Company Registration No. 06552921 (England and Wales)

A W Hainsworth Holdings Limited

Annual report and group financial statements for the year ended 31 December 2017

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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

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A W Hainsworth Holdings Limited

Strategic report
For the year ended 31 December 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the Business and Key Performance Indicators
The profit on ordinary activities before taxation amounted to £732,996 (2016: £1,330,226).

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

The results have been affected by increases in raw material and overhead prices. As part of the Group's commitment and investment in its customers it has absorbed a significant proportion of the costs. This in part has reduced the profit on ordinary activities in the current year.

The company continues to manage its business by reference to two key performance indicators; turnover £16,844k (2016: £16,150k) and gross profit margin 22% (2016: 27%).

Future Prospects

We look forward with confidence to 2018, with an engaged workforce, and a clear focus on our customers and long term relationship with our suppliers.

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
11/4/18

Directors' report
For the year ended 31 December 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

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 8.

Ordinary dividends were declared amounting to £212,000. 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 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 are aware of that information.

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 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 2017 so as to not show the asset on the balance sheet.

On behalf of the board



Thomas Hainsworth
Director
11/4/18

Directors' responsibilities statement
For the year ended 31 December 2017

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

Opinion

We have audited the financial statements of A W Hainsworth Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 set out on pages 8 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2017 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.

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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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.

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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

11/oct/18

Consolidated income statement
For the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	**3**	16,844,390	16,150,491
Cost of sales		(13,154,092)	(11,785,789)
Gross profit		3,690,298	4,364,702
Distribution costs		(644,874)	(1,051,455)
Administrative expenses		(2,467,994)	(2,192,639)
Other operating income		181,156	178,728
Operating profit	**4**	758,586	1,299,336
Interest receivable and similar income	**8**	15,000	57,005
Interest payable and similar expenses	**9**	(40,590)	(26,115)
Profit before taxation		732,996	1,330,226
Taxation	**10**	(58,703)	(246,519)
Profit for the financial year	**29**	674,293	1,083,707

The Income Statement has been prepared on the basis that all operations are continuing operations.

A W Hainsworth Holdings Limited

Consolidated statement of comprehensive income
For the year ended 31 December 2017

		2017		2016
		£		£
Profit for the year		674,293		1,083,707
Other comprehensive income				
Actuarial gains on defined benefit pension scheme	(130,000)		(978,000)	
Provision against pension asset	139,000		793,000	
Actuarial gain/(loss) on defined benefit pension schemes		9,000		(185,000)
Tax relating to other comprehensive income		33,000		186,000
Other comprehensive (loss)/income for the year		42,000		1,000
Total comprehensive income for the year		716,293		1,084,707

A W Hainsworth Holdings Limited

Group statement of financial position
As at 31 December 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	**12**		2,383,919		2,292,717
Current assets					
Stocks	**16**	5,725,713		5,817,074	
Debtors	**17**	2,527,898		2,743,980	
Cash at bank and in hand		1,359,633		1,053,685	
		9,613,244		9,614,739	
Creditors: amounts falling due within one year	**18**	(3,259,108)		(3,430,121)	
Net current assets			6,354,136		6,184,618
Total assets less current liabilities			8,738,055		8,477,335
Creditors: amounts falling due after more than one year	**19**		(554,440)		(780,547)
Provisions for liabilities	**22**		(177,147)		(194,613)
Net assets			8,006,468		7,502,175
Capital and reserves					
Called up share capital	**26**		40,000		40,000
Revaluation reserve	**27**		118		118
Capital redemption reserve	**28**		743,491		743,491
Other reserves	**25**		42,500		42,500
Profit and loss reserves	**29**		7,180,359		6,676,066
Total equity			8,006,468		7,502,175

The financial statements were approved by the board of directors and authorised for issue on 11/4/18 ..... and are signed on its behalf by:

.....

Thomas Hainsworth
Director

A W Hainsworth Holdings Limited

Company statement of financial position
As at 31 December 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Investments	**13**		42,500		42,500
Current assets					
Debtors	**17**	225,250		198,050	
Creditors: amounts falling due within one year	**18**	(227,750)		(200,550)	
Net current liabilities			(2,500)		(2,500)
Total assets less current liabilities			40,000		40,000
Capital and reserves					
Called up share capital	**26**		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 £212,000 (2016 - £186,400).

The financial statements were approved by the board of directors and authorised for issue on 11/6/18 and are signed on its behalf by:

Thomas Hainsworth
Director

Company Registration No. 06552921

A W Hainsworth Holdings Limited

Group statement of changes in equity
For the year ended 31 December 2017

	Notes	Share capital	Revaluation reserve	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
		£	£	£	£	£	£
Balance at 1 January 2016		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
Year ended 31 December 2017:							
Profit for the year		-	-	-	-	674,293	674,293
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		-	-	-	-	716,293	716,293
Dividends	11	-	-	-	-	(212,000)	(212,000)
Balance at 31 December 2017		40,000	118	743,491	42,500	7,180,359	8,006,468

A W Hainsworth Holdings Limited

Company statement of changes in equity
For the year ended 31 December 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016		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
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	212,000	212,000
Dividends	**11**	-	(212,000)	(212,000)
Balance at 31 December 2017		40,000	-	40,000

A W Hainsworth Holdings Limited

Consolidated statement of cash flows
For the year ended 31 December 2017

	Notes	£	2017 £	£	2016 £
Cash flows from operating activities					
Cash generated from operations	33		1,233,252		648,969
Interest paid			(40,590)		(26,115)
Income taxes paid			(98,009)		-
Net cash inflow from operating activities			1,094,653		622,854
Investing activities					
Purchase of tangible fixed assets		(439,497)		(353,737)	
Proceeds on disposal of tangible fixed assets		35,000		-	
Interest received		-		5	
Net cash used in investing activities			(404,497)		(353,732)
Financing activities					
Repayment of bank loans		(211,039)		(220,200)	
Payment of finance leases obligations		13,231		(69,499)	
Dividends paid to equity shareholders		(186,400)		-	
Net cash used in financing activities			(384,208)		(289,699)
Net increase/(decrease) in cash and cash equivalents			305,948		(20,577)
Cash and cash equivalents at beginning of year			1,053,685		1,074,262
Cash and cash equivalents at end of year			1,359,633		1,053,685

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 group 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 group 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 2017. 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 group 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 group 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.

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

1 Accounting policies (continued)

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.

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 at bank and in hand

Cash at bank and in hand 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 Accounting policies (continued)

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.

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.

1 Accounting policies (continued)

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.

Basic financial liabilities

Basic financial liabilities, including 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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

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.

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.

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:

	2017	2016
	£	£
Turnover		
Sale of goods	16,844,390	16,150,491
Other significant revenue		
Interest income	15,000	57,005
Grants received	75,283	102,635

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

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	80,047	(147,934)
Government grants	(75,283)	(102,635)
Depreciation of owned tangible fixed assets	289,086	301,593
Depreciation of tangible fixed assets held under finance leases	59,209	37,407
Profit on disposal of tangible fixed assets	(35,000)	-
Cost of stocks recognised as an expense	10,414,326	8,930,463
Operating lease charges	185,624	190,752

5 Auditors' remuneration

	2017	2016
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 financial statements of the company's subsidiaries	17,850	17,540
	18,850	18,540
For other services		
Taxation compliance services	3,900	3,915
For services in respect of associated pension schemes		
Audit-related assurance services	2,500	2,500

6 Employees

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

	Group		Company	
	2017	2016	2017	2016
	Number	Number	Number	Number
Production and administration	184	180	-	-

Their aggregate remuneration comprised:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Wages and salaries	4,743,761	4,950,776	-	-
Social security costs	404,299	415,299	-	-
Pension costs	271,328	234,200	-	-
	5,419,388	5,600,275	-	-

7 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	244,439	252,615
Company pension contributions to defined contribution schemes	46,874	51,040
	291,313	303,655

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

Remuneration for qualifying services	95,322	102,742
Company pension contributions to defined contribution schemes	14,612	9,606

8 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Interest on bank deposits	-	5
Interest on the net defined benefit asset	15,000	57,000
Total income	15,000	57,005
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	-	5

9 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	27,340	14,343
Dividends on redeemable preference shares not classified as equity	13,250	11,772
	40,590	26,115

10 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	107,238	129,078
Adjustments in respect of prior periods	(31,069)	-
Total current tax	76,169	129,078
Deferred tax		
Origination and reversal of timing differences	(13,916)	121,811
Previously unrecognised tax loss, tax credit or timing difference	(3,550)	(4,370)
Total deferred tax	(17,466)	117,441
Total tax charge for the year	58,703	246,519

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:

	2017 £	2016 £
Profit before taxation	732,996	1,330,226
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	139,269	266,045
Tax effect of expenses that are not deductible in determining taxable profit	12,330	18,482
Gains not taxable	(2,330)	-
Effect of change in corporation tax rate	(19,467)	(6,411)
Research and development tax credit	(44,460)	(27,227)
Under/(over) provided in prior years	(31,069)	-
Deferred tax adjustments in respect of prior years	(3,550)	(4,370)
Short term timing differences	7,980	-
Taxation charge for the year	58,703	246,519

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

	2017 £	2016 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(33,000)	(186,000)

The standard rate of tax applied to reported profit on ordinary activities is 19% (2016 20%). The applicable tax rate has changed following substantive enactment of the Finance Act 2017. During the year beginning 1 January 2018 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

	2017	2016
	£	£
Final declared	212,000	186,400

12 Tangible fixed assets

Group	Leasehold improvements	Assets under construction	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2017	537,908	-	10,590,644	32,391	11,160,943
Additions	28,463	166,151	244,883	-	439,497
Disposals	-	-	(173,775)	(15,025)	(188,800)
At 31 December 2017	566,371	166,151	10,661,752	17,366	11,411,640
Depreciation and impairment					
At 1 January 2017	135,234	-	8,700,601	32,391	8,868,226
Depreciation charged in the year	55,203	-	293,092	-	348,295
Eliminated in respect of disposals	-	-	(173,775)	(15,025)	(188,800)
At 31 December 2017	190,437	-	8,819,918	17,366	9,027,721
Carrying amount					
At 31 December 2017	375,934	166,151	1,841,834	-	2,383,919
At 31 December 2016	402,674	-	1,890,043	-	2,292,717

The company had no tangible fixed assets at 31 December 2017 or 31 December 2016.

12 Tangible fixed assets (continued)

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 £59,209 (2016 - £37,407) for the year.

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Plant and machinery	473,531	419,332	-	-
Depreciation charge for the year in respect of leased assets	59,209	37,407	-	-

The company had no tangible fixed assets at 31 December 2017 or 31 December 2016.

13 Fixed asset investments

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	42,500	42,500

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2017 and 31 December 2017	42,500
Carrying amount	
At 31 December 2017	42,500
At 31 December 2016	42,500

14 Financial instruments

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,488,236	2,635,876	225,250	198,050
Carrying amount of financial liabilities				
Measured at amortised cost	3,309,717	3,865,954	227,750	200,550

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 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	

16 Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials and consumables	1,483,791	2,240,281	-	-
Work in progress	1,239,893	1,923,632	-	-
Finished goods and goods for resale	2,529,518	1,653,161	-	-
Payments received on account	472,511	-	-	-
	5,725,713	5,817,074	-	-

17 Debtors

	Group		Company	
	2017	2016	2017	2016
Amounts falling due within one year:	£	£	£	£
Trade debtors	2,482,434	2,634,786	-	-
Amounts owed by group undertakings	-	-	225,250	198,050
Other debtors	5,802	1,090	-	-
Prepayments and accrued income	39,662	108,104	-	-
	2,527,898	2,743,980	225,250	198,050

18 Creditors: amounts falling due within one year

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Bank loans and overdrafts	20	201,141	210,661	-	-
Obligations under finance leases	21	105,553	79,995	-	-
Other borrowings	20	2,500	2,500	2,500	2,500
Trade creditors		1,315,412	1,709,594	-	-
Corporation tax payable		107,238	129,078	-	-
Other taxation and social security		303,548	110,330	-	-
Government grants	23	12,262	12,262	-	-
Dividends payable		212,000	186,400	212,000	186,400
Other creditors		13,250	12,006	13,250	11,650
Accruals and deferred income		986,204	977,295	-	-
		3,259,108	3,430,121	227,750	200,550

19 Creditors: amounts falling due after more than one year

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Bank loans and overdrafts	20	296,921	498,440	-	-
Obligations under finance leases	21	176,736	189,063	-	-
Government grants	23	80,783	93,044	-	-
		554,440	780,547	-	-

20 Loans and overdrafts

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	498,062	709,101	-	-
Preference shares	2,500	2,500	2,500	2,500
	500,562	711,601	2,500	2,500
Payable within one year	203,641	213,161	2,500	2,500
Payable after one year	296,921	498,440	-	-

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.

Additionally, Lloyds Bank plc holds an unlimited debenture incorporating a fixed and floating charge as well as a first charge over certain property assets.

21 Finance lease obligations

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	111,510	87,261	-	-
In two to five years	182,092	197,811	-	-
	293,602	285,072	-	-
Less: future finance charges	(11,313)	(16,014)	-	-
	282,289	269,058	-	-

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.

22 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 2017 £	Liabilities 2016 £
Accelerated capital allowances	202,296	214,919
Other timing differences	(25,149)	(20,306)
	177,147	194,613

Movements in the year:	Group 2017 £	Company 2017 £
Liability at 1 January 2017	194,613	-
Charge to profit or loss	(17,466)	-
Liability at 31 December 2017	177,147	-

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

23 Government grants

	Group 2017 £	2016 £	Company 2017 £	2016 £
Deferred income is included in the financial statements as follows:				
Current liabilities	12,262	12,262	-	-
Non-current liabilities	80,783	93,044	-	-
	93,045	105,306	-	-

24 Retirement benefit schemes

Defined contribution schemes	2017 £	2016 £
Charge to profit and loss in respect of defined contribution schemes	214,328	176,200

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 2017 the employer and employee contributions were £nil (2016: £nil).

Key assumptions

	2017 %	2016 %
Discount rate	2.45	2.05
Expected rate of increase of pensions in payment	3.60	3.00
Expected rate of salary increases	n/a	n/a

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2017 Years	2016 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

24 Retirement benefit schemes (continued)

Amounts recognised in the income statement

	Group 2017 £	2016 £
Net interest on defined benefit asset	(15,000)	(57,000)
Other costs and income	57,000	58,000
Total costs	42,000	1,000

Of the total expenses for the year £57,000 is included in cost of sales, £nil in distribution costs, £nil in administration expenses, £15,000 in investment income and £nil in finance costs.

Amounts taken to other comprehensive income

	Group 2017 £	2016 £
Actual return on scheme assets - gains and (losses)	428,000	1,178,000
Less: amounts included in net interest on the net defined benefit liability	(185,000)	(274,000)
Return on scheme assets excluding interest income	243,000	904,000
Actuarial changes related to obligations	(373,000)	(1,882,000)
Movement in unrecognised plan surplus	139,000	793,000
Total (income)/costs	9,000	(185,000)

24 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	
	2017	2016	2017	2016
	£	£	£	£
Present value of defined benefit obligations	5,637,000	7,754,000	-	-
Fair value of plan assets	(6,045,000)	(8,334,000)	-	-
Surplus in scheme	(408,000)	(580,000)	-	-
Provision against pension surplus	331,000	470,000	-	-
Deferred taxation balance relating to pension schemes	77,000	110,000	-	-
Total liability recognised	-	-	-	-

Movements in the present value of defined benefit obligations

	Group
	2017
	£
Liabilities at 1 January 2017	7,754,000
Benefits paid	(2,660,000)
Actuarial gains and losses	373,000
Interest cost	170,000
At 31 December 2017	5,637,000

The defined benefit obligations arise from plans funded as follows:

	Group
	2017
	£
Wholly unfunded obligations	-
Wholly or partly funded obligations	5,637,000
	5,637,000

24 Retirement benefit schemes (continued)

Movements in the fair value of plan assets

	Group 2017 £
Fair value of assets at 1 January 2017	8,334,000
Interest income	185,000
Return on plan assets (excluding amounts included in net interest)	243,000
Benefits paid	(2,660,000)
Other	(57,000)
At 31 December 2017	6,045,000

The actual return on plan assets was £58,000 (2016 - £796,000).

Fair value of plan assets at the reporting period end

	Group 2017 £	2016 £
Equity instruments	861,000	1,700,136
Gilts	189,000	300,024
Corporate bonds	514,000	700,056
Annuity Policy	4,104,000	4,008,654
Cash	377,000	1,625,130
	6,045,000	8,334,000

25 Other reserves

Group	£
At 1 January 2016	42,500
At 31 December 2016	42,500
At 31 December 2017	42,500

Company	£
At 1 January 2016	-
At 31 December 2016	-
At 31 December 2017	-

26 Share capital

	Group and company	
	2017	2016
Ordinary share capital	£	£
Issued and fully paid		
80,000 Ordinary of 50p each	40,000	40,000

27 Revaluation reserve

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
At beginning and end of year	118	118	-	-

28 Capital redemption reserve

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
At beginning and end of year	743,491	743,491	-	-

29 Profit and loss reserves

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
At the beginning of the year	6,676,066	5,777,759	-	-
Profit for the year	674,293	1,083,707	212,000	186,400
Dividends	(212,000)	(186,400)	(212,000)	(186,400)
Actuarial differences recognised in other comprehensive income	9,000	(185,000)	-	-
Tax on actuarial differences	33,000	186,000	-	-
At the end of the year	7,180,359	6,676,066	-	-

30 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	
	2017	2016	2017	2016
	£	£	£	£
Within one year	4,132	4,132	-	-
Between two and five years	4,132	8,263	-	-
	8,264	12,395	-	-

31 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Acquisition of tangible fixed assets	143,544	17,774	-	-

32 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	744,036	751,351

During the year the group paid rents of £162,996 (2016: £162,995) to A W Hainsworth Property Limited, a company under common control.

Adam Hainsworth is a director of Huddersfield & District Textile Training Company Limited. During the year the group made purchases of £2,600 (2016: £9,878) from Huddersfield & District Textile Training Company Limited. At the year end the group owed Huddersfield & District Textile Training Company Limited £1,130 (2016: £5,673).

33 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	674,293	1,083,707
Adjustments for:		
Taxation charged	58,703	246,519
Finance costs	40,590	26,115
Investment income	(15,000)	(57,005)
Gain on disposal of tangible fixed assets	(35,000)	-
Depreciation and impairment of tangible fixed assets	348,295	339,000
Pension scheme non-cash movement	57,000	58,000
Movements in working capital:		
Decrease/(increase) in stocks	91,361	(1,313,467)
Decrease/(increase) in debtors	216,082	(321,217)
(Decrease)/increase in creditors	(190,811)	577,974
(Decrease)/increase in deferred income	(12,261)	9,343
Cash generated from operations	1,233,252	648,969