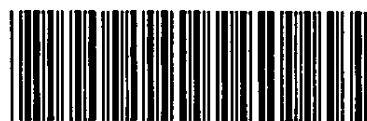


Company Registration No. 06552921 (England and Wales)

A W HAINSWORTH HOLDINGS LIMITED
ANNUAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2012

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A W HAINSWORTH HOLDINGS LIMITED

DIRECTORS AND ADVISERS

Directors	P R Hainsworth (Appointed 17 July 2012) 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 Mitre House North Park Road Harrogate North Yorkshire HG1 5RX

A W HAINSWORTH HOLDINGS LIMITED

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A W HAINSWORTH HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the period ended 31 December 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 £427,936 (March 2012 - £293,039) After provision for ordinary dividends of £16,800 (March 2012 - £26,750), a profit of £411,136 (March 2012 - £266,289) 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 During the year the board decided to support the pension scheme trustees in their aim to fully insure the scheme As such it is the directors' opinion that any retirement benefit asset surplus would not be utilised and a provision has been included in the period ended 31 December 2012 so as to not show the asset on the balance sheet

Key performance indicators

The group manages its business by reference to two key performance indicators, turnover £9,597k (March 2012 - £13,578k) and gross profit margin 23.2% (March 2012 - 19.7%)

Results and dividends

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

A W HAINSWORTH HOLDINGS LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

Directors

The following directors have held office since 1 April 2012

P R Hainsworth (Appointed 17 July 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.

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
20/06/13

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 period ended 31 December 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 December 2012 and of the group's profit for the period 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 period 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**



Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

20/06/13

A W HAINSWORTH HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2012**

		31 December 2012 £	31 March 2012 £
	Notes		
Turnover	2	9,596,597	13,577,868
Cost of sales		<u>(7,372,071)</u>	<u>(10,908,444)</u>
Gross profit		2,224,526	2,669,424
Distribution costs		(421,992)	(583,998)
Administrative expenses		(1,548,595)	(2,012,920)
Other operating income		<u>92,662</u>	<u>114,516</u>
Operating profit	3	346,601	187,022
Other interest receivable and similar income		14,575	42,262
Interest payable and similar charges	4	(1,438)	(4,520)
Other finance income		<u>69,000</u>	<u>143,000</u>
Profit on ordinary activities before taxation		428,738	367,764
Tax on profit on ordinary activities	5	<u>(802)</u>	<u>(74,725)</u>
Profit on ordinary activities after taxation		<u>427,936</u>	<u>293,039</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 PERIOD ENDED 31 DECEMBER 2012**

		31 December 2012 £	31 March 2012 £
Profit for the financial period		427,936	293,039
Gain in the year	1,057,000	(624,000)	
Provision against the pension asset	(2,083,000)	-	
Actuarial loss on pension scheme		(1,026,000)	(624,000)
Movement on deferred tax relating to pension asset		(249,000)	103,000
Total recognised gains and losses relating to the period		<u>(847,064)</u>	<u>(227,961)</u>

A W HAINSWORTH HOLDINGS LIMITED

BALANCE SHEETS AS AT 31 DECEMBER 2012

		Group 31 December 2012 £	31 March 2012 £	Company 31 December 2012 £	31 March 2012 £
	Notes				
Fixed assets					
Tangible assets	8	638,376	466,769	-	-
Investments	9	-	-	42,500	42,500
		<u>638,376</u>	<u>466,769</u>	<u>42,500</u>	<u>42,500</u>
Current assets					
Stocks	10	3,726,324	3,746,106	-	-
Debtors	11	2,017,228	2,652,303	-	-
Cash at bank and in hand		693,021	900,953	-	-
		<u>6,436,573</u>	<u>7,299,362</u>	<u>-</u>	<u>-</u>
Creditors: amounts falling due within one year	12	<u>(790,311)</u>	<u>(1,823,629)</u>	<u>(2,500)</u>	<u>(2,500)</u>
Net current assets		<u>5,646,262</u>	<u>5,475,733</u>	<u>(2,500)</u>	<u>(2,500)</u>
Total assets less current liabilities		<u>6,284,638</u>	<u>5,942,502</u>	<u>40,000</u>	<u>40,000</u>
		<u>6,284,638</u>	<u>5,942,502</u>	<u>40,000</u>	<u>40,000</u>
Retirement benefit obligations		<u>-</u>	<u>1,206,000</u>	<u>-</u>	<u>-</u>
		<u>6,284,638</u>	<u>7,148,502</u>	<u>40,000</u>	<u>40,000</u>
Capital and reserves					
Called up share capital	15	40,000	40,000	40,000	40,000
Revaluation reserve	16	118	118	-	-
Other reserves	16	785,991	785,991	-	-
Profit and loss account	16	5,458,529	6,322,393	-	-
Shareholders' funds	17	<u>6,284,638</u>	<u>7,148,502</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

20/06/13



T Hainsworth

Director

Company Registration No. 06552921

A W HAINSWORTH HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2012**

		31 December 2012	31 March 2012
	Note	£	£
Net cash inflow from operating activities	21	107,105	398,356
Returns on investments and servicing of finance			
Interest received		14,575	42,262
Interest paid		(388)	(2,850)
Non equity dividends paid		(1,050)	(1,670)
Net cash inflow for returns on investments and servicing of finance		13,137	37,742
Taxation		19,430	(52,974)
Capital expenditure and financial investment			
Payments to acquire tangible assets		(344,054)	(85,484)
Receipts from sales of tangible assets		13,250	10,529
Receipts from sales of investments		-	12,500
Net cash outflow for capital expenditure		(330,804)	(62,455)
Equity dividends paid		(16,800)	(26,750)
Net cash outflow before management of liquid resources and financing		(207,932)	293,919
Increase/(decrease) in cash in the year	22, 23	<u>(207,932)</u>	<u>293,919</u>

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 December 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 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.

1.6 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:

Leasehold improvements	10% per annum, on a straight line basis
Plant and machinery	5% to 25% per annum, on a straight line basis
Motor vehicles	25% per annum, on a straight line basis

1.7 Leasing

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

1.8 Investments

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

1.9 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.

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

1 Accounting policies

(continued)

1.10 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.

1.11 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.

1.12 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.

1.13 Revenue recognition

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

1.14 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.

1.15 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.

A W HAINSWORTH HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012****2 Turnover**

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

3 Operating profit

	31 December 2012 £	31 March 2012 £
Operating profit is stated after charging		
Amortisation of intangible assets	-	24,000
Depreciation of tangible assets	164,230	319,763
Loss on foreign exchange transactions	102,260	-
Operating lease rentals		
- Plant and machinery	690	2,265
- Other assets	122,247	162,996
Fees payable to the group's auditor for the audit of the group's annual accounts	14,000	14,000
and after crediting		
Profit on disposal of tangible assets	(5,033)	(7,549)
Profit on foreign exchange transactions	-	(27,420)

4 Interest payable

	31 December 2012 £	31 March 2012 £
On bank loans and overdrafts	388	2,850
Dividends paid on preference shares classified as financial liabilities		
Preference interim paid	1,050	1,670
	<u>1,438</u>	<u>4,520</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012**

5 Taxation	31 December 2012 £	31 March 2012 £
Domestic current year tax		
U K corporation tax	75,141	106,837
Adjustment for prior years	(118,687)	10,578
Current tax charge	(43,546)	117,415
Deferred tax		
Origination and reversal of timing differences	(8,073)	(30,386)
Deferred tax adjustments arising in previous periods	52,421	(12,304)
	<u>802</u>	<u>74,725</u>
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	<u>428,738</u>	<u>367,764</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (31 March 2012 - 26.00%)	<u>102,897</u>	<u>95,619</u>
Effects of		
Non deductible expenses	1,202	260
Depreciation in excess of capital allowances	10,109	31,507
Tax losses utilised	(118,687)	-
Short term timing differences	(17,322)	2,057
Adjustments to previous periods	-	10,578
Chargeable disposals	-	(1,963)
Tax adjustment for FRS 17 accounts entries	-	(11,180)
Other tax adjustments	(21,745)	(9,463)
	<u>(146,443)</u>	<u>21,796</u>
Current tax charge	<u>43,546</u>	<u>117,415</u>

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

6 Profit for the financial period

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 period is made up as follows

	31 December 2012 £	31 March 2012 £
Holding company's profit for the financial period	<u>17,850</u>	<u>28,420</u>

7 Dividends

	31 December 2012 £	31 March 2012 £
Ordinary interim paid	<u>16,800</u>	<u>26,750</u>

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

8 Tangible fixed assets**Group**

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2012	-	8,062,093	76,091	8,138,184
Additions	61,428	265,760	16,866	344,054
Disposals	-	-	(27,827)	(27,827)
At 31 December 2012	61,428	8,327,853	65,130	8,454,411
Depreciation				
At 1 April 2012	-	7,623,484	47,931	7,671,415
On disposals	-	-	(19,610)	(19,610)
Charge for the period	6,143	146,288	11,799	164,230
At 31 December 2012	6,143	7,769,772	40,120	7,816,035
Net book value				
At 31 December 2012	55,285	558,081	25,010	638,376
At 31 March 2012	-	438,609	28,160	466,769

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

9 Fixed asset investments**Company**

	Shares in group undertakings £
Cost	
At 1 April 2012 & at 31 December 2012	<u>42,500</u>
Net book value	
At 31 December 2012	<u>42,500</u>
At 31 March 2012	<u>42,500</u>

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 PERIOD ENDED 31 DECEMBER 2012

9 Fixed asset investments (continued)

Sub-subsidiaries

Wormalds Walker Limited	England & Wales	Ordinary	100 00
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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 and textile products
Wormalds Walker Limited	Dormant

During the year all but one of the Sub-subsidiaries has been dissolved as part of a group reorganisation

10 Stocks and work in progress

	Group		Company	
	31	31	31	31
	December	March	December	March
	2012	2012	2012	2012
	£	£	£	£
Raw materials and consumables	1,218,289	1,035,783	-	-
Work in progress	691,568	1,274,324	-	-
Finished goods and goods for resale	1,816,467	1,435,999	-	-
	<u>3,726,324</u>	<u>3,746,106</u>	<u>-</u>	<u>-</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012**

11 Debtors

	Group		Company	
	31	31	31	31
	December	March	December	March
	2012	2012	2012	2012
	£	£	£	£
Trade debtors	1,694,282	2,409,501	-	-
Prepayments and accrued income	302,143	177,651	-	-
Deferred tax asset (see note 13)	20,803	65,151	-	-
	<u>2,017,228</u>	<u>2,652,303</u>	<u>-</u>	<u>-</u>

12 Creditors : amounts falling due within one year

	Group		Company	
	31	31	31	31
	December	March	December	March
	2012	2012	2012	2012
	£	£	£	£
Trade creditors	297,128	980,008	-	-
Corporation tax	63,289	87,405	-	-
Taxes and social security costs	118,942	155,879	-	-
Other creditors	26,149	40,249	-	-
Accruals and deferred income	282,303	557,588	-	-
Preference shares classed as a financial liability	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
	<u>790,311</u>	<u>1,823,629</u>	<u>2,500</u>	<u>2,500</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012**

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows:

	Group 31 December 2012 £	Company 31 December 2012 £		
Balance at 1 April 2012	(65,151)	-		
Profit and loss account	44,348	-		
Balance at 31 December 2012	<u>(20,803)</u>	<u>-</u>		

	Group 31 December 2012 £	31 March 2012 £	Company 31 December 2012 £	31 March 2012 £
Decelerated capital allowances	(17,190)	(36,841)	-	-
Other timing differences	<u>(3,613)</u>	<u>(28,310)</u>	<u>-</u>	<u>-</u>
	<u>(20,803)</u>	<u>(65,151)</u>	<u>-</u>	<u>-</u>

A W HAINSWORTH HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2012

14 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.

During the course of the year the board reached a decision to support the trustees of the pension scheme in their aim to fully insure the pension scheme and as such the company would never benefit from the asset and a provision has been included. The movement in the provision is included in the statement of total recognised gains and losses as actuarial movement.

Defined Benefit Scheme

	March 2012	1 Movement in the year	31 Dec 2012
	£'000	£'000	£'000
Gross pension surplus	1,206	877	2,083
Provision against pension surplus	-	(2,083)	(2,083)
Recognised pension asset	1,206	(1,206)	-

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 period ended 31 December 2012 the employer and employee contributions were £nil. The employer also paid the expenses of operating 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 December 2012 to take account of the requirements of FRS17. The principal assumptions used by the actuary, together with the assumptions used at 31 March 2012, were:

	Dec-12	Mar-12
Rate of increase in salaries	N/A	N/A
Rate of increase in pensions in payment and deferred pensions	3.1%	3.4%
Discount rate applied to scheme liabilities	4.6%	4.7%
Inflation assumption	3.1%	3.4%

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 PERIOD ENDED 31 DECEMBER 2012

14 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 - Dec 2012 £'000	Value at 31-Mar 2012 £'000	Value at 31-Mar 2011 £'000	Value at 31-Mar 2010 £'000	Value at 31-Mar 2009 £'000
- Equities	3,211	3,866	4,172	3,858	2,618
- Bonds	4,634	4,286	3,611	3,069	2,450
- Other	144	252	241	677	1,129
	7,989	8,404	8,024	7,604	6,197
Present value of liabilities	(5,211)	(6,752)	(5,991)	(6,873)	(5,301)
Gross pension asset	2,778	1,652	2,033	731	896
Related deferred tax liability at 25%	(695)	(446)	(569)	(205)	(251)
	2,083	1,206	1,464	526	645
	Long term rate of return 31-Dec 2012	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
- Equities	6.0%	6.25%	7.0%	7.0%	7.0%
- Bonds	4.6%	4.7%	4.9%	5.0%	5.0%
- Other	2.3%	2.5%	3.0%	3.0%	3.0%
Movement in the asset during the year				Dec-12 £'000	Mar-12 £'000
Asset in scheme at beginning of year				1,652	2,033
Current service cost				-	-
Past service cost				-	100
Contributions paid				-	-
Other finance (cost)/income				69	(303)
Actuarial Gain/(loss)				1,057	(624)
Asset in the scheme at end of the year				2,778	1,206

A W HAINSWORTH HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012****14 Pension scheme (continued)**

Reconciliation of present value of scheme liabilities	Dec-12 £'000	Mar-12 £'000
At beginning of year	6,752	5,991
Current service cost	-	-
Past service cost	-	(100)
Interest cost	221	327
Contributions by scheme members	-	-
Experience losses/(gains) arising on scheme liabilities	(793)	765
Benefits paid	(969)	(231)
	<u>5,211</u>	<u>6,752</u>
Reconciliation of present value of scheme assets	Dec-12 £'000	Mar-12 £'000
At beginning of year	8,404	8,024
Expected return on assets	290	470
Actuarial gains	264	141
Contributions by employer	-	-
Contributions by scheme members	-	-
Benefits paid	(969)	(231)
	<u>7,989</u>	<u>8,404</u>
Analysis of other pension costs charged in arriving at operating profit	Dec-12 £'000	Mar-12 £'000
Current service cost	-	-
Past service cost	-	100
	<u>-</u>	<u>100</u>
Analysis of amounts included in other finance/income	Dec-12 £'000	Mar-12 £'000
Expected return on pension scheme assets	290	470
Interest on pension scheme liabilities	(221)	(327)
	<u>69</u>	<u>143</u>

A W HAINSWORTH HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012****14 Pension scheme (continued)**

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

	Dec-12 £'000	Mar-12 £'000	2011 £'000	2010 £'000	2009 £'000
Actual return less expected return on scheme assets	264	141	107	885	(1,052)
Percentage of year end scheme assets	3%	2%	1%	12%	(17%)
Experience gain arising on scheme liabilities	553	-	-	-	-
Percentage of present value of year end scheme liabilities	11%	0%	0%	0%	0%
Changes in assumptions underlying the present value of scheme liabilities	240	(765)	1,024	(1,378)	585
Percentage of present value of year end scheme liabilities	5%	11%	17%	(20%)	(11%)
Actuarial gain/(loss) recognised in statement of total recognised gains and losses	<u>1,057</u>	<u>(624)</u>	<u>1,131</u>	<u>(493)</u>	<u>(467)</u>
Percentage of present value of year end scheme liabilities	<u>20%</u>	<u>17%</u>	<u>19%</u>	<u>7%</u>	<u>9%</u>

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 PERIOD ENDED 31 DECEMBER 2012**

15 Share capital	31 December 2012 £	31 March 2012 £
Allotted, called up and fully paid		
80,000 Ordinary of 50p each	40,000	40,000
5,000 7% cumulative participating preference shares of £1 each	2,500	2,500
	<u>42,500</u>	<u>42,500</u>
	31 December 2012 £	31 March 2012 £
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 PERIOD ENDED 31 DECEMBER 2012**

16 Statement of movements on reserves
Group

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 April 2012	118	785,991	6,322,393
Profit for the period	-	-	427,936
Dividends paid	-	-	(16,800)
Actuarial gains or losses on pension scheme assets	-	-	(1,026,000)
Movement on deferred tax relating to pension asset	-	-	(249,000)
Balance at 31 December 2012	<u>118</u>	<u>785,991</u>	<u>5,458,529</u>

Other reserves

Capital redemption reserve

Balance at 1 April 2012 & at 31 December 2012

743,491

Reserves provided for by the Articles of Association

Balance at 1 April 2012 & at 31 December 2012

42,500

Company

	Profit and loss account
	£
Profit for the period	16,800
Dividends paid	<u>(16,800)</u>
Balance at 31 December 2012	<u>-</u>

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

17 Reconciliation of movements in shareholders' funds	31 December 2012 £	31 March 2012 £
Group		
Profit for the financial period	427,936	293,039
Dividends	(16,800)	(26,750)
	411,136	266,289
Other recognised gains and losses	(1,026,000)	(624,000)
Movement on deferred tax relating to pension asset	(249,000)	103,000
Net depletion in shareholders' funds	(863,864)	(254,711)
Opening shareholders' funds	7,148,502	7,403,213
Closing shareholders' funds	6,284,638	7,148,502
	31 December 2012 £	31 March 2012 £
Company		
Profit for the financial period	16,800	26,750
Dividends	(16,800)	(26,750)
Net depletion in shareholders' funds	-	-
Opening shareholders' funds	40,000	40,000
Closing shareholders' funds	40,000	40,000

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012**

18 Directors' remuneration	31 December 2012 £	31 March 2012 £
Remuneration for qualifying services	174,450	242,603
Directors' fees	-	14,307
Company pension contributions to defined contribution schemes	29,319	33,173
	<u>203,769</u>	<u>290,083</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (31 March 2012- 3)

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

Remuneration for qualifying services	69,352	93,337
Company pension contributions to defined contribution schemes	<u>6,084</u>	<u>7,698</u>

19 Employees

Number of employees

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

	31 December 2012 Number	31 March 2012 Number
Production and administration	<u>165</u>	<u>179</u>

Employment costs

	31 December 2012 £	31 March 2012 £
Wages and salaries	2,779,220	3,701,133
Social security costs	226,195	300,926
Other pension costs	116,598	82,726
	<u>3,122,013</u>	<u>4,084,785</u>

A W HAINSWORTH HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2012**

20 Control

There is no ultimate controlling party

21 Reconciliation of operating profit to net cash outflow from operating activities

	31 December 2012 £	31 March 2012 £
Operating profit	346,601	187,022
Depreciation of tangible assets	164,230	319,763
Amortisation of intangible assets	-	24,000
Profit on disposal of tangible assets	(5,033)	(7,549)
Decrease/(increase) in stocks	19,782	(83,112)
(Increase) in debtors	590,727	(76,194)
(Decrease)/Increase in creditors within one year	(1,009,202)	134,426
Pension scheme non-cash movement	-	(100,000)
Net cash outflow from operating activities	<u>107,105</u>	<u>398,356</u>

22 Analysis of net debt

	1 April 2012 £	Cash flow £	Other non- cash changes £	31 December 2012 £
Net cash				
Cash at bank and in hand	900,953	(207,932)	-	693,021
Net debt	<u>900,953</u>	<u>(207,932)</u>	<u>-</u>	<u>693,021</u>

23 Reconciliation of net cash flow to movement in net debt

	31 December 2012 £	31 March 2012 £
(Decrease)/increase in cash in the period	(207,932)	293,919
Movement in net funds in the period	(207,932)	293,919
Opening net funds	900,953	607,034
Closing net funds	<u>693,021</u>	<u>900,953</u>

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

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

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

	31 December 2012 £	31 March 2012 £
T Hainsworth	4,900	7,802
P R Hainsworth	700	-
A Hainsworth	1,048	1,669
R Taylor	2	3
	<u>6,650</u>	<u>9,474</u>

Other transactions

During the period the group paid rents of £122,247 (year ending March 2012 £162,996) to A W Hainsworth Property Limited, a company under common control Included within creditors at the period end is £583 (year ending March 2012 £583) due to A W Hainsworth Property Limited A management charge of £nil (year ending March 2012 £13,000) was charged by A W Hainsworth & Sons Limited to A W Hainsworth Property Limited in the period