Company Registration No. 06552921 (England and Wales)

A W Hainsworth Holdings Limited

Annual report and consolidated financial statements for the year ended 31 December 2016



A W Hainsworth Holdings Limited

Company information

Directors	Rachel Taylor Adam Hainsworth Thomas Hainsworth Paul Hainsworth
Company number	06552921
Registered office	Spring Valley Mills Spring Valley Stanningley Pudsey West Yorkshire LS28 6DW
Independent auditors	Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX

A W Hainsworth Holdings Limited

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditors' report	5 - 6
Consolidated income statement	7
Consolidated statement of comprehensive income	8
Consolidated statement of financial position	9
Company statement of financial position	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the financial statements	14 - 41

A W Hainsworth Holdings Limited

Strategic report
For the year ended 31 December 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business
The profit on ordinary activities before taxation amounted to £1,330,226 (2015: £118,890).

To maintain its leadership position in the niche market it serves, the group works closely with its customers and suppliers to continually create innovative products that meet and exceed the needs of the market.

The results have significantly improved this year, due to improvements across all areas, and the benefit of a weaker pound.

The group manages its business by reference to two key performance indicators; turnover £16,150k (2015: £11,975k) and gross profit margin 27% (2015: 20%).

Future Prospects

We look forward with confidence to 2017, with an engaged workforce, and a clear focus.

Principal risks and uncertainties
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.

On behalf of the board

.....

Thomas Hainsworth
Director
19/4/17

Directors' report
For the year ended 31 December 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities
The principal activity of the group continued to be as manufacturers and merchants of cloth and textile products.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Rachel Taylor
Adam Hainsworth
Thomas Hainsworth
Paul Hainsworth

Results and dividends
The results for the year are set out on page 7.

Ordinary dividends were declared amounting to £186,400. The directors do not recommend payment of a further dividend.

Auditors
The auditors, Saffery Champness LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditors of the company and group are unaware. Additionally, the directors individually 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 auditors of the company and group are aware of that information.

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 company'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 new entrants on 18 March 1999 and existing members in September 2010. During the prior 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 2016 so as to not show the asset on the balance sheet.

On behalf of the board

.....

Thomas Hainsworth
Director
19/4/17.....

Directors' responsibilities statement
For the year ended 31 December 2016

The directors are responsible for preparing the Annual 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 company, 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report
To the members of A W Hainsworth Holdings Limited

We have audited the financial statements of A W Hainsworth Holdings Limited for the year ended 31 December 2016 set out on pages 7 to 41. 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), 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 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 page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of its 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, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

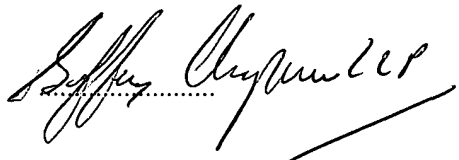
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 LLP

Chartered Accountants
Statutory Auditors



20/4/17

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

A W Hainsworth Holdings Limited

Consolidated income statement
For the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	**3**	16,150,491	11,975,230
Cost of sales		(11,785,789)	(9,557,802)
Gross profit		4,364,702	2,417,428
Distribution costs		(1,051,455)	(1,248,761)
Administrative expenses		(2,192,639)	(1,161,619)
Other operating income		178,728	80,781
Operating profit	**4**	1,299,336	87,829
Interest receivable and similar income	**8**	57,005	47,807
Interest payable and similar expenses	**9**	(26,115)	(16,746)
Profit before taxation		1,330,226	118,890
Taxation	**10**	(246,519)	6,018
Profit for the financial year	**28**	1,083,707	124,908

The income statement has been prepared on the basis that all operations are continuing operations.

Consolidated statement of comprehensive income
For the year ended 31 December 2016

		2016		2015
		£		£
Profit for the year		1,083,707		124,908
Other comprehensive income				
Actuarial gains on defined benefit pension scheme	(978,000)		222,000	
Provision against pension asset	793,000		(213,000)	
Actuarial (loss)/gain on defined benefit pension schemes		(185,000)		9,000
Tax relating to other comprehensive income		186,000		(33,000)
Other comprehensive (loss)/income for the year		1,000		(24,000)
Total comprehensive income for the year		1,084,707		100,908

A W Hainsworth Holdings Limited

Consolidated statement of financial position
As at 31 December 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	**12**		2,292,717		2,214,020
Current assets					
Stocks	**15**	5,817,074		4,503,607	
Debtors	**16**	2,743,980		2,422,763	
Cash at bank and in hand		1,053,685		1,074,262	
		9,614,739		8,000,632	
Creditors: amounts falling due within one year	**17**	(3,430,121)		(2,516,409)	
Net current assets			6,184,618		5,484,223
Total assets less current liabilities			8,477,335		7,698,243
Creditors: amounts falling due after more than one year	**18**		(780,547)		(1,017,203)
Provisions for liabilities	**21**		(194,613)		(77,172)
Net assets			7,502,175		6,603,868
Capital and reserves					
Called up share capital	**24**		40,000		40,000
Revaluation reserve	**26**		118		118
Other reserves	**25**		42,500		42,500
Capital redemption reserve	**27**		743,491		743,491
Profit and loss reserves	**28**		6,676,066		5,777,759
Total equity			7,502,175		6,603,868

The financial statements were approved by the board of directors and authorised for issue on 19/6/17 ..... and are signed on its behalf by:

.....

Thomas Hainsworth
Director

A W Hainsworth Holdings Limited

Company statement of financial position
As at 31 December 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Investments	**13**		42,500		42,500
Current assets					
Debtors	**16**	198,050		-	
Creditors: amounts falling due within one year	**17**	(200,550)		(2,500)	
Net current liabilities			(2,500)		(2,500)
Total assets less current liabilities			40,000		40,000
Capital and reserves					
Called up share capital	**24**		40,000		40,000

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £186,400 (2015 - £nil profit).

The financial statements were approved by the board of directors and authorised for issue on 19/4/17 and are signed on its behalf by:

.....

Thomas Hainsworth
Director

Company Registration No. 06552921

A W Hainsworth Holdings Limited

Consolidated statement of changes in equity
For the year ended 31 December 2016

	Notes	Share capital	Revaluation reserve	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
		£	£	£	£	£	£
Balance at 1 January 2015		40,000	118	743,491	42,500	5,676,851	6,502,960
Year ended 31 December 2015:							
Profit for the year		-	-	-	-	124,908	124,908
Other comprehensive income:							
Actuarial gains on defined benefit plans		-	-	-	-	9,000	9,000
Tax relating to other comprehensive income		-	-	-	-	(33,000)	(33,000)
Total comprehensive income for the year		-	-	-	-	100,908	100,908
Balance at 31 December 2015		40,000	118	743,491	42,500	5,777,759	6,603,868
Year ended 31 December 2016:							
Profit for the year		-	-	-	-	1,083,707	1,083,707
Other comprehensive income:							
Actuarial gains on defined benefit plans		-	-	-	-	(185,000)	(185,000)
Tax relating to other comprehensive income		-	-	-	-	186,000	186,000
Total comprehensive income for the year		-	-	-	-	1,084,707	1,084,707
Dividends	11	-	-	-	-	(186,400)	(186,400)
Balance at 31 December 2016		40,000	118	743,491	42,500	6,676,066	7,502,175

A W Hainsworth Holdings Limited

Company statement of changes in equity
For the year ended 31 December 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		40,000	-	40,000
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	-	-
Balance at 31 December 2015		40,000	-	40,000
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	186,400	186,400
Dividends	**11**	-	(186,400)	(186,400)
Balance at 31 December 2016		40,000	-	40,000

A W Hainsworth Holdings Limited

Consolidated statement of cash flows
For the year ended 31 December 2016

	Notes	£	2016 £	£	2015 £
Cash flows from operating activities					
Cash generated from operations	**33**		648,969		68,329
Interest paid			(26,115)		(16,746)
Income taxes (paid)/refunded			-		302
Net cash inflow from operating activities			622,854		51,885
Investing activities					
Purchase of tangible fixed assets		(353,737)		(666,305)	
Interest received		5		807	
Net cash used in investing activities			(353,732)		(665,498)
Financing activities					
Proceeds of new bank loans		-		675,000	
Repayment of bank loans		(220,200)		(93,885)	
Payment of finance leases obligations		(69,499)		(2,703)	
Net cash (used in)/generated from financing activities			(289,699)		578,412
Net decrease in cash and cash equivalents			(20,577)		(35,201)
Cash and cash equivalents at beginning of year			1,074,262		1,109,463
Cash and cash equivalents at end of year			1,053,685		1,074,262

1 Accounting policies

Company information

A W Hainsworth Holdings Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is Spring Valley Mills, Spring Valley, Stanningley, Pudsey, West Yorkshire, LS28 6DW.

The group consists of A W Hainsworth Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1 Accounting policies (continued)

1.2 Basis of consolidation

In the consolidated company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of A W Hainsworth Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the consolidated financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the consolidated financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies (continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies (continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (continued)

1.14 Retirement benefits

The group 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 group 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 group, in separate trustee administered funds. Pension sheme 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.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1 Accounting policies (continued)

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.18 Revenue recognition

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

1.19 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.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Provisions

Provision is made for bad and doubtful debts and obsolete stock. These provisions require management's best estimate of the recoverability of trade debtors and the expected future use of stock.

Defined benefit pension scheme

The company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and the current trends.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016	2015
	£	£
Turnover		
Sale of goods	16,150,491	11,975,230
Other significant revenue		
Interest income	57,005	47,807
Grants received	102,635	6,854

3 Turnover and other revenue (continued)

Turnover analysed by geographical market

A market analysis of turnover and profit before taxation has not been given, as in the opinion of the directors, it would be seriously prejudicial to the interests of the company.

4 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(147,934)	(24,813)
Government grants	(102,635)	(6,854)
Depreciation of owned tangible fixed assets	301,593	300,688
Depreciation of tangible fixed assets held under finance leases	37,407	17,352
Cost of stocks recognised as an expense	8,930,463	7,108,153
Operating lease charges	190,752	171,745

5 Auditors' remuneration

	2016	2015
Fees payable to the company's auditors and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	1,000	1,000
Audit of the company's subsidiaries	17,540	17,000
	18,540	18,000
For other services		
Taxation compliance services	3,915	3,800
All other non-audit services	-	11,861
	3,915	15,661
For services in respect of associated pension schemes		
Audit-related assurance services	2,500	2,600

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Production and administration	180	158	-	-

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	4,950,776	3,549,549	-	-
Social security costs	415,299	298,151	-	-
Pension costs	234,200	183,601	-	-
	5,600,275	4,031,301	-	-

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	252,615	206,343
Company pension contributions to defined contribution schemes	32,597	17,142
	285,212	223,485

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	102,742	85,806
Company pension contributions to defined contribution schemes	14,612	9,606

8 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest on bank deposits	5	807
Interest on the net defined benefit asset	57,000	47,000
Total income	57,005	47,807
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	5	807

9 Interest payable and similar expenses

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	14,343	16,555
Dividends on redeemable preference shares not classified as equity	11,772	122
	26,115	16,677
Other finance costs:		
Other interest	-	69
Total finance costs	26,115	16,746

10 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	129,078	-
Deferred tax		
Origination and reversal of timing differences	121,811	15,075
Previously unrecognised tax loss, tax credit or timing difference	(4,370)	(21,093)
Total deferred tax	117,441	(6,018)
Total tax charge/(credit)	246,519	(6,018)

10 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	1,330,226	118,890
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	266,045	23,778
Tax effect of expenses that are not deductible in determining taxable profit	18,482	(8,788)
Effect of change in corporation tax rate	(6,411)	-
Permanent capital allowances in excess of depreciation	-	(71,436)
Research and development tax credit	(27,227)	-
Deferred tax adjustments in respect of prior years	(4,370)	(21,093)
Deferred tax	-	15,075
Short term timing differences	-	56,446
Tax expense for the year	246,519	(6,018)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2016 £	2015 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(186,000)	33,000

The standard rate of tax applied to reported profit on ordinary activities is 20% (2015 20%). The applicable tax rate has changed following substantive enactment of the Finance Act 2015. During the year beginning 1 January 2017 the net reversal of deferred tax assets and liabilities is not expected to increase the corporation tax charge for the year. There is no expiry date on timing differences, unused tax losses or tax credits.

11 Dividends

	2016	2015
	£	£
Final declared	186,400	-

12 Tangible fixed assets

Group	Leasehold improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2016	505,426	10,205,429	32,391	10,743,246
Additions	32,482	385,215	-	417,697
At 31 December 2016	537,908	10,590,644	32,391	11,160,943
Depreciation and impairment				
At 1 January 2016	81,916	8,416,686	30,624	8,529,226
Depreciation charged in the year	53,318	283,915	1,767	339,000
At 31 December 2016	135,234	8,700,601	32,391	8,868,226
Carrying amount				
At 31 December 2016	402,674	1,890,043	-	2,292,717
At 31 December 2015	423,510	1,788,743	1,767	2,214,020

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £37,408 (2015 - £17,352) for the year.

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Plant and machinery	419,332	332,448	-	-

The company had no tangible fixed assets at 31 December 2016 or 31 December 2015.

13 Fixed asset investments

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Investments in subsidiaries	32	-	-	42,500	42,500

14 Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,635,876	2,257,207	198,050	-
Carrying amount of financial liabilities				
Measured at amortised cost	3,865,954	3,344,216	200,550	2,500

The group had forward contracts in place at the year end, which have not been included in the balance sheet. The directors have chosen not to include the forward contracts as the fair value of the derivatives are not material at £7,500. The derivatives are also not material by nature as they are not part of the group's longer term strategic plan.

15 Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Raw materials and consumables	2,240,281	1,077,023	-	-
Work in progress	1,923,632	1,498,019	-	-
Finished goods and goods for resale	1,653,161	1,928,565	-	-
	5,817,074	4,503,607	-	-

16 Debtors

	Group		Company	
	2016	2015	2016	2015
Amounts falling due within one year:	£	£	£	£
Trade debtors	2,634,786	2,239,212	-	-
Amounts due from fellow group undertakings	-	-	198,050	-
Other debtors	1,090	129,501	-	-
Prepayments and accrued income	108,104	54,050	-	-
	2,743,980	2,422,763	198,050	-

17 Creditors: amounts falling due within one year

		Group		Company	
		2016	2015	2016	2015
	Notes	£	£	£	£
Bank loans and overdrafts	19	210,661	207,277	-	-
Obligations under finance leases	20	79,995	65,098	-	-
Other borrowings	19	2,500	2,500	2,500	2,500
Trade creditors		1,709,594	1,541,887	-	-
Corporation tax payable		129,078	-	-	-
Other taxation and social security		110,330	93,433	-	-
Government grants	22	12,262	10,283	-	-
Dividends payable		186,400	-	186,400	-
Other creditors		12,006	830	11,650	-
Accruals and deferred income		977,295	595,101	-	-
		3,430,121	2,516,409	200,550	2,500

18 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	19	498,440	722,024	-	-
Obligations under finance leases	20	189,063	209,499	-	-
Government grants	22	93,044	85,680	-	-
		780,547	1,017,203	-	-

19 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	709,101	929,301	-	-
Preference shares	2,500	2,500	2,500	2,500
	711,601	931,801	2,500	2,500
Payable within one year	213,161	209,777	2,500	2,500
Payable after one year	498,440	722,024	-	-

The bank loan is secured by means of chattels mortgage on various items of plant and equipment in favour of HSBC Equipment Finance (UK) Limited.

20 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Within one year	87,261	73,209	-	-
In two to five years	197,811	222,285	-	-
	285,072	295,494	-	-
Less: future finance charges	(16,014)	(20,897)	-	-
	269,058	274,597	-	-

20 Finance lease obligations (continued)

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2016 £	Liabilities 2015 £
Accelerated capital allowances	214,919	202,517
Tax losses	-	(125,196)
Other timing differences	(20,306)	(149)
	194,613	77,172

Movements in the year:	Group 2016 £	Company 2016 £
Liability at 1 January 2016	77,172	-
Charge to profit or loss	117,441	-
Liability at 31 December 2016	194,613	-

The company had no deferred taxation at 31 December 2016 or 31 December 2015.

22 Government grants

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred income is included in the financial statements as follows:				
Current liabilities	12,262	10,283	-	-
Non-current liabilities	93,044	85,680	-	-
	105,306	95,963	-	-

23 Retirement benefit schemes

	2016	2015
Defined contribution schemes	£	£
Charge to profit and loss in respect of defined contribution schemes	176,200	160,601

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Defined benefit schemes

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 December 2016 the employer and employee contributions were £nil.

Key assumptions

	2016	2015
	%	%
Discount rate	3.7	3.55
Expected rate of increase of pensions in payment	3.35	3.35
Expected rate of salary increases	n/a	n/a

23 Retirement benefit schemes (continued)

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2016 Years	2015 Years
Retiring today		
- Males	22.2	22.1
- Females	24.2	24.1
Retiring in 20 years		
- Males	23.9	23.8
- Females	26.1	26.0

Amounts recognised in the income statement

	Group 2016 £	2015 £
Net interest on defined benefit asset	(57,000)	(47,000)
Other costs and income	58,000	23,000
Total costs/(income)	1,000	(24,000)

Of the total expenses for the year £58,000 is included in cost of sales, £nil in distribution costs, £nil in administration expenses, £57,000 in investment income and £nil in finance costs.

Amounts taken to other comprehensive income

	Group 2016 £	2015 £
Actual return on scheme assets - gains and (losses)	1,178,000	(58,000)
Less: amounts included in net interest on the net defined benefit liability	(274,000)	(279,000)
Return on scheme assets excluding interest income	904,000	(337,000)
Actuarial changes related to obligations	(1,882,000)	559,000
Movement in unrecognised plan surplus	793,000	(213,000)
Total (income)/costs	(185,000)	9,000

23 Retirement benefit schemes (continued)

The amounts included in the statement of financial position arising from obligations in respect of defined benefit plans are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Present value of defined benefit obligations	7,754,000	6,119,000	-	-
Fair value of plan assets	(8,334,000)	(7,678,000)	-	-
Deficit in scheme	(580,000)	(1,559,000)	-	-
Asset not recognised due to asset ceiling	470,000	1,263,000	-	-
Deferred taxation balance relating to pension schemes	110,000	296,000	-	-
Total liability recognised	-	-	-	-

Movements in the present value of defined benefit obligations

	Group
	2016
	£
Liabilities at 1 January 2016	6,119,000
Benefits paid	(464,000)
Actuarial gains and losses	1,882,000
Interest cost	217,000
At 31 December 2016	7,754,000

The defined benefit obligations arise from plans funded as follows:

	Group
	2016
	£
Wholly unfunded obligations	-
Wholly or partly funded obligations	7,754,000
	7,754,000

23 Retirement benefit schemes (continued)

Movements in the fair value of plan assets

	Group 2016 £
Fair value of assets at 1 January 2016	7,678,000
Interest income	274,000
Return on plan assets (excluding amounts included in net interest)	904,000
Benefits paid	(464,000)
Other	(58,000)
At 31 December 2016	8,334,000

The actual return on plan assets was £58,000 (2015 - £796,000).

Fair value of plan assets at the reporting period end

	Group 2016 £	2015 £
Equity instruments	1,700,136	1,490,000
Gilts	300,024	284,000
Corporate bonds	700,056	1,221,000
Annuity Policy	4,008,654	3,517,000
Cash	1,625,130	1,166,000
	8,334,000	7,678,000

24 Share capital

	Group and company	
	2016	2015
Ordinary share capital	£	£
Authorised		
80,000 Ordinary of 50p each	40,000	40,000
Issued and fully paid		
80,000 Ordinary of 50p each	40,000	40,000

25 Other reserves

Group	£
At 1 January 2015	42,500
At 31 December 2015	42,500
At 31 December 2016	42,500

Company	£
At 1 January 2015	-
At 31 December 2015	-
At 31 December 2016	-

26 Revaluation reserve

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
At beginning and end of year	118	118	-	-

27 Capital redemption reserve

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
At beginning and end of year	743,491	743,491	-	-

28 Profit and loss reserves

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
At the beginning of the year	5,777,759	5,676,851	-	-
Profit for the year	1,083,707	124,908	186,400	-
Dividends	(186,400)	-	(186,400)	-
Actuarial differences recognised in other comprehensive income	(185,000)	9,000	-	-
Tax on actuarial differences	186,000	(33,000)	-	-
At the end of the year	6,676,066	5,777,759	-	-

29 Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year	4,132	-	-	-
Between two and five years	8,263	-	-	-
	12,395	-	-	-

30 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Acquisition of property, plant and equipment	17,774	63,371	-	-

31 Events after the reporting date

Post year end the group purchased a property adjacent to its trading operations for a sum of £480,000.

32 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2016	2015
	£	£
Aggregate compensation	751,351	326,911

No guarantees have been given or received.

31 Related party transactions (continued)

During the year the group paid rents of £162,995 (2015: £161,802) to A W Hainsworth Property Limited, a company under common control.

Thomas Hainsworth was also a director of Huddersfield & District Textile Training Company Limited until 3 June 2016, and Adam Hainsworth was also a director of this company from 28 April 2016. During the year the group made purchases of £9,878 (2015: £nil) from Huddersfield & District Textile Training Company Limited. At the year end the group owed Huddersfield & District Textile Training Company Limited £5,673 (2015: £nil).

32 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
A W Hainsworth & Sons Limited	England & Wales	Cloth & textile products	Ordinary	100.00	

33 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	1,083,707	124,908
Adjustments for:		
Taxation charged/(credited)	246,519	(6,018)
Finance costs	26,115	16,746
Investment income	(57,005)	(47,807)
Depreciation and impairment of tangible fixed assets	339,000	318,040
Pension scheme non-cash movement	58,000	23,000
Movements in working capital:		
(Increase) in stocks	(1,313,467)	(815,882)
(Increase) in debtors	(321,217)	(124,431)
Increase in creditors	577,974	483,810
Increase in deferred income	9,343	95,963
Cash generated from operations	648,969	68,329