

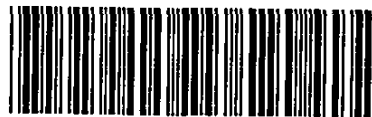
Company Registration No. 06552921 (England and Wales)

A W HAINSWORTH HOLDINGS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2012

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A W HAINSWORTH HOLDINGS LIMITED

DIRECTORS AND ADVISERS

Directors	R Taylor A Hainsworth T Hainsworth
Company number	06552921
Registered office	Spring Valley Mills Spring Valley Stanningley Pudsey West Yorkshire LS28 6DW
Independent Auditors	Saffery Champness Sovereign House 6 Windsor Court Clarence Drive Harrogate North Yorkshire HG1 2PE

A W HAINSWORTH HOLDINGS LIMITED

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A W HAINSWORTH HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012.

Principal activities and review of the business

The principal activity of the group continues to be manufacturers and merchants of cloth, textile products and games equipment

The profit on ordinary activities after tax amounted to £293,038 (2011 - £274,011) After provision for ordinary dividends of £26,750 (2011 - £30,314), a profit of £266,288 (2011 - £243,697) has been added to reserves

The results for the year reflected an increase in material costs, and costs associated with the necessary changes required to the business, including new IT systems which will become operational in the new financial year Positive changes continue to be made and have resulted in improvements in the new financial year

The group works closely with its customers and suppliers to continually create innovative products that meet and exceed the needs of the market it serves Increased expenditure in research and development has happened throughout the year to ensure the group's leadership position is maintained

The Board keeps tight fiscal control in all production and material costs The principal risk is the input price of raw materials, exchange rates and energy price fluctuations Where practical the group covers forward raw materials and balances exchange rates through purchases and sales in different currencies

Employee involvement

It is the group's policy that employees should be kept as fully informed as is feasible and practicable about the activities of the group through the media of company newspapers, works committees and team briefings Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned They are eligible for promotion and within the limits of their disabilities are given equal consideration with other applicants It is the group's policy to continue to employ persons who become disabled within the group's employment.

Defined benefit final salary pension scheme

The group continues to take a prudent approach to the defined benefit final salary pension scheme and closed the scheme for existing members in September 2010 Over the year the group has continued to pay contributions to the scheme over and above the minimum funding requirement to ensure it has the assets to meet its liabilities The group has also started consultation with the trustees of the scheme to start a liability reduction exercise

Key performance indicators

The group manages its business by reference to two key performance indicators, turnover £13,578k (2011 - £13,421k) and gross profit margin 19.7% (2011 - 23.3%)

Results and dividends

The consolidated profit and loss account for the year is set out on page 5

A W HAINSWORTH HOLDINGS LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2012

Directors

The following directors have held office since 1 April 2011

A J Siddall	(Resigned 9 January 2012)
R Taylor	
A Hainsworth	
T Hainsworth	

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company

Statement of directors' responsibilities

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 group and of 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 judgements and accounting 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 group will continue in business.

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

A W HAINSWORTH HOLDINGS LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



T Hainsworth

Director

5/7/12

A W HAINSWORTH HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A W HAINSWORTH HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of A W Hainsworth Holdings Limited for the year ended 31 March 2012 set out on pages 5 to 28. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 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. 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 parent company's affairs as at 31 March 2012 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

A W HAINSWORTH HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF A W HAINSWORTH HOLDINGS LIMITED**

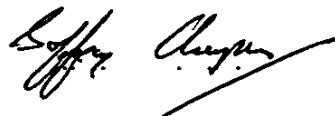
Matters on which we are required to report by exception

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

**Martin Holden (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

**Chartered Accountants
Statutory Auditors**



Sovereign House
6 Windsor Court
Clarence Drive
Harrogate
North Yorkshire
HG1 2PE

5/07/12

A W HAINSWORTH HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	2011 £
Turnover	2	13,577,868	13,421,223
Cost of sales		(10,908,444)	(10,293,102)
Gross profit		2,669,424	3,128,121
Distribution costs		(583,998)	(779,464)
Administrative expenses		(2,012,920)	(2,291,161)
Other operating income		114,516	158,974
Operating profit	3	187,022	216,470
Other interest receivable and similar income		42,262	31,436
Interest payable and similar charges	4	(4,520)	(7,931)
Other finance income		143,000	57,000
Profit on ordinary activities before taxation		367,764	296,975
Tax on profit on ordinary activities	5	(74,725)	(22,964)
Profit on ordinary activities after taxation		<u>293,039</u>	<u>274,011</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 9 to 28 form part of these financial statements

A W HAINSWORTH HOLDINGS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012**

	2012	2011
	£	£
Profit for the financial year	293,039	274,011
Actuarial (loss)/gain on pension scheme	(624,000)	1,131,000
Movement on deferred tax relating to pension asset	103,000	(344,000)
Total recognised gains and losses relating to the year	(227,961)	1,061,011

A W HAINSWORTH HOLDINGS LIMITED

**BALANCE SHEETS
AS AT 31 MARCH 2012**

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
Fixed assets					
Intangible assets	8	-	24,000	-	-
Tangible assets	9	466,769	704,028	-	-
Investments	10	-	12,500	42,500	42,500
		<u>466,769</u>	<u>740,528</u>	<u>42,500</u>	<u>42,500</u>
Current assets					
Stocks	11	3,746,106	3,662,994	-	-
Debtors	12	2,652,303	2,533,434	-	-
Cash at bank and in hand		900,953	607,034	-	-
		<u>7,299,362</u>	<u>6,803,462</u>	<u>-</u>	<u>-</u>
Creditors: amounts falling due within one year	13	(1,823,629)	(1,624,777)	(2,500)	(2,500)
Net current assets		<u>5,475,733</u>	<u>5,178,685</u>	<u>(2,500)</u>	<u>(2,500)</u>
Total assets less current liabilities		<u>5,942,502</u>	<u>5,919,213</u>	<u>40,000</u>	<u>40,000</u>
Retirement benefit asset		<u>1,206,000</u>	<u>1,484,000</u>	<u>-</u>	<u>-</u>
		<u>7,148,502</u>	<u>7,403,213</u>	<u>40,000</u>	<u>40,000</u>
Capital and reserves					
Called up share capital	16	40,000	40,000	40,000	40,000
Revaluation reserve	17	118	118	-	-
Other reserves	17	785,991	785,991	-	-
Profit and loss account	17	6,322,393	6,577,104	-	-
Shareholders' funds	18	<u>7,148,502</u>	<u>7,403,213</u>	<u>40,000</u>	<u>40,000</u>

The notes on pages 9 to 28 form part of these financial statements

Approved by the Board and authorised for issue on 5/7/12



T Hainsworth

Director

Company Registration No. 06552921

A W HAINSWORTH HOLDINGS LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	£	2012 £	£	2011 £
Net cash inflow from operating activities	22		398,356		267,199
Returns on investments and servicing of finance					
Interest received		42,262		31,436	
Interest paid		(2,850)		(6,037)	
Non equity dividends paid		(1,670)		(1,894)	
Net cash inflow for returns on investments and servicing of finance			37,742		23,505
Taxation			(52,974)		(64,017)
Capital expenditure and financial investment					
Payments to acquire intangible assets		-		(60,000)	
Payments to acquire tangible assets		(85,484)		(261,906)	
Receipts from sales of tangible assets		10,529		12,300	
Receipts from sales of investments		12,500		-	
Net cash outflow for capital expenditure			(62,455)		(309,606)
Equity dividends paid			(26,750)		(30,314)
Net cash outflow before management of liquid resources and financing			293,919		(113,233)
Increase/(decrease) in cash in the year	23, 24		293,919		(113,233)

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill and intangible assets

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life subject to a maximum life of 20 years and an annual review for impairment.

1.6 Brand licenses

Brand licenses are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	
Plant and machinery	5% to 25% per annum, on a straight line basis
Motor vehicles	25% per annum, on a straight line basis

1.8 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

(continued)

1.10 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost comprises direct materials and direct labour, plus attributable production overheads based on a normal level of activity.

1.11 Pensions

The company operates a funded defined benefit pension scheme and a money purchase pension scheme. The money purchase pension scheme "The Hainsworth Pension Scheme" was established on 1 July 2000. The assets of the scheme are held separately from those of the company in independently administered funds. For the money purchase scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

For the defined benefit section the amounts charged to operating profit are the current service costs and gains and losses on settlements or curtailments. They are included as part of staff costs. Past service costs are recognised in the profit and loss account if the benefits have vested. If the benefits have not vested immediately the costs are recognised over a period until vesting occurs. The interest costs and the expected return on assets are shown as a net amount of other financial costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit section is funded, with the assets held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.14 Revenue recognition

Revenue is recognised at the point of sale to the customer.

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies (continued)

1.15 Dividends on shares presented in shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.16 Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Amortisation of intangible assets	24,000	36,000
Depreciation of tangible assets	319,763	206,615
Loss on foreign exchange transactions	-	88,404
Operating lease rentals		
- Other assets	162,996	162,996
and after crediting:		
Profit on disposal of tangible assets	(7,549)	(9,806)
Profit on foreign exchange transactions	(27,420)	-

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts	14,000	13,000
Taxation	-	2,000
Other services	-	16,051
	<u>14,000</u>	<u>31,051</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

4	Interest payable	2012	2011
		£	£
	On bank loans and overdrafts	2,850	6,037
	Dividends paid on preference shares classified as financial liabilities		
	Preference interim paid	1,670	1,894
		<u>4,520</u>	<u>7,931</u>
5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	106,837	21,463
	Adjustment for prior years	10,578	1,516
		<u>117,415</u>	<u>22,979</u>
	Current tax charge		
	Deferred tax		
	Origination and reversal of timing differences	(30,386)	13,985
	Deferred tax adjustments arising in previous periods	(12,304)	(14,000)
		<u>74,725</u>	<u>22,964</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>367,764</u>	<u>296,975</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	<u>95,619</u>	<u>83,153</u>
	Effects of		
	Non deductible expenses	260	3,360
	Depreciation in excess of capital allowances	31,507	(12,256)
	Short term timing differences	2,057	-
	Adjustments to previous periods	10,578	1,516
	Chargeable disposals	(1,963)	-
	Tax adjustment for FRS 17 accounts entries	(11,180)	(47,880)
	Other tax adjustments	(9,463)	(4,914)
		<u>21,796</u>	<u>(60,174)</u>
	Current tax charge	<u>117,415</u>	<u>22,979</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2012	2011
	£	£
Holding company's profit for the financial year	<u>28,420</u>	<u>32,208</u>

7 Dividends

	2012	2011
	£	£
Ordinary interim paid	<u>26,750</u>	<u>30,314</u>

**8 Intangible fixed assets
Group**

	Brand License £	Goodwill £	Total £
Cost			
At 1 April 2011 & at 31 March 2012	<u>60,000</u>	<u>60,000</u>	<u>120,000</u>
Amortisation			
At 1 April 2011	36,000	60,000	96,000
Charge for the year	<u>24,000</u>	<u>-</u>	<u>24,000</u>
At 31 March 2012	<u>60,000</u>	<u>60,000</u>	<u>120,000</u>
Net book value			
At 31 March 2012	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2011	<u>24,000</u>	<u>-</u>	<u>24,000</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

9 Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2011	7,976,609	97,980	8,074,589
Additions	85,484	-	85,484
Disposals	-	(21,889)	(21,889)
At 31 March 2012	8,062,093	76,091	8,138,184
Depreciation			
At 1 April 2011	7,318,862	51,699	7,370,561
On disposals	-	(18,909)	(18,909)
Charge for the year	304,622	15,141	319,763
At 31 March 2012	7,623,484	47,931	7,671,415
Net book value			
At 31 March 2012	438,609	28,160	466,769
At 31 March 2011	657,747	46,281	704,028

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

**10 Fixed asset investments
Group**

**Shares in
related
undertakings
£**

Cost or valuation

At 1 April 2011

12,500

Written off

(12,500)

At 31 March 2012

-

At 31 March 2011

12,500

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Company

**Shares in
group
undertakings
£**

Cost

At 1 April 2011 & at 31 March 2012

42,500

Net book value

At 31 March 2012

42,500

At 31 March 2011

42,500

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
A W Hainworth & Sons Limited	England & Wales	Ordinary	100.00

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2012

10 Fixed asset investments (continued)

Sub-subsidiaries

John Hainsworth & Sons Limited	England & Wales	Ordinary	100 00
Wormalds, Walker & Atkinson Limited	England & Wales	Ordinary	100 00
Caltmere Limited	England & Wales	Ordinary	100 00
*UK Pub Pool Limited	England & Wales	Ordinary	77.50
Toptable Casino Equipment Limited	England & Wales	Ordinary	100.00
Sykes & Oliver Limited	England & Wales	Ordinary	100 00
Wormalds Walker Limited	England & Wales	Ordinary	100 00
John Atkinson Sowerby Bridge Limited	England & Wales	Ordinary	100.00
Premier Leisure (Pool) Limited	England & Wales	Ordinary	100.00
Palestar Limited	England & Wales	ordinary	100 00
William Hanson & Co Limited	England & Wales	Ordinary	99 40

Other significant interests

Simply Pool 2 Limited	England & Wales	Ordinary	25 00
Hainsworth USA Ltd	USA	Ordinary	52 00

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
A W Hainworth & Sons Limited	Manufacture of cloth, textile products and games equipment
John Hainsworth & Sons Limited	Dormant
Wormalds, Walker & Atkinson Limited	Dormant
Caltmere Limited	Dormant
*UK Pub Pool Limited	Pool service
Toptable Casino Equipment Limited	Manufacture and merchant of casino equipment
Sykes & Oliver Limited	Dormant
Wormalds Walker Limited	Dormant
John Atkinson Sowerby Bridge Limited	Dormant
Premier Leisure (Pool) Limited	Dormant
Palestar Limited	Dormant
William Hanson & Co Limited	Dormant

* - Subsidiary has been excluded from the consolidation due to the amounts involved not being material for the purpose of giving a true and fair view

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

11 Stocks and work in progress

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Raw materials and consumables	1,035,783	915,965	-	-
Work in progress	1,274,324	1,211,539	-	-
Finished goods and goods for resale	1,435,999	1,535,490	-	-
	<u>3,746,106</u>	<u>3,662,994</u>	<u>-</u>	<u>-</u>

12 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	2,409,501	2,480,582	-	-
Other debtors	-	10,380	-	-
Prepayments and accrued income	177,651	19,996	-	-
Deferred tax asset (see note 14)	65,151	22,476	-	-
	<u>2,652,303</u>	<u>2,533,434</u>	<u>-</u>	<u>-</u>

13 Creditors : amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	980,008	636,193	-	-
Corporation tax	87,405	22,979	-	-
Taxes and social security costs	155,879	248,815	-	-
Other creditors	40,249	94,103	-	-
Accruals and deferred income	557,588	620,187	-	-
Preference shares classed as a financial liability	2,500	2,500	2,500	2,500
	<u>1,823,629</u>	<u>1,624,777</u>	<u>2,500</u>	<u>2,500</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

14 Provisions for liabilities

The deferred tax asset (included in debtors, note 12) is made up as follows:

	Group 2012 £	Company 2012 £
Balance at 1 April 2011	(22,476)	-
Profit and loss account	(42,675)	-
	<u>(65,151)</u>	<u>-</u>
Balance at 31 March 2012	<u>(65,151)</u>	<u>-</u>

	Group 2012 £	2011 £	Company 2012 £	2011 £
Decelerated capital allowances	(36,841)	(9,476)	-	-
Other timing differences	(28,310)	(13,000)	-	-
	<u>(65,151)</u>	<u>(22,476)</u>	<u>-</u>	<u>-</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

15 Pension scheme

The company operates a funded defined benefit pension scheme and a money purchase pension scheme. The assets of the scheme are held separately from those in the group independently administered funds.

Defined Benefit Scheme

The AWH Group Pension Scheme is a defined benefit scheme, providing benefits at retirement with contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives in the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. For the year ended 31 March 2012 the employer and employee contributions were £nil. The employer also paid the expenses of operating the Scheme, and covered the cost of insuring the lump-sum death-in-service benefits provided by the Scheme.

The scheme was closed to new entrants on 18 March 1999 and the age profile of active members will increase over time. Under the projected unit method used for FRS17 the current service cost will increase as active members of the scheme approach retirement.

The most recent actuarial valuation of the scheme was carried out as at 30 June 2010 and has been updated to 31 March 2012 to take account of the requirements of FRS17. The principal assumptions used by the actuary, together with the assumptions used at 31 March 2010, were:

	31-Mar 2012	31-Mar 2010
Rate of increase in salaries	N/A	3.75%
Rate of increase in pensions in payment and deferred pensions	3.40%	3.75%
Discount rate applied to scheme liabilities	4.70%	5.6%
Inflation assumption	3.40%	3.55%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 MARCH 2012**

15 Pension scheme (continued)

Scheme Assets

The fair value of the scheme assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which derive from cashflow projections over long periods and thus inherently uncertain, were

	Value at 31 - Mar 2012 £'000	Value at 31-Mar 2011 £'000	Value at 31-Mar 2010 £'000	Value at 31-Mar 2009 £'000	Value at 31-Mar 2008 £'000
- Equities	3,866	4,172	3,858	2,618	3,556
- Bonds	4,286	3,611	3,069	2,450	2,205
- Other	252	241	677	1,129	670
	8,404	8,024	7,604	6,197	6,431
Present value of liabilities	(6,752)	(5,991)	(6,873)	(5,301)	(5,579)
Gross pension asset	1,652	2,033	731	896	852
Related deferred tax liability at 25%	(446)	(569)	(205)	(251)	(245)
	1,206	1,464	526	645	607

	Long term rate of return 31-Mar 2012	Long term rate of return 31-Mar 2011	Long term rate of return 31-Mar 2010	Long term rate of return 31-Mar 2009	Long term rate of return 31-Mar 2008
- Equities	6.25%	7.0%	7.0%	7.0%	6.5%
- Bonds	4.7%	4.9%	5.0%	5.0%	5.0%
- Other	2.5%	3.0%	3.0%	3.0%	3.0%

Movement in the asset during the year

	2012 £'000	2011 £'000
Asset in scheme at beginning of year	2,033	731
Current service cost	-	(42)
Past service cost	100	-
Contributions paid	-	156
Other finance (cost)/income	143	57
Actuarial (loss)	(624)	(1,131)
Asset in the scheme at end of the year	1,652	2,033

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

15 Pension scheme (continued)

Reconciliation of present value of scheme liabilities	2012	2011
	£'000	£'000
At beginning of year	5,991	6,873
Current service cost	-	42
Past service cost	(100)	-
Interest cost	327	380
Contributions by scheme members	-	9
Experience losses/(gains) arising on scheme liabilities	(765)	1,024
Benefits paid	231	289
	<u>6,752</u>	<u>5,991</u>
Reconciliation of present value of scheme assets	2012	2011
	£'000	£'000
At beginning of year	8,024	7,604
Expected return on assets	470	437
Actuarial gains	141	107
Contributions by employer	-	156
Contributions by scheme members	-	9
Benefits paid	(231)	(289)
	<u>8,404</u>	<u>8,024</u>
Analysis of other pension costs charged in arriving at operating profit	2012	2011
	£'000	£'000
Current service cost	-	42
Past service cost	100	-
Analysis of amounts included in other finance/income	2012	2011
	£'000	£'000
Expected return on pension scheme assets	470	437
Interest on pension scheme liabilities	(327)	(380)
	<u>143</u>	<u>57</u>

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2012

15 Pension scheme (continued)

Analysis of amount recognised in statement of total recognised gains and losses

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Actual return less expected return on scheme assets	141	107	885	(1,052)	(307)
Percentage of year end scheme assets	2%	1%	12%	(17%)	5%
Experience gain arising on scheme liabilities	-	-	-	-	51
Percentage of present value of year end scheme liabilities	0%	0%	0%	0%	1%
Changes in assumptions underlying the present value of scheme liabilities	765	1,024	(1,378)	585	6
Percentage of present value of year end scheme liabilities	11%	17%	(20%)	(11%)	0%
Actuarial gain/(loss) recognised in statement of total recognised gains and losses	(624)	1,131	(493)	(467)	(250)
Percentage of present value of year end scheme liabilities	17%	19%	7%	9%	4%

Defined Contribution Pension Scheme

The defined contribution scheme was established on 1 July 2000. The assets of the scheme are held separately from those in the company in independently administered funds. The amount charged against profits represents contributions payable to the scheme in respect of the accounting period. There were no outstanding or prepaid contributions at the year end.

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

16 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
80,000 Ordinary of 50p each	40,000	40,000
5,000 7% cumulative participating preference shares of 50p each	2,500	2,500
	<u>42,500</u>	<u>42,500</u>
	2012	2011
	£	£
Share classified as liabilities	2,500	2,500
Shares classified in shareholders' funds	40,000	40,000
	<u>42,500</u>	<u>42,500</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

17 Statement of movements on reserves

Group

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 April 2011	118	785,991	6,577,104
Profit for the year	-	-	293,039
Dividends paid	-	-	(26,750)
Actuarial gains or losses on pension scheme assets	-	-	(624,000)
Movement on deferred tax relating to pension asset	-	-	103,000
Balance at 31 March 2012	<u>118</u>	<u>785,991</u>	<u>6,322,393</u>

Other reserves

Capital redemption reserve

Balance at 1 April 2011 & at 31 March 2012

743,491

Merger reserve

Balance at 1 April 2011 & at 31 March 2012

42,500

Company

	Profit and loss account
	£
Profit for the year	26,750
Dividends paid	<u>(26,750)</u>
Balance at 31 March 2012	<u>-</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

18 Reconciliation of movements in shareholders' funds	2012	2011
Group	£	£
Profit for the financial year	293,039	274,011
Dividends	(26,750)	(30,314)
	266,289	243,697
Other recognised gains and losses	(624,000)	1,131,000
Movement on deferred tax relating to pension asset	103,000	(344,000)
Net (depletion in)/addition to shareholders' funds	(254,711)	1,030,697
Opening shareholders' funds	7,403,213	6,372,516
Closing shareholders' funds	<u>7,148,502</u>	<u>7,403,213</u>
	2012	2011
Company	£	£
Profit for the financial year	26,750	30,314
Dividends	(26,750)	(30,314)
Net depletion in shareholders' funds	-	-
Opening shareholders' funds	40,000	40,000
Closing shareholders' funds	<u>40,000</u>	<u>40,000</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

19 Directors' remuneration	2012 £	2011 £
Remuneration for qualifying services	295,333	365,056
Directors' fees	16,255	16,892
Company pension contributions to defined contribution schemes	57,222	179,971
	<u>368,810</u>	<u>561,919</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2011- 4)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	93,337	100,441
Company pension contributions to defined contribution schemes	<u>7,698</u>	<u>19,041</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Production and administration	<u>179</u>	<u>185</u>

Employment costs

	2012 £	2011 £
Wages and salaries	3,701,133	3,618,073
Social security costs	300,926	317,683
Other pension costs	82,726	322,510
	<u>4,084,785</u>	<u>4,258,266</u>

21 Control

There is no ultimate controlling party.

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

22 Reconciliation of operating profit to net cash outflow from operating activities	2012	2011
	£	£
Operating profit	187,022	216,470
Depreciation of tangible assets	319,763	205,431
Amortisation of intangible assets	24,000	36,000
Profit on disposal of tangible assets	(7,549)	(9,806)
(Increase)/decrease in stocks	(83,112)	269,947
(Increase) in debtors	(76,194)	(67,906)
Increase/(decrease) in creditors within one year	134,426	(268,937)
Pension scheme non-cash movement	(100,000)	(114,000)
Net cash outflow from operating activities	398,356	267,199

23 Analysis of net debt	1 April 2011	Cash flow	Other non-cash changes	31 March 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	607,034	293,919	-	900,953
Net debt	607,034	293,919	-	900,953

24 Reconciliation of net cash flow to movement in net debt	2012	2011
	£	£
Increase/(decrease) in cash in the year	293,919	(113,233)
Movement in net funds in the year	293,919	(113,233)
Opening net funds	607,034	720,267
Closing net funds	900,953	607,034

A W HAINSWORTH HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

25 Related party relationships and transactions**Dividends to Directors**

The following directors were paid dividends during the year as outlined in the table below:

	2012	2011
	£	£
T Hainsworth	7,802	5,052
R Hainsworth	-	4,026
A Hainsworth	1,669	1,952
R Taylor	3	-
	<u>9,474</u>	<u>11,030</u>

Other transactions

During the year the group paid rents of £162,996 (2011: £162,996) to A W Hainsworth Property Limited, a company under common control. Included within creditors at the year end is £583 (2011: £583) due to A W Hainsworth Property Limited. A management charge of £13,000 (2011: £13,000) was charged by A W Hainsworth & Sons Limited to A W Hainsworth Property Limited in the year