

**WILLIAM S GRAHAM LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 APRIL 2013**

**Company Registration Number 00051904**

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**WILLIAM S GRAHAM LIMITED**  
**FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

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**WILLIAM S GRAHAM LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 30 APRIL 2013**

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<b>The board of directors</b>	J S Graham N Graham P Sutton
<b>Company secretary</b>	P Sutton
<b>Business address</b>	Thornhill Road Business Park Tenterfields Thornhill Road Dewsbury WF12 9QT
<b>Registered office</b>	Thornhill Road Business Park Tenterfields Thornhill Road Dewsbury WF12 9QT
<b>Auditor</b>	Baker Tilly UK Audit LLP Chartered Accountants 2 Whitehall Quay Leeds West Yorkshire LS1 4HG
<b>Bankers</b>	HSBC Bank plc Market Place Dewsbury West Yorkshire WF13 1DH

# **WILLIAM S GRAHAM LIMITED**

## **DIRECTORS' REPORT**

**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

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The directors present their report and the financial statements of the company for the period from 2 May 2012 to 30 April 2013.

### **Principal activities and business review**

On 1 May 2012 a group restructuring exercise took place which resulted in the formation of a new holding company, WSG Property (Holdings) Limited and from that date this company has effectively been non-trading.

### **Results and dividends**

The profit for the period, after taxation, amounted to £76,987. The directors have not recommended a dividend.

### **Financial risk management objectives and policies**

The company's former operations exposed it to a variety of financial risks. Given the size of the company there are no formal risk management objectives and policies. However, the directors work closely together on all aspects of the business including considering and mitigating financial risks where appropriate.

### **Price risk, credit risk, liquidity risk and cash flow risk**

The business' principal financial instruments comprise bank balances, other debtors, other creditors and group balances. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Other debtors, other creditors and group balances are managed by the regular monitoring of amounts outstanding and by ensuring that sufficient funds are available to meet amounts due.

### **Directors**

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

J S Graham  
N Graham  
P Sutton

# **WILLIAM S GRAHAM LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

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### **Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are, individually, aware:

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

### **Auditor**

Baker Tilly Audit Limited (formerly RSM Tenon Audit Limited) ceased trading on 31 March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

Signed on behalf of the directors

P Sutton



Company Secretary

Approved by the directors on 6/8/14

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM S GRAHAM LIMITED**

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We have audited the financial statements of William S Graham Limited for the period from 2 May 2012 to 30 April 2013 on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
WILLIAM S GRAHAM LIMITED (CONTINUED)**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Paul Langhorn, Senior Statutory Auditor  
For and on behalf of

*Baker Tilly UK Audit LLP*

Baker Tilly UK Audit LLP, Statutory Auditor  
Chartered Accountants  
2 Whitehall Quay  
Leeds  
West Yorkshire  
LS1 4HG

Date:- *7/8/14*

**WILLIAM S GRAHAM LIMITED**

**PROFIT AND LOSS ACCOUNT**

**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

		<b>Period from 2 May 12 to 30 Apr 13 £</b>	<i>Period from 1 Jan 11 to 1 May 12 £</i>
<b>Turnover</b>	<b>Note 2</b>	<b>(746)</b>	<b>50,047,807</b>
Cost of sales		22,739	(41,061,204)
<b>Gross profit</b>		<b>21,993</b>	<b>8,986,603</b>
Administrative expenses		(231,893)	(11,431,255)
Other operating income	3	200,375	–
<b>Operating loss</b>	4	<b>(9,525)</b>	<b>(2,444,652)</b>
Loss on disposal of fixed assets	7	–	(379,239)
Profit on disposal of discontinued operations	8	–	3,237,902
		(9,525)	414,011
Interest receivable		140,201	–
Interest payable and similar charges	9	(10,540)	(168,847)
Other finance (costs)/income	10	(30,000)	7,000
<b>Profit on ordinary activities before taxation</b>		<b>90,136</b>	<b>252,164</b>
Tax on profit on ordinary activities	11	(13,149)	677,909
<b>Profit for the financial period</b>		<b>76,987</b>	<b>930,073</b>

All of the trading activities of the company are classed as discontinuing.

The notes on pages 9 to 22 form part of these financial statements.



**WILLIAM S GRAHAM LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

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	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<i>Period from 1 Jan 11 to 1 May 12 £</i>
Profit for the financial period		
Attributable to the shareholders	76,987	930,073
Actuarial gain/(loss) in respect of defined benefit pension scheme	(1,000)	(278,000)
Deferred tax in respect of defined benefit pension scheme	200	58,380
Change in deferred tax rate	(560)	6,050
Total gains and losses recognised since the last annual report	<u>75,627</u>	<u>716,503</u>

The notes on pages 9 to 22 form part of these financial statements.

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**WILLIAM S GRAHAM LIMITED**

Registered Number 00051904

**BALANCE SHEET****30 APRIL 2013**

	Note	30 Apr 13 £	£	1 May 12 £	£
<b>Current assets</b>					
Debtors due within one year	13	2,247,300		11,094,430	
Debtors due after one year	13	4,000,000		4,000,000	
Cash at bank and in hand		62,116		184,191	
		<u>6,309,416</u>		<u>15,278,621</u>	
<b>Creditors: Amounts falling due within one year</b>	14	<u>(1,488,933)</u>		<u>(10,559,125)</u>	
<b>Net current assets</b>			4,820,483		4,719,496
<b>Creditors: Amounts falling due after more than one year</b>	15		(28,030)		(28,030)
<b>Net assets excluding pension liability</b>			<u>4,792,453</u>		<u>4,691,466</u>
Defined benefit pension scheme liability	17		(69,600)		(44,240)
<b>Net assets including pension liability</b>			<u>4,722,853</u>		<u>4,647,226</u>
<b>Capital and reserves</b>					
Called-up share capital	20		15,000		15,000
Other reserves	21		9,829		9,829
Profit and loss account	21		4,698,024		4,622,397
<b>Shareholders' funds</b>	22		<u>4,722,853</u>		<u>4,647,226</u>

These accounts were approved by the directors and authorised for issue on 6/8/14, and are signed on their behalf by:

  
J S Graham  
Director

The notes on pages 9 to 22 form part of these financial statements.

**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

**Going concern**

The directors have considered the company's financial position. At the year end the company has net current assets of £4,820,483 (2012: £4,719,496). Included within creditors due within one year is an amount of £1,365,687 owed to G-Tuft Limited, a related company, which is unsecured and has no fixed date of repayment. The directors have received confirmation from the directors of G-Tuft Limited that it is their intention not to withdraw support for a period of at least twelve months from the date of approval of these financial statements. Therefore the directors consider it appropriate to prepare the financial statements on a going concern basis.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

**Turnover**

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year net of rebates and allowances.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

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**1. Accounting policies (*continued*)**

**Pension costs and other post-retirement benefits**

The company's holding company William S. Graham & Sons (Dewsbury) Limited operates a pension scheme providing benefits based on final pensionable pay for the benefit of employees of William S Graham Limited. The assets of the scheme are held separately from those of the company, being invested with an insurance company. The scheme is closed to new entrants and there are no active members of the scheme as benefit accrual ceased on 31 July 2005. All members of this scheme are either deferred members or pensioner members.

In respect of the defined benefit pension scheme, assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond.

The service cost of providing pension and other post-retirement benefits to employees for the year is charged to the operating profit or loss for the year. The full cost of providing amendments to benefits in respect of past service and the curtailment costs resulting from the defined benefit scheme ceasing future accrual are also charged to the operating profit or loss for the year.

The expected return on the defined benefit scheme assets based on the market value of the scheme assets at the start of the financial year is included within other finance costs. This also includes a charge representing the expected increase in liabilities of the scheme during the year, arising from the liabilities being one year closer to payment. Differences between actual and expected returns on assets during the year are recognised on the Statement of Recognised Gains and Losses in the year, together with differences from changes in assumptions. The net deficit/surplus of the defined benefit scheme is reported on the balance sheet within the pension liability/asset. This is net of deferred tax.

Although members of the defined benefit scheme may accrue no further benefits, the company has agreed with the scheme's trustees to continue paying contributions at the rate of £10,800 per annum for 10 years with effect from 1 September 2014 in order to reduce the scheme deficit.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax balances are not discounted.

**Foreign currencies**

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

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**1. Accounting policies (continued)**

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. Turnover**

An analysis of turnover by geographical market and by segment is given below:

	2013 £	2012 £
Carpet yarn	-	8,631,907
Carpets	(746)	41,415,900
	<u>(746)</u>	<u>50,047,807</u>
UK	-	50,005,271
Overseas	(746)	42,536
	<u>(746)</u>	<u>50,047,807</u>

**3. Other operating income**

	Period from 2 May 12 to 30 Apr 13 £	Period from 1 Jan 11 to 1 May 12 £
Rent receivable	200,000	-
Other operating income	375	-
	<u>200,375</u>	<u>-</u>

**4. Operating loss**

Operating loss is stated after charging:

	Period from 2 May 12 to 30 Apr 13 £	Period from 1 Jan 11 to 1 May 12 £
Depreciation of owned fixed assets	-	2,158,172
Operating lease costs:		
-Other	200,000	285,901
Auditor's remuneration - audit of the financial statements	4,500	14,500
Auditor's remuneration - other fees	500	31,429
	<u>205,000</u>	<u>314,829</u>

**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

**4. Operating loss (continued)**

	30 Apr 13 £	1 May 12 £
Auditor's remuneration - audit of the financial statements	<u>4,500</u>	<u>14,500</u>
Auditor's remuneration - other fees:		
- Taxation compliance services	500	4,600
- Other services	<u>-</u>	<u>26,829</u>
	<u>500</u>	<u>31,429</u>

**5. Particulars of employees**

The average number of staff employed by the company during the financial period amounted to:

	Period from 2 May 12 to 30 Apr 13 No	Period from 1 Jan 11 to 1 May 12 No
Production	-	472
Administration	<u>-</u>	<u>16</u>
	<u>-</u>	<u>488</u>

The aggregate payroll costs of the above were:

	Period from 2 May 12 to 30 Apr 13 £	Period from 1 Jan 11 to 1 May 12 £
Wages and salaries	(2,876)	12,630,082
Social security costs	(6,213)	881,581
Other pension costs	<u>18,865</u>	<u>93,880</u>
	<u>9,776</u>	<u>13,605,543</u>

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income and charged to finance costs (see note 10), and amounts recognised in the statement of recognised gains and losses.

**6. Directors' remuneration**

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

	Period from 2 May 12 to 30 Apr 13 £	Period from 1 Jan 11 to 1 May 12 £
Remuneration receivable	-	662,206
Value of company pension contributions to money purchase schemes	<u>-</u>	<u>6,500</u>
	<u>-</u>	<u>668,706</u>

**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

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**6. Directors' remuneration (continued)**

**Remuneration of highest paid director:**

	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<i>Period from 1 Jan 11 to 1 May 12 £</i>
Total remuneration (excluding pension contributions)	—	<u>252,996</u>

During the year the number of directors who were accruing benefits under company pension schemes was follows:

	<b>Period from 2 May 12 to 30 Apr 13 No</b>	<i>Period from 1 Jan 11 to 1 May 12 No</i>
Money purchase schemes	—	<u>3</u>

No directors received any remuneration in the year.

**7. Loss on disposal of fixed assets**

	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<i>Period from 1 Jan 11 to 1 May 12 £</i>
Loss on disposal of fixed assets	—	<u>(379,239)</u>

The loss on disposal of fixed assets in 2012 relates to the company's disposal of its freehold interest in Ravens Ing Mills as part of a group reorganisation.

**8. Profit on disposal of discontinued operations**

	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<i>Period from 1 Jan 11 to 1 May 12 £</i>
Disposal of discontinued operations:		
Profit on sale of operation	—	<u>(3,237,902)</u>

On 30 April 2012 the decision was taken to merge the company's yarn operations with the spinning business of Fred Lawton & Son Limited. Consequently, the company transferred the trade and certain assets and liabilities of its yarn business to Lawton Yarns Limited, a newly formed company set up to facilitate the merger. At this same date the trade and certain assets and liabilities of the company's carpet business were transferred to G-Tuft Limited, another newly formed company. These transactions have given rise to a profit on disposal of discontinued operations of £3,237,902 for the year ended 1 May 2012, which is stated after deducting associated legal and professional costs totalling £179,042.

**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

**9. Interest payable and similar charges**

	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<i>Period from 1 Jan 11 to 1 May 12 £</i>
Interest on other loans	10,134	168,362
Other similar charges	406	485
	<u>10,540</u>	<u>168,847</u>

Included within interest on other loans is £10,134 (2012 - £137,039) relating to interest on the company's invoice discounting facility.

**10. Other finance (costs)/income**

	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<i>Period from 1 Jan 11 to 1 May 12 £</i>
Interest on pension scheme liabilities	<u>(30,000)</u>	<u>7,000</u>

**11. Taxation on ordinary activities**

**(a) Analysis of charge in the period**

	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<i>Period from 1 Jan 11 to 1 May 12 £</i>
In respect of the period:		
UK Corporation tax	19,149	(20,950)
Over/under provision in prior year	-	(2)
	<u>19,149</u>	<u>(20,952)</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(6,000)</u>	<u>(656,957)</u>
Total deferred tax	<u>(6,000)</u>	<u>(656,957)</u>
Tax on profit on ordinary activities	<u>13,149</u>	<u>(677,909)</u>

Movements in deferred tax relating to the surplus in the company's defined benefit pension scheme are accounted for within the FRS17 balances shown in note 17. Included in the deferred tax credit for the year is a credit of £6,000 (2012 - £21,210 debit) in respect of the movements relating to the defined benefit pension scheme.



**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

**11. Taxation on ordinary activities (continued)**

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 23.92% (2012 - 26.24%).

	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<b>Period from 1 Jan 11 to 1 May 12 £</b>
Profit on ordinary activities before taxation	90,136	252,164
Profit on ordinary activities by rate of tax	21,558	66,168
Effects of:		
Expenses not deductible for tax purposes	25	420
Depreciation in excess of capital allowances	-	208,931
Other timing differences	(372)	(1,899)
Rate differences	(2,062)	5,224
Adjustments to tax charge in respect of previous periods	-	(2)
Unrelieved tax losses	-	1,482,478
Exceptional profit on disposal of trade	-	(1,782,272)
Total current tax (note 11(a))	19,149	(20,952)

**12. Dividends**

**Equity dividends**

	<b>Period from 2 May 12 to 30 Apr 13 £</b>	<b>Period from 1 Jan 11 to 1 May 12 £</b>
Paid during the year:		
Dividends on equity shares	-	7,300,000

**13. Debtors**

	<b>30 Apr 13 £</b>	<b>1 May 12 £</b>
Trade debtors	-	7,049,752
Amounts owed by group undertakings	2,031,590	2,265,000
Corporation tax repayable	-	20,950
VAT recoverable	22,840	-
Other debtors	4,151,758	5,668,965
Directors current accounts	41,010	82,336
Prepayments and accrued income	102	7,427
	6,247,300	15,094,430

**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

**13. Debtors (continued)**

The debtors above include the following amounts falling due after more than one year:

	30 Apr 13 £	1 May 12 £
Other debtors	<u>4,000,000</u>	<u>4,000,000</u>

**14. Creditors: Amounts falling due within one year**

	30 Apr 13 £	1 May 12 £
Invoice discounting	–	3,496,797
Trade creditors	–	5,612,803
Amounts owed to group undertakings	94,000	94,000
Corporation tax	8,250	–
PAYE and social security	–	130,332
VAT	–	385,914
Other creditors	1,365,687	5,816
Directors current accounts	13,451	–
Accruals and deferred income	7,545	833,463
	<u>1,488,933</u>	<u>10,559,125</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	30 Apr 13 £	1 May 12 £
Invoice discounting	<u>–</u>	<u>3,496,797</u>

The invoice discounting facility in 2012 was secured by way of a legal mortgage over the freehold property of the group and fixed and floating charges over all property and assets of the group. There was also a fixed equitable charge over all debts purchased by the charge holder.

**15. Creditors: Amounts falling due after more than one year**

	30 Apr 13 £	1 May 12 £
Shares classed as financial liabilities	<u>28,030</u>	<u>28,030</u>

**16. Deferred taxation**

The movement in the deferred taxation provision during the period was:

	Period from 2 May 12 to 30 Apr 13 £	Period from 1 Jan 11 to 1 May 12 £
At 2 May 2012	–	678,167
Profit and loss account movement arising during the period	<u>–</u>	<u>(678,167)</u>
At 30 April 2013	<u>–</u>	<u>–</u>

**WILLIAM S GRAHAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 2 MAY 2012 TO 30 APRIL 2013**

**16. Deferred taxation (continued)**

The deferred tax provision in 2012 was released following the transfer of the trade and certain assets and liabilities of the company.

**17. Pensions and other post retirement benefits**

**Defined benefit pension scheme**

The company's holding company William S. Graham & Sons (Dewsbury) Limited operates a pension scheme providing benefits based on final pensionable pay for the benefit of employees of William S Graham Limited. The assets of the scheme are held separately from those of the company, being invested with an insurance company. The scheme is closed to new entrants, and the current service costs will increase as members approach retirement. The total charge to the profit and loss account in respect of service costs related to this scheme was £nil (2012: £nil).

The company has applied FRS17 (allowing for the 2006 amendment) and the following disclosures relate to this revised standard.

**Most recent actuarial valuation**

The latest full actuarial valuation was carried out at 1 August 2010 and was updated for FRS17 purposes to 30 April 2013 by a qualified independent actuary.

The amounts recognised in the profit and loss account are as follows:

	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>£</b>	<b>£</b>
Amounts included in other finance cost/(income):		
Expected return on scheme assets	(95,000)	(169,000)
Interest on scheme liabilities	125,000	154,000
Expenses paid	—	8,000
Other finance cost/(income)	<u>30,000</u>	<u>(7,000)</u>
Total charge/(credit) to the profit and loss account	<u>30,000</u>	<u>(7,000)</u>
Actual return on scheme assets	<u>526,000</u>	<u>16,000</u>

Other finance cost is included in the profit and loss account within interest payable and similar charges.

Actuarial losses of £(1,000) (2012: £(278,000)) have been recognised in the statement of total recognised gains and losses. At 30 April 2013 the cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses is £(320,000).

The amounts recognised in the balance sheet are as follows:

	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	(2,778,000)	(2,397,000)
Fair value of scheme assets	<u>2,691,000</u>	<u>2,341,000</u>
	(87,000)	(56,000)
Related deferred tax asset	<u>17,400</u>	<u>11,760</u>
Net pension liability	<u>(69,600)</u>	<u>(44,240)</u>

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**17. Pensions and other post retirement benefits (continued)**

Changes in the present value of the defined benefit obligation scheme are as follows:

	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	2,397,000	2,155,000
Interest on scheme liabilities	125,000	154,000
Actuarial loss	432,000	125,000
Benefits paid	(176,000)	(29,000)
Expenses paid	–	(8,000)
Closing defined benefit obligation	<u>2,778,000</u>	<u>2,397,000</u>

Changes in the fair value of scheme assets are as follows:

	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	2,341,000	2,276,000
Expected return on scheme assets	95,000	169,000
Contributions by employer	–	86,000
Actuarial gain/(loss)	431,000	(153,000)
Benefits paid	(176,000)	(29,000)
Expenses paid	–	(8,000)
Closing fair value of scheme assets	<u>2,691,000</u>	<u>2,341,000</u>

The fair value of the major categories of scheme assets and the expected rate of return at the balance sheet date are as follows:

	<b>Expected return</b>		<b>Fair value of assets</b>	
	<b>30 Apr 13</b>	<b>1 May 12</b>	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>%</b>	<b>%</b>	<b>£</b>	<b>£</b>
Equities	6.90	6.90	870,000	–
Bonds	3.70	5.40	124,000	–
Cash	2.50	2.50	51,000	947,000
Other	4.20	5.40	1,646,000	1,394,000
Fair value of scheme assets			<u>2,691,000</u>	<u>2,341,000</u>

The principal actuarial assumptions as at the balance sheet date were:

	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>%</b>	<b>%</b>
Discount rate	4.20	5.40
Rate of increase in pensions in payment	5.00	3.25
Rate of increase in deferred pensions	–	3.25
Inflation	–	3.25
Longevity at age 65 for current pensioners - men (years)	24.10	23.70
Longevity at age 65 for current pensioners - women (years)	26.40	26.10
Longevity at age 65 for future pensioners now aged 45 - men (years)	27.10	26.70
Longevity at age 65 for future pensioners now aged 45 - women (years)	28.40	28.10

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**17. Pensions and other post retirement benefits *(continued)***

Amounts for the current and previous four periods are as follows:

	<b>2013</b>	<b>2012</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Defined benefit obligation	(2,778,000)	(2,397,000)	(2,155,000)	(2,135,000)	(2,003,000)
Fair value of scheme assets	<u>2,691,000</u>	<u>2,341,000</u>	<u>2,276,000</u>	<u>2,169,000</u>	<u>1,983,000</u>
(Deficit)/surplus in the scheme	<u>(87,000)</u>	<u>(56,000)</u>	<u>121,000</u>	<u>34,000</u>	<u>(20,000)</u>
Experience adjustments on scheme liabilities (£)	<u>29,000</u>	<u>72,000</u>	<u>302,000</u>	<u>98,000</u>	<u>70,000</u>
Experience adjustments on scheme assets (£)	<u>431,000</u>	<u>(153,000)</u>	<u>(12,000)</u>	<u>37,000</u>	<u>(271,000)</u>

**18. Commitments under operating leases**

At 30 April 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land and buildings 30 Apr 13 £</b>	<b>Land and buildings 1 May 12 £</b>
Operating leases which expire: After more than 5 years	<u>200,000</u>	<u>200,000</u>

The lease commitment disclosed above relates to a property that is occupied by a related company. The rent payable under this lease is therefore recharged to that company, as disclosed in note 19.

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**19. Related party transactions**

Mr J S Graham and Mr N Graham are trustees and members of the W.S. Graham and Sons Self Administered Pension Fund.

Mr J S Graham and Mr N Graham are directors and controlling shareholders of WSG Property (Holdings) Limited, which owns 100% of William S. Graham & Sons (Dewsbury) Limited and William S Graham Limited. They are also directors and 50% shareholders of Lawton Yarns Limited. They are also directors and 100% shareholders in G-Tuft Holdings Limited, which owns 100% G-Tuft Limited, in which they are also directors.

The company leases a property from the W.S. Graham and Sons Self Administered Pension Fund on normal commercial terms. The amount of rent payable in the period to the pension fund amounted to £200,000 (2012 - £266,666). Included in prepayments and accrued income is £nil (2012: £34,660) relating to rent in advance at the year end. With effect from 2 May 2012 this property has been occupied by G-Tuft Limited, and the rent payable of £200,000 per annum has been recharged to that company. See also the operating lease commitment note (note 18).

As at 30 April 2013, Lawton Yarns Limited owed the company £4,140,000 (2012: £4,000,000) and this balance is included within other debtors. Interest of £140,000 (2012: £nil) has been charged in the year.

Included in other creditors at 30 April 2013 is an amount of £1,365,687 owed by the company to G-Tuft Limited (2012: Amount due from G-Tuft Limited of £1,667,372 included in other debtors).

At 30 April 2013 the company was owed £2,031,590 (2012: £2,265,000) by WSG Property (Holdings) Limited and owed £94,000 (2012: £94,000) to William S Graham & Sons (Dewsbury) Limited.

**Directors' loan accounts**

The following balances owed (by)/to the directors were outstanding at the year end:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
J S Graham	13,451	(15,278)
N Graham	(41,010)	(67,058)
	<u>(27,559)</u>	<u>(82,336)</u>

Interest payable to the directors on loan balances in credit amounted to £406 (2012: £485).

The maximum outstanding balance during the year was:

	<b>2013</b>
	<b>£</b>
J S Graham	86,018
N Graham	15,278

**WILLIAM S GRAHAM LIMITED**  
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**20. Share capital**

**Authorised share capital:**

	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>£</b>	<b>£</b>
1,500 Ordinary shares of £10 each	15,000	15,000
2,803 3.5% Cumulative Preference shares of £10 each	28,030	28,030
	<u>43,030</u>	<u>43,030</u>

**Allotted, called up and fully paid:**

	<b>30 Apr 13</b>		<b>1 May 12</b>
	<b>No</b>	<b>£</b>	<b>No</b>
Ordinary shares of £10 each	1,500	15,000	1,500
3.5% Cumulative Preference shares of £10 each	2,803	28,030	2,803
	<u>4,303</u>	<u>43,030</u>	<u>4,303</u>

	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>£</b>	<b>£</b>
<b>Amounts presented in equity:</b>		
1,500 Ordinary shares of £10 each	<u>15,000</u>	<u>15,000</u>

<b>Amounts presented in liabilities:</b>		
2,803 3.5% Cumulative Preference shares of £10 each	<u>28,030</u>	<u>28,030</u>

The company has 2,803 allotted, issued and fully paid 3.5% cumulative preference shares of £10 each. In accordance with FRS25 these shares are now shown within creditors falling due after more than one year. The dividends on these shares are in arrears from December 1995 and the arrears amount to £17,660 (2012 - £16,679). These shares have no terms of repayment. The preference shareholders are entitled to one vote for every five preference shares held. On a winding up of the company the 3.5% cumulative preference shares rank before the ordinary shares and are entitled to the full amount paid thereon and all arrears of dividends.

**21. Reserves**

	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance brought forward	9,829	4,622,397
Profit for the period	—	76,987
Actuarial gain/(loss) in respect of defined benefit pension scheme	—	(1,360)
Balance carried forward	<u>9,829</u>	<u>4,698,024</u>

The closing balance on the profit and loss reserve includes a £69,600 debit (2012 - £44,240 debit) stated after deferred tax of £17,400 at 20% (2012 - £11,760 at 21%), in respect of the pension scheme asset of the company's defined benefit pension scheme.

**WILLIAM S GRAHAM LIMITED**  
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**22. Reconciliation of movements in shareholders' funds**

	<b>30 Apr 13</b>	<b>1 May 12</b>
	<b>£</b>	<b>£</b>
Profit for the financial period	76,987	930,073
Equity dividends	–	(7,300,000)
Actuarial gain/(loss) in respect of defined benefit pension scheme	(1,360)	(213,570)
Net addition/(reduction) to shareholders' funds	75,627	(6,583,497)
Opening shareholders' funds	4,647,226	11,230,723
Closing shareholders' funds	<u>4,722,853</u>	<u>4,647,226</u>

**23. Ultimate parent company**

The immediate parent undertaking is William S Graham & Sons (Dewsbury) Limited, which is registered in England and Wales.

On 1 May 2012, following a number of intermediate transactions, the entire issued share capital of William S Graham & Sons (Dewsbury) Limited was acquired by WSG Property (Holdings) Limited, a company controlled by N Graham and J S Graham. WSG Property (Holdings) Limited is the ultimate parent undertaking.

The largest and smallest group for which consolidated financial statements are prepared is that headed by William S Graham & Sons (Dewsbury) Limited.