47,700**
At 31 March 2017	3,831,127	624,477	16,675	**4,472,279**
Depreciation				
At 1 April 2016	107,438	307,760	12,719	**427,917**
Charge for the year	53,720	34,620	989	**89,329**
Disposals	–	(1,593)	–	**(1,593)**
At 31 March 2017	161,158	340,787	13,708	**515,653**
Carrying amount				
At 31 March 2017	3,669,969	283,690	2,967	**3,956,626**
At 31 March 2016	3,675,989	304,164	3,956	3,984,109

Included within freehold property above is investment property as follows:

	Group £	**Company £**
At 1 April 2016	**487,300**	**487,300**
Fair value adjustments	**47,700**	**47,700**
At 31 March 2017	**535,000**	**535,000**

The investments properties were valued at the year end, by the directors, using current market values. The directors believe this is the fair value of these properties.

14. TANGIBLE ASSETS *(continued)*

Tangible assets held at valuation

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group and company	**Freehold property £**
At 31 March 2017	
Aggregate cost	**1,167,949**
Aggregate depreciation	**(172,838)**
Carrying value	**995,111**
At 31 March 2016	
Aggregate cost	1,167,949
Aggregate depreciation	(172,838)
Carrying value	995,111

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group and company	**Plant and machinery £**
At 31 March 2017	**33,627**
At 31 March 2016	74,726

15. INVESTMENTS

The group has no investments.

15. INVESTMENTS *(continued)*

Company	Shares in group undertakings £
Cost	
At 1 April 2016 and 31 March 2017	**200**
Impairment	
At 1 April 2016 and 31 March 2017	**–**
Carrying amount	
At 1 April 2016 and 31 March 2017	**200**
At 31 March 2016	200

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Hargreaves Foundry Limited	Ordinary	100
Hargreaves Foundry Drainage Limited	Ordinary	100
Hargreaves Lock Gates Limited	Ordinary	100

16. STOCKS

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Raw materials and consumables	**1,721,599**	1,645,085	**–**	–

17. DEBTORS

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Trade debtors	**1,025,887**	929,867	**11,722**	12,022
Amounts owed by group undertakings	**–**	–	**954,669**	939,761
Prepayments and accrued income	**36,325**	39,127	**–**	–
Other debtors	**947**	607	**67**	–
	1,063,159	969,601	**966,458**	951,783

18. BANK LOANS AND OVERDRAFTS

Bank loans and overdrafts, £409,474 (2016: £439,274, due within one year and £17,013 due after more than one year), are secured by a charge over Clough Works, Bolton Brow, Sowerby Bridge, Halifax together with a fixed and floating charge over all group assets. All members of the group have given cross guarantees to cover bank borrowings within the group.

19. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Corporation tax	**9**	–	**–**	–
Social security and other taxes	**104,913**	127,198	**968**	1,015
Obligations under finance leases	**2,150**	10,828	**2,150**	10,828
Other creditors	**130,933**	201,779	**127,458**	177,306
	238,005	339,805	**130,576**	189,149

20. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Obligations under finance leases	**–**	2,150	**–**	2,150

21. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Not later than 1 year	**2,150**	10,828	**2,150**	10,828
Later than 1 year and not later than 5 years	**–**	2,150	**–**	2,150
	2,150	12,978	**2,150**	12,978

All fixed assets acquired by the subsidiaries, including related finance, are transferred immediately upon acquisition to the holding company. The legal responsibility for all finance rests with the subsidiaries although the holding company has undertaken to make all payments and settle all outstanding liabilities as they fall due.

22. PROVISIONS

Group and company	**Deferred tax (note 23)**
	£
At 1 April 2016	**564,611**
Charge against provision	**(187,678)**
At 31 March 2017	**376,933**

23. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	Group		**Company**	
	2017	2016	**2017**	2016
	£	£	**£**	£
Included in provisions (note 22)	**376,933**	564,611	**376,933**	564,611

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		**Company**	
	2017	2016	**2017**	2016
	£	£	**£**	£
Accelerated capital allowances	**48,300**	51,721	**48,300**	51,721
Revaluation of tangible assets	**271,325**	435,441	**271,325**	435,441
Fair value adjustment of investment property	**64,355**	86,000	**64,355**	86,000
Unused tax losses	**(7,047)**	(8,551)	**(7,047)**	(8,551)
	376,933	564,611	**376,933**	564,611

24. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £13,077 (2016: £25,278).

25. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2017	2016
	£	£
Trade debtors	**1,025,887**	929,867
Other debtors	**947**	607
	1,026,834	930,474

Financial liabilities measured at amortised cost

	Group	
	2017	2016
	£	£
Bank loans	**409,474**	456,287
Trade creditors	**440,759**	349,442
Finance leases and hire purchase	**2,150**	12,978
Other creditors and accruals	**403,398**	328,977
	1,255,781	1,147,684

26. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2017		2016	
	No.	**£**	No.	£
Ordinary "A" shares of £1 each	**24,000**	**24,000**	24,000	24,000
Ordinary "B" shares of £1 each	**8,000**	**8,000**	8,000	8,000
Ordinary "C" shares of £1 each	**8,000**	**8,000**	8,000	8,000
Ordinary "D" shares of £1 each	**3,715**	**3,715**	3,250	3,250
Ordinary "E" shares of £1 each	**3,715**	**3,715**	3,250	3,250
	47,430	**47,430**	46,500	46,500

£25,000 was paid for the 465 "D" Ordinary £1 shares, issues in the year.

£25,000 was paid for the 465 "E" Ordinary £1 shares, issues in the year

All classes of ordinary shares rank pari passu, except that dividends at variable rates can be paid on any class of ordinary shares.

27. RESERVES

Share premium account	This reserve records the amount above the nominal value received for shares sold, less transaction costs.
Revaluation reserve	This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.
Profit and loss account	This reserve records retained earnings and accumulated losses.

28. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Not later than 1 year	**32,048**	38,372	–	–
Later than 1 year and not later than 5 years	**25,546**	41,186	–	–
	57,594	79,558	–	–

29. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During this year and the previous year, the directors had an unsecured interest free loan with the company. The directors' loan account was in credit throughout the year and is repayable on demand.

30. RELATED PARTY TRANSACTIONS

The directors have taken advantage of the exemptions in the Financial Reporting Standard 102 for Small Entities from the requirement to disclose related party transactions with other group members on the grounds that the consolidated financial statements are publicly available.

There are no other related party disclosures for the group or company required.