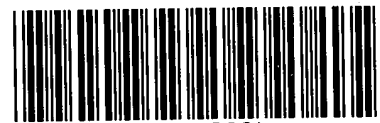


Financial Statements

Stephen Walters & Sons Limited

For the Year Ended 31 March 2016

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COMPANIES HOUSE

Registered number: 00060209

Stephen Walters & Sons Limited
Registered number:00060209

Company Information

Directors

Mr D J Walters
Mr J D Walters
Mr B Crabtree
Mr M James
Mr R Heap

Company secretary

Ms N Currie

Registered number

00060209

Registered office

Sudbury Silk Mills
Cornard Road
Sudbury
Suffolk
CO10 2XB

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
80 Compair Crescent
Ipswich
Suffolk
IP2 0EH

Bankers

Lloyds TSB Bank plc

Solicitors

Birkett Long

Stephen Walters & Sons Limited
Registered number:00060209

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Stephen Walters & Sons Limited
Registered number:00060209

Strategic Report

For the Year Ended 31 March 2016

The company is principally engaged in the designing and weaving of silk and other fabrics and the dying and winding of silk and other fibres.

The principal risks and uncertainties remain those associated with any business manufacturing in the UK and supplying a global consumer market in an uncertain economic and political environment.

During the year, turnover decreased by 8.4% to £8.0m, with a gross margin of 25.2% (2015 - 26.3%).

The company made a net profit before tax of £70k (2015 - £302k).

Liquidity remains strong, with a current ratio of 4.2 (2015 - 3.5).

The Directors are satisfied with with the result for the year.

The outlook for the coming year is more uncertain, particularly with regard to foreign exchange rates and silk prices, but the Directors anticipate continued profitability and investment.

This report was approved by the board on 16/12/16

and signed on its behalf.



Mr J D Walters
Director

Directors' Report

For the Year Ended 31 March 2016

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £52,627 (2015 - £234,315).

Directors

The directors who served during the year were:

Mr D J Walters
Mr J D Walters
Mr B Crabtree
Mr M James
Mr R Heap

Future developments

The Directors continue to explore new market opportunities and plan to continue the investment in developing and sustaining the business going forward.

Directors' Report

For the Year Ended 31 March 2016

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Financial risk management objectives and policies

The company aims to minimise financial risk in its operations by the identification and mitigation of key risk areas. The key areas of risk identified by the directors are market risk, price risk, credit risk and currency risk.

The measures used by the directors to manage general financial, market and price risks include the preparation of profit and loss budgets and the regular monitoring of actual performance against these budgets.

Credit risk, as identified by the directors, arises from the company's trade debtors. In order to manage credit risk, the Directors set limits for customers and ensure that credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

The directors have identified that the company is exposed to translation and transaction foreign exchange risk. The directors use foreign currency forecasts which are regularly monitored, to analyse the exposure to foreign currency gains or losses, and identify any necessary actions. Forward and other similar contracts are also used if the Directors consider it to be appropriate.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16/12/16

and signed on its behalf.



Mr J D Walters
Director



Independent Auditor's Report to the Members of Stephen Walters & Sons Limited

We have audited the financial statements of Stephen Walters & Sons Limited for the year ended 31 March 2016, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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, 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.

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 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.



Independent Auditor's Report to the Members of Stephen Walters & Sons Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

Grant Thornton UK LLP

Ian Thoroughgood (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Ipswich
Date:

21 December 2016

Statement of Comprehensive Income

For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	8,043,734	8,784,713
Cost of sales		(6,018,292)	(6,477,508)
Gross profit		2,025,442	2,307,205
Distribution costs		(1,056,339)	(1,171,258)
Administrative expenses		(918,388)	(842,520)
Other operating income	4	17,135	20,184
Operating profit	5	67,850	313,611
Interest receivable and similar income	8	2,817	5,592
Interest payable and expenses	9	(1,077)	(17,084)
Profit before tax		69,590	302,119
Tax on profit	10	(16,963)	(67,804)
Profit for the year		52,627	234,315
Other comprehensive income for the year			
Total comprehensive income for the year		52,627	234,315

Balance Sheet

As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	842,538	990,944
		<u>842,538</u>	<u>990,944</u>
Current assets			
Stocks	12	2,084,532	2,108,174
Debtors: amounts falling due within one year	13	1,147,006	1,196,905
Cash at bank and in hand	14	1,027,552	973,726
		<u>4,259,090</u>	<u>4,278,805</u>
Creditors: amounts falling due within one year	15	(1,019,828)	(1,223,999)
Net current assets		<u>3,239,262</u>	<u>3,054,806</u>
Total assets less current liabilities		<u>4,081,800</u>	<u>4,045,750</u>
Provisions for liabilities			
Deferred tax	16	(59,308)	(75,885)
		<u>(59,308)</u>	<u>(75,885)</u>
Net assets		<u><u>4,022,492</u></u>	<u><u>3,969,865</u></u>
Capital and reserves			
Called up share capital	17	32,466	32,466
Capital redemption reserve	18	19,558	19,558
Profit and loss account	18	3,970,468	3,917,841
		<u>4,022,492</u>	<u>3,969,865</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16/12/16



Mr J D Walters
Director

The notes on pages 10 to 22 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2016

	Share capital	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2015	32,466	19,558	3,917,841	3,969,865
Comprehensive income for the year				
Profit for the year	-	-	52,627	52,627
Total comprehensive income for the year	-	-	52,627	52,627
At 31 March 2016	32,466	19,558	3,970,468	4,022,492

Statement of Changes in Equity

For the Year Ended 31 March 2015

	Share capital	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2014	32,466	19,558	3,683,526	3,735,550
Comprehensive income for the year				
Profit for the year	-	-	234,315	234,315
Total comprehensive income for the year	-	-	234,315	234,315
At 31 March 2015	32,466	19,558	3,917,841	3,969,865

The notes on pages 10 to 22 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. General information

Stephen Walters & Sons Limited is a private limited company, guaranteed by shares and incorporated in England.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The company has taken advantage of exemptions provided under FRS 102 in respect of certain financial instrument disclosures, key management personnel disclosures and in preparing a statement of cash-flows.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised on despatch when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 10% - 33% straight line
Motor vehicles	- 20% straight line
Fixtures & fittings	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.4 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

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

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'.

2.11 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.13 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Analysis of turnover

The whole of the turnover is attributable to the principal activities of the company.

An analysis of turnover by geographical location has not been disclosed as the Directors consider that such analysis would be seriously prejudicial to the business.

Notes to the Financial Statements

For the Year Ended 31 March 2016

4. Other operating income

	2016 £	2015 £
Other operating income	17,135	20,184
	<u>17,135</u>	<u>20,184</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Operating lease rentals	143,750	143,750
Depreciation of tangible fixed assets	301,508	315,309
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	9,492	9,492
Exchange differences	23,588	(53,426)
Defined contribution pension cost	318,367	213,228
	<u>318,367</u>	<u>213,228</u>

6. Employees

The aggregate payroll costs were:

	2016 £	2015 £
Wages and salaries	2,727,762	2,899,368
Social security costs	243,972	265,119
Other pension costs	318,367	213,228
	<u>3,290,101</u>	<u>3,377,715</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Textile operatives	54	54
Administration	57	58
	<u>111</u>	<u>112</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	340,388	373,771
Company contributions to defined contribution pension schemes	88,803	37,317
	<u>429,191</u>	<u>411,088</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £71,176 (2015 - £101,628).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £66,144 (2015 - £18,987).

8. Interest receivable

	2016 £	2015 £
Other interest receivable	2,817	5,592
	<u>2,817</u>	<u>5,592</u>

9. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	1,077	17,084
	<u>1,077</u>	<u>17,084</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	28,813	40,950
Adjustments in respect of previous periods	4,727	(69)
	<u>33,540</u>	<u>40,881</u>
Total current tax	<u>33,540</u>	<u>40,881</u>
Deferred tax		
Origination and reversal of timing differences	(16,577)	26,923
Total deferred tax	<u>(16,577)</u>	<u>26,923</u>
Taxation on profit on ordinary activities	<u>16,963</u>	<u>67,804</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>69,590</u>	<u>302,119</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	13,918	63,445
Effects of:		
(Income not taxable)/expenses not deductible for tax purposes	(1,682)	4,687
Adjustments to tax charge in respect of prior periods	4,727	(69)
Marginal relief	-	(259)
Total tax charge for the year	<u>16,963</u>	<u>67,804</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

11. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 April 2015	5,784,397	78,730	1,906,361	7,769,488
Additions	125,913	-	27,189	153,102
Disposals	(138,662)	-	(498,202)	(636,864)
At 31 March 2016	<u>5,771,648</u>	<u>78,730</u>	<u>1,435,348</u>	<u>7,285,726</u>
Depreciation				
At 1 April 2015	4,968,001	64,874	1,745,669	6,778,544
Charge owned for the period	225,086	11,057	65,365	301,508
Disposals	(138,662)	-	(498,202)	(636,864)
At 31 March 2016	<u>5,054,425</u>	<u>75,931</u>	<u>1,312,832</u>	<u>6,443,188</u>
Net book value				
At 31 March 2016	<u>717,223</u>	<u>2,799</u>	<u>122,516</u>	<u>842,538</u>
At 31 March 2015	<u>816,396</u>	<u>13,856</u>	<u>160,692</u>	<u>990,944</u>

12. Stocks

	2016 £	2015 £
Raw materials and consumables	1,355,581	1,317,146
Work in progress	263,902	271,734
Finished goods and goods for resale	465,049	519,294
	<u>2,084,532</u>	<u>2,108,174</u>

Stock recognised in cost of sales during the year as an expense was £6,018,292 (2015 - £6,477,508).

Notes to the Financial Statements

For the Year Ended 31 March 2016

13. Debtors

	2016 £	2015 £
Trade debtors	968,426	904,151
Amounts owed by group undertakings	8,104	109,940
Other debtors	6,517	5,737
Prepayments and accrued income	163,959	159,996
Financial instruments	-	17,081
	<u>1,147,006</u>	<u>1,196,905</u>

14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	1,027,552	973,726
	<u>1,027,552</u>	<u>973,726</u>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	565,208	681,637
Amounts owed to group undertakings	7,091	137,172
Corporation tax	28,813	40,950
Taxation and social security	114,610	116,787
Other creditors	72,426	60,796
Accruals and deferred income	188,214	186,657
Financial instruments	43,466	-
	<u>1,019,828</u>	<u>1,223,999</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

16. Deferred taxation

	Deferred tax £
At 1 April 2015	(75,885)
Charged to the profit or loss	16,577
At 31 March 2016	(59,308)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Difference between capital allowances and depreciation	(69,619)	(87,096)
Other timing differences	10,311	11,211
	<u>(59,308)</u>	<u>(75,885)</u>

17. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
32,466 Ordinary shares of £1 each	<u>32,466</u>	<u>32,466</u>

Share capital represents the nominal value of shares that have been issued.

18. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit & loss account

This account includes all current and prior period retained profits and losses.

19. Contingent liabilities

A guarantee has been in favour of H M Revenue and Customs up to a limit of £40,000 (2015 - £40,000).

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £318,367 (2015 - £213,228). Contributions totalling £21,452 (2015 - £23,227) were payable to the fund at the balance sheet date.

21. Related party transactions

Under the requirements of FRS 102 transactions and balances with wholly owned members of the Walters Holdings Group do not need to be disclosed.

During the year the company made design royalty payments of £116,707 (2015 - £129,111) and at the year end owed £10,841 (2015 - £9,567) to Spitalfields Fabrics Limited, a company with the same ultimate controlling party.

22. Controlling party

Walters Holdings Limited is this company's parent undertaking. The smallest and largest group for which consolidated financial statements are prepared is that headed by Walters Holdings Limited. Group accounts can be obtained from Companies House. The Walters family is this company's ultimate controlling related party by virtue of its shareholdings in the ultimate parent undertaking, Walters Holdings Limited.

Notes to the Financial Statements

For the Year Ended 31 March 2016

23. Transition to FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2014

	Note	£
Equity at 1 April 2014 under previous UK GAAP		3,680,590
Fair value of forward currency contracts		54,960
Equity shareholders funds at 1 April 2014 under FRS 102		3,735,550

Reconciliation of equity at 31 March 2015

	Note	£
Equity at 31 March 2015 under previous UK GAAP		3,952,784
Fair value of forward currency contracts		17,081
Equity shareholders funds at 31 March 2015 under FRS 102		3,969,865

Reconciliation of profit and loss account for the year ended 31 March 2015

	£
Profit for the year under previous UK GAAP	272,194
Movement in fair value of forward currency contracts	(37,879)
Profit for the year ended 31 March 2015 under FRS 102	234,315

Under FRS 102, the fair value of forward currency contracts is accounted for on the balance sheet, with movements accounted for in the profit and loss account. Under previous UK GAAP, these fair values were disclosed rather than recorded in the financial statements.