

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended
30 April 2016
for
Thomas Ramsden (Holdings) Limited**

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for the Year Ended 30 April 2016**

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Thomas Ramsden (Holdings) Limited

**Company Information
for the Year Ended 30 April 2016**

DIRECTORS:

Col R A B Ramsden
T B Ramsden

REGISTERED OFFICE:

Gordon Mills
Netherfield Road
Guiseley
Leeds
West Yorkshire
LS20 9PD

REGISTERED NUMBER:

01632091 (England and Wales)

AUDITORS:

Kirk Newsholme
Chartered Accountants and Statutory Auditors
4315 Park Approach
Thorpe Park
Leeds
West Yorkshire
LS15 8GB

BANKERS:

Lloyds TSB
PO Box 96
6/7 Park Row
Leeds
West Yorkshire
LS1 1NX

SOLICITORS:

The Beaumont Partnership
PO Box 32
67 Westgate
Wakefield
WF1 1BP

**Group Strategic Report
for the Year Ended 30 April 2016**

The directors present their strategic report of the company and the group for the year ended 30 April 2016.

REVIEW OF BUSINESS

The group operates in a market that is significantly affected by global supply and demand. The group is also affected by changes in fashion.

Due to the difficult worldwide economic situation and continuing strong competition from low cost and low wage economies, the group saw turnover decrease by 5%. The group has made an operating loss of £565,706 compared to an operating profit in the prior year of £11,581.

Subsequent to the 30 April 2016, the directors have taken the decision to reduce the level of production within its UK operations in order to reduce the operating costs of the company and drive a profit.

The valuations of the defined benefit pension schemes have seen the deficit reduce this year. Such valuations under show a very high degree of volatility from year to year and the Directors of the company do not regard them as a reliable measure of the true state of the schemes. They will continue to use the triennial scheme specific valuations prepared by the scheme Actuaries for this purpose.

Key Performance Indicators

Key Performance Indicator	2016	2015
Return on Capital Employed (1)	-14.4%	-0.6%
Gross Margin (2)	23.5%	29.3%

Notes to KPIs

(1) Return on Capital Employed (ROCE) = Profit before taxation as a percentage of shareholders funds.

The group aims to increase shareholders funds over time and measures performance against this objective by measuring ROCE. Source data is taken from the audited financial statements.

(2) Gross Margin = Gross Profit as a percentage of Turnover.

The group aims to maximise the profit available to shareholders. The level of gross margin reflects operational and buying efficiency and selling prices achieved. Accordingly the directors believe that this is a key indicator of the operation of the business. Source data is taken from the audited financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The supply of knitting yarn and craft products is a global marketplace. The supply has increasingly moved to low-cost and low-wage economies. The group faces strong competition from suppliers in these countries. The group's products are also affected by changes in fashion. The group seeks to resist this competition by improving the costs of products and investing in the group's internationally recognised brand names Wendy, Robin and Twilleys of Stamford.

The changes to the manufacturing operations undertaken in previous financial years have significantly reduced the costs carried by the group and improved the group's flexibility and its ability to react to changes in the level of demand. The group's brand names are supported by advertising and by direct support to individual retailers and consumers.

Financial uncertainties associated with currency exchange rate fluctuations have increased following the global financial turmoil of the last eight years, and more recently by the vote to leave the European Union. The group seeks to moderate these risks by the use of forward currency contracts with major banks. All bank deposits are with major banks.

The group does not have any material credit risks due to the very wide customer base.

**Group Strategic Report
for the Year Ended 30 April 2016**

PENSION SCHEMES

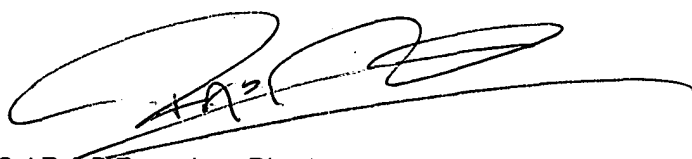
The group has two Defined Benefit Pension Schemes, both of which are closed to future accrual. Both of these schemes are currently in deficit as disclosed by the triennial scheme specific valuation, but Recovery Plans have been agreed with the Trustees and the Scheme Actuaries.

The results of the valuations produced for the purpose of these financial statements are shown in note 20 to the accounts. During the year ended 30th April 2016 the changes in financial and actuarial assumptions coupled with the company's commitment in supporting the schemes has led to a reduction in the overall deficit of £169,000. The group is committed to maintaining its contributions to ensure the future viability of the funds.

EMPLOYEES

The groups policy of providing employees with information about the group has continued.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'RAB', with a long horizontal line extending to the right.

Col RAB Ramsden - Director

12 January 2017

**Report of the Directors
for the Year Ended 30 April 2016**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2016.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2015 to the date of this report.

Col R A B Ramsden
T B Ramsden

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Col R A B Ramsden - Director

12 January 2017

**Report of the Independent Auditors to the Members of
Thomas Ramsden (Holdings) Limited (Registered number: 01632091)**

We have audited the financial statements of Thomas Ramsden (Holdings) Limited for the year ended 30 April 2016 on pages seven to twenty nine. 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 Financial Reporting Standard 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2016 and of the group's loss 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Thomas Ramsden (Holdings) Limited (Registered number: 01632091)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Thomas BA FCA (Senior Statutory Auditor)
for and on behalf of Kirk Newsholme
Chartered Accountants and Statutory Auditors
4315 Park Approach
Thorpe Park
Leeds
West Yorkshire
LS15 8GB

16 January 2017

Thomas Ramsden (Holdings) Limited (Registered number: 01632091)

**Consolidated Profit and Loss Account
for the Year Ended 30 April 2016**

	Notes	£	2016 £	£	2015 £	£
TURNOVER	3			5,842,349		6,123,829
Cost of sales				4,468,004		4,328,422
GROSS PROFIT				1,374,345		1,795,407
Distribution costs		562,250			530,796	
Administrative expenses		1,558,906			1,435,916	
				2,121,156		1,966,712
				(746,811)		(171,305)
Other operating income				181,105		182,886
OPERATING (LOSS)/PROFIT	6			(565,706)		11,581
Interest receivable and similar income				979		1,329
				(564,727)		12,910
Interest payable and similar charges	7	13,866			14,962	
Other finance costs	20	26,000			26,100	
				39,866		41,062
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION				(604,593)		(28,152)
Tax on loss on ordinary activities	8			-		-
LOSS FOR THE FINANCIAL YEAR				(604,593)		(28,152)
Loss attributable to: Owners of the parent				(604,593)		(28,152)

The notes on pages 14 to 29 form part of these financial statements

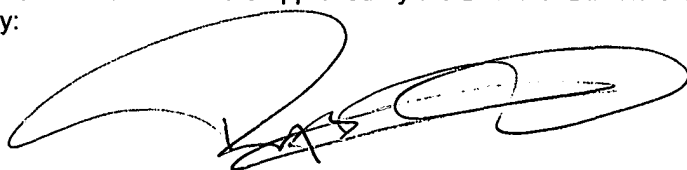
**Consolidated Other Comprehensive Income
for the Year Ended 30 April 2016**

	Notes	2016 £	2015 £
LOSS FOR THE YEAR		(604,593)	(28,152)
OTHER COMPREHENSIVE INCOME			
Defined benefit remeasurement		93,000	(71,000)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>93,000</u>	<u>(71,000)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(511,593)</u>	<u>(99,152)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(511,593)</u>	<u>(99,152)</u>

Consolidated Balance Sheet
30 April 2016

	Notes	£	2016	£	£	2015	£
FIXED ASSETS							
Intangible assets	10			-			-
Tangible assets	11			307,961			355,245
Investments	12			-			-
				<u>307,961</u>			<u>355,245</u>
CURRENT ASSETS							
Stocks	13		3,040,427			3,479,450	
Debtors	14		1,302,013			1,423,627	
Cash at bank and in hand			955,568			1,077,266	
			<u>5,298,008</u>			<u>5,980,343</u>	
CREDITORS							
Amounts falling due within one year	15		700,218			749,244	
NET CURRENT ASSETS				<u>4,597,790</u>			<u>5,231,099</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>4,905,751</u>			<u>5,586,344</u>
PENSION LIABILITY	20			(718,200)			(887,200)
NET ASSETS				<u>4,187,551</u>			<u>4,699,144</u>
CAPITAL AND RESERVES							
Called up share capital	18			95,000			95,000
Capital redemption reserve	19			5,000			5,000
Retained earnings	19			4,087,551			4,599,144
SHAREHOLDERS' FUNDS				<u>4,187,551</u>			<u>4,699,144</u>

The financial statements were approved by the Board of Directors on 12 January 2017 and were signed on its behalf by:



Col R A B Ramsden - Director

Company Balance Sheet
30 April 2016

	Notes	£	2016	£	£	2015	£
FIXED ASSETS							
Intangible assets	10			-			-
Tangible assets	11			-			-
Investments	12			41,576			242,117
				<u>41,576</u>			<u>242,117</u>
CREDITORS							
Amounts falling due within one year	15			-			142,117
				<u>-</u>			<u>142,117</u>
NET CURRENT LIABILITIES							
				<u>-</u>			<u>(142,117)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES							
				<u>41,576</u>			<u>100,000</u>
CAPITAL AND RESERVES							
Called up share capital	18			95,000			95,000
Capital redemption reserve	19			5,000			5,000
Retained earnings	19			(58,424)			-
				<u>41,576</u>			<u>100,000</u>
SHAREHOLDERS' FUNDS							
				<u>41,576</u>			<u>100,000</u>

The financial statements were approved by the Board of Directors on 12 January 2017 and were signed on its behalf by:



Col R A B Ramsden - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 30 April 2016**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 May 2014	95,000	4,698,296	5,000	4,798,296
Changes in equity				
Total comprehensive income	-	(99,152)	-	(99,152)
Balance at 30 April 2015	95,000	4,599,144	5,000	4,699,144
Changes in equity				
Total comprehensive income	-	(511,593)	-	(511,593)
Balance at 30 April 2016	95,000	4,087,551	5,000	4,187,551

**Company Statement of Changes in Equity
for the Year Ended 30 April 2016**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 May 2014	95,000	-	5,000	100,000
Changes in equity				
Balance at 30 April 2015	<u>95,000</u>	<u>-</u>	<u>5,000</u>	<u>100,000</u>
Changes in equity				
Total comprehensive income	-	(58,424)	-	(58,424)
Balance at 30 April 2016	<u>95,000</u>	<u>(58,424)</u>	<u>5,000</u>	<u>41,576</u>

**Consolidated Cash Flow Statement
for the Year Ended 30 April 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	23	29,301	(159,527)
Interest paid		(13,866)	(14,962)
Net cash from operating activities		<u>15,435</u>	<u>(174,489)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(49,212)	(63,923)
Sale of tangible fixed assets		7,310	2,077
Interest received		979	1,329
Net cash from investing activities		<u>(40,923)</u>	<u>(60,517)</u>
Cash flows from financing activities			
Net amount repaid by directors		-	978
Net amount withdrawn by directors		(96,210)	-
Net cash from financing activities		<u>(96,210)</u>	<u>978</u>
Decrease in cash and cash equivalents		<u>(121,698)</u>	<u>(234,028)</u>
Cash and cash equivalents at beginning of year	24	1,077,266	1,311,294
Cash and cash equivalents at end of year	24	<u>955,568</u>	<u>1,077,266</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2016**

1. COMPANY INFORMATION

Thomas Ramsden (Holdings) Limited is a company limited by shares, incorporated in England and Wales. Its registered office is given on page 1.

The group is engaged in the purchase, manufacture and sale of hand and machine knitting yarns and craft products.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 25 below for an explanation of the transition.

The functional currency of the company is considered to be pounds sterling.

Financial reporting standard 102 - reduced disclosure exemptions

The parent company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Basis of consolidation

The group accounts consolidate the accounts of Thomas Ramsden (Holdings) Limited and its subsidiaries made up to a date within 7 days of 30 April each year. Results of companies acquired during the year are included from the effective date of acquisition.

Business combinations are accounted for under the purchase method. Where necessary adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts and value added tax.

Turnover is recognised when the significant risks and rewards are considered to have transferred to the customer which is usually upon despatch.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at purchase cost or valuation together with any incidental expenses of acquisition, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Short leasehold	- Over the duration of the lease
Plant and machinery	- 10%-33% on reducing balance, and straight line over 3-4 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already at the age and in the condition expected at the end of its useful economic life.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Provision is made for obsolete and slow-moving items where appropriate.

Cost incurred in bringing each product to its present location and condition are:

Raw Materials	- purchase cost on a first-in, first out basis
Work-in-progress and finished goods	- cost of direct materials and labour plus attributable overheads and certain administrative costs based on the normal level of activity.

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the reversal of the timing difference.

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 resulted in the tax expense or income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Investments

Investments in subsidiaries are stated at cost less impairment.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016**

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments, and are recognised where material to the financial statements. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit or loss account in finance costs or finance income as appropriate.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such basis. Benefits received and receivable as an incentive to sign and operating lease are similarly spread on a straight-line basis over the lease term.

Pension costs and other post-retirement benefits

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included in staff costs. The net interest cost on the defined benefit liability is charged to the profit and loss account and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The group operates a defined contribution scheme. Contributions payable to the group's pension scheme and that of directors' personal pension schemes are charged to profit or loss in the period to which they relate.

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.

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

Rental income

Rents receivable under operating leases are credited to the profit and loss account on a straight line basis over the period of the lease.

Dividends

Equity dividends are recognised when they become legally payable. These are recognised when approved by shareholder.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities, assets 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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The following assets and liabilities are classified as basic financial instruments - trade debtors, cash and bank balances and trade creditors.

Trade debtors, cash and bank balances and trade creditors are measured at the amortised cost equivalent to the undiscounted amount of cash or other consideration expected to be paid or received.

Foreign currency contracts are derivative financial instruments. As explained in the foreign currencies accounting policy above they are measured at their fair value. However the fair value of the derivative is only recognised in the financial statements where the amount is material to the financial statements. Where material, gains and losses arising from changes in the fair value of the derivative financial instruments are included in the profit and loss account in the period in which they arise.

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date, if there is objective evidence of impairment, an impairment loss is recognised in the profit and loss as described below.

Non financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of the asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on a individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had not impairment been recognised.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and sources of estimation uncertainty

In the application of the group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements that the directors have made in applying the group's accounting policies and the key sources of estimation uncertainty that have had the most significant effect on the amounts recognised in the financial statements are described below:

Estimated useful lives and residual values of fixed assets

Retirement benefit obligations

The group operates two defined benefit pension schemes. Asset valuations are based on the fair value of the assets. The valuation of the liabilities of the schemes are based on statistical and actuarial calculations, using various assumptions including discount rates, future salary and pension increases, life expectancy of scheme members and cash commutations. The actuarial assumptions may differ materially from actual experience due to changes in economic and market conditions, variations in actual mortality, higher or lower cash withdrawal rates and other changes in factors assessed. Any of these differences could impact the assets or liabilities recognised in the balance sheet in future periods.

Impairment of stock

The group purchases, manufactures and sells hand and machine knitting yarns and craft products which are subject to consumer demands and fashion trends. As a consequence it is necessary to consider the recoverable value of the stock held by the group. When calculating the required stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

Stock overhead absorption

The group values finished goods stock and work in progress at the cost of direct materials and labour plus attributable overheads and certain administrative costs based on the normal level of activity. When calculating the overhead absorption rate, management considers the percentage of costs that are directly attributable to bringing stock to its present location and condition, and estimated wastage based on historical experience and through knowledge of the business.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of the debtors and historical experience.

Deferred taxation

Management must judge whether future profitability is likely in making the decision whether or not to recognise a deferred tax asset. Note 8 explains the potential deferred tax assets which have not been recognised due to the uncertainty of the timings of utilising tax losses.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016**

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2016 £	2015 £
Sale of goods	<u>5,842,349</u>	<u>6,123,829</u>

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	5,418,754	5,582,167
Overseas Markets	<u>423,595</u>	<u>541,662</u>
	<u>5,842,349</u>	<u>6,123,829</u>

Other significant revenue

	2016 £	2015 £
Rental income	<u>181,105</u>	<u>182,886</u>

4. STAFF COSTS

	2016 £	2015 £
Wages and salaries	1,519,501	1,424,455
Social security costs	119,182	108,196
Health insurance	15,135	18,028
Defined benefit scheme costs	75,492	50,797
Other pension costs	<u>78,693</u>	<u>75,585</u>
	<u>1,808,003</u>	<u>1,677,061</u>

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

	2016	2015
Office and management	44	41
Manufacturing	<u>33</u>	<u>37</u>
	<u>77</u>	<u>78</u>

5. DIRECTORS' EMOLUMENTS

	2016 £	2015 £
Directors' remuneration	93,208	94,151
Directors' pension contributions to money purchase schemes	<u>22,000</u>	<u>22,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2016	2015
Money purchase schemes	<u>2</u>	<u>2</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016**

6. OPERATING (LOSS)/PROFIT

The operating loss (2015 - operating profit) is stated after charging/(crediting):

	2016 £	2015 £
Operating lease charges	222,300	220,700
Depreciation - owned assets	93,389	80,055
Profit on disposal of fixed assets	(4,203)	(2,069)
Auditors remuneration	13,800	12,900
Cost of stock recognised as an expense	3,766,396	3,697,467
Impairment of trade debtors	66,668	15,224
	<u> </u>	<u> </u>

Foreign exchange gains arising on the sale and purchase of stock have been reclassified from administrative expenses to cost of sales, including an adjustment of £56,697 in respect of the comparative period.

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest on directors' current accounts	13,866	14,962
	<u> </u>	<u> </u>
	<u>13,866</u>	<u>14,962</u>

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2016 nor for the year ended 30 April 2015.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(604,593)</u>	<u>(28,152)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	(120,919)	(5,630)
Effects of:		
Expenses not deductible for tax purposes	552	138
Unprovided deferred tax asset	<u>120,367</u>	<u>5,492</u>
Total tax charge	<u> </u>	<u> </u>

Tax effects relating to effects of other comprehensive income

	Gross £	2016 Tax £	Net £
Defined benefit remeasurement	93,000	-	93,000
	<u>93,000</u>	<u>-</u>	<u>93,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016

8. TAXATION - continued

	Gross £	2015 Tax £	Net £
Defined benefit remeasurement	(71,000)	-	(71,000)
	<u>(71,000)</u>	<u>-</u>	<u>(71,000)</u>

No deferred tax asset arising on tax losses or pension liabilities has been recognised as there is insufficient evidence that the asset will be recoverable. The amounts not recognised are estimated at £660,000 and £122,000 respectively (2015 - £600,000 and £165,000) calculated at a rate of 18% (2015 - 20%). The deferred tax balance has not been discounted.

9. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(58,424) (2015 - £0 profit).

10. INTANGIBLE FIXED ASSETS

Group	Patents and licences £
COST	
At 1 May 2015 and 30 April 2016	14,751
AMORTISATION	
At 1 May 2015 and 30 April 2016	14,751
NET BOOK VALUE	
At 30 April 2016	-
At 30 April 2015	-

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016

11. TANGIBLE FIXED ASSETS

Group	Short leasehold £	Plant and machinery £	Totals £
COST			
At 1 May 2015	112,264	2,998,581	3,110,845
Additions	-	49,212	49,212
Disposals	-	(83,301)	(83,301)
At 30 April 2016	112,264	2,964,492	3,076,756
DEPRECIATION			
At 1 May 2015	41,656	2,713,944	2,755,600
Charge for year	6,900	86,489	93,389
Eliminated on disposal	-	(80,194)	(80,194)
At 30 April 2016	48,556	2,720,239	2,768,795
NET BOOK VALUE			
At 30 April 2016	63,708	244,253	307,961
At 30 April 2015	70,608	284,637	355,245

Included within fixed assets are leasehold improvements which are held for use in operating leases. The gross value of these assets is £90,146 (2015: £86,545) and the accumulated depreciation is £47,718 (2015: £37,116).

12. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 May 2015	242,117
Impairments	(200,541)
At 30 April 2016	41,576
NET BOOK VALUE	
At 30 April 2016	41,576
At 30 April 2015	242,117

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016**

12. FIXED ASSET INVESTMENTS - continued

It is the opinion of the directors that the value of the investments is not less than the amount at which they are stated in the accounts.

All subsidiary undertakings are wholly owned and registered in England and Wales. Details of the investments of the group or the company are as follows:

<u>Name of company</u>	<u>Nature of business</u>
Thomas B Ramsden & Co (Bradford) Limited	Manufacture and sale of hand knitting and industrial yarns and craft products.
Erika Knight with Ramsden Limited*	Purchase and sale of high quality hand knitting and industrial yarns and craft products.
Alfred Haley & Co Limited	Non trading
Carter & Parker Limited*	Non trading
Waterwheel Yarns Limited	Non trading
The Wool Fashion Bureau Limited*	Non trading
Charles Fox & Co (Dyers) Limited	Non trading
Itemdawn Limited	Non trading
Richard Poppleton & Sons Limited*	Non trading
Thomas B Ramsden & Co (Export) Limited*	Non trading
Yarn Works Limited*	Non trading
Wendy Wools Limited*	Non trading
Wendy Handknits Limited*	Non trading
* Held by a subsidiary company.	

13. STOCKS

	Group	
	2016	2015
	£	£
Raw materials	486,514	528,971
Work-in-progress	524,060	791,956
Finished goods	2,029,853	2,158,523
	<u>3,040,427</u>	<u>3,479,450</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2016	2015
	£	£
Trade debtors	1,083,839	1,151,877
Other debtors	694	577
Prepayments and accrued income	217,480	271,173
	<u>1,302,013</u>	<u>1,423,627</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	364,850	237,849	-	-
Amounts owed to group undertakings	-	-	-	142,117
Social security and other taxes	135,858	162,890	-	-
Other creditors	9,260	17,735	-	-
Directors' current accounts	50,364	146,574	-	-
Accruals and deferred income	139,886	184,196	-	-
	<u>700,218</u>	<u>749,244</u>	<u>-</u>	<u>142,117</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	5,137	175,000
Between one and five years	5,565	-
	<u>10,702</u>	<u>175,000</u>

17. FINANCIAL INSTRUMENTS

The group enters into forward foreign currency contracts to mitigate exchange rate risk for certain foreign currency payables. At 30 April 2016 there were no open contracts. As at 30 April 2015, the group had open contracts to purchase \$2,500,000 with a fair value of (£48,456). This amount has not been included in the financial statements on the grounds of materiality.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
95,000	Ordinary	£1	<u>95,000</u>	<u>95,000</u>

Each share carries an equal right to vote, receive dividends and participate in distributions on winding up or otherwise.

19. RESERVES

The retained earnings represent cumulative profits or losses net of dividends and other adjustments.

The capital redemption reserve represents the nominal value of ordinary share capital repurchased by the company.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016

20. EMPLOYEE BENEFIT OBLIGATIONS

The group operates two schemes, Carter & Parker Limited Staff Retirement Benefits Plan (1975), and Alfred Haley & Co Ltd Pension & Life Assurance Scheme. The schemes provide benefits based on final pensionable pay in respect to current and past companies of the Thomas Ramsden (Holdings) Limited group. The assets of the schemes are held separately from those of the group, predominantly invested in corporate bonds.

The level of contributions from the sponsoring employer are reviewed at separate triennial actuarial valuations. The latest such valuation in relation to the Carter & Parker Limited Staff Retirement Benefits Plan (1975) had an effective date of 30 April 2013. A valuation is currently being carried out as at 30 April 2016. The plan exposes the company to actuarial risks, such as longevity risk, inflation risk and investment risk

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Present value of funded obligations	(11,579,800)	(11,964,800)
Fair value of plan assets	10,861,600	11,077,600
	<u>(718,200)</u>	<u>(887,200)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(718,200)</u>	<u>(887,200)</u>
Net liability	<u><u>(718,200)</u></u>	<u><u>(887,200)</u></u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Current service cost	26,000	27,000
Interest on net defined benefit liability	26,000	26,100
Past service cost	-	-
	<u>52,000</u>	<u>53,100</u>
Actual return on plan assets	<u><u>400,000</u></u>	<u><u>1,531,000</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2016	2015
	£	£
Opening defined benefit obligation	11,964,800	11,125,800
Current service cost	26,000	27,000
Interest cost	349,000	450,800
Charges paid	(26,000)	(27,000)
Benefits paid	(718,000)	(789,100)
Other actuarial gains/losses	(16,000)	1,177,300
	<u>11,579,800</u>	<u>11,964,800</u>

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

	Defined benefit pension plans	
	2016	2015
	£	£
Opening fair value of scheme assets	11,077,600	10,237,000
Contributions by employer	128,000	133,000
Charges paid	(26,000)	(27,000)
Interest income	323,000	424,700
Return on plan assets, excluding interest income	77,000	1,106,300
Benefits paid	(718,000)	(796,400)
	<u>10,861,600</u>	<u>11,077,600</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Other actuarial gains/losses	16,000	(1,177,300)
Actual return on plan assets	400,000	1,531,000
Amounts included in interest on net defined benefit liability	(323,000)	(424,700)
	<u>93,000</u>	<u>(71,000)</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016**

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
Equities	24%	26%
Bonds	58%	56%
Property	1%	-
Insured annuities	14%	15%
Other	3%	3%
	<u>100%</u>	<u>100%</u>

The assets do not include any investments in the shares of the company or its subsidiaries.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate	3.10%	3.20%
Rate of retail price inflation	2.60%	2.80%
Future pension increases	3.10%	3.19%
Rate of consumer price inflation	1.60%	1.80%
Guaranteed minimum pensions	3.00%	3.00%
Life expectancy rates:	2016	2015
Life expectancy of male aged 65 now	22.1	22.3
Life expectancy of male aged 65 in 20 years time	23.7	23.9
Life expectancy of female aged 65 now	24.1	24.3
Life expectancy of female aged 65 in 20 years time	25.9	26.2

The discount rate assumption of 3.10% is based on the yield on the IBOXX over 15 years AA Corporate Bond Index and calculated on the same basis as the expected return on plan assets.

The best estimate of contributions expected to be paid to the plans during the annual period beginning after the balance sheet date is £156,000.

Defined contribution scheme

The group operates defined contribution schemes for certain employees. The assets of the schemes are held separately from those of the group. The pension cost charge represents contributions payable by the group to the funds and amounts to £41,320 (2015 - £11,410)

21. RELATED PARTY DISCLOSURES

The group pays the administration and investment management costs of Carter & Parker Limited 1988 Retirement Savings Plan and Alfred Haley & Co Ltd Pension & Life Assurance Scheme. The schemes do not reimburse the group for these costs.

Col R A B Ramsden

Rent totalling £210,000 (2015: £210,000) was charged to the group by its director, Col. R A B Ramsden and his wife, Mrs G A Ramsden, who own the freehold land and buildings.

Interest was charged to the group in the year on the directors current account totalling £11,252 (2015: £13,611).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016

	2016 £	2015 £
Amount due to related party at the balance sheet date	<u>50,364</u>	<u>146,574</u>

Chequered Flag Karting Limited

A company in which Col. R A B Ramsden is a shareholder

During the year the group charged rent of £17,326 (2015: £17,326) to Chequered Flag Karting Limited for sub-letting a unit of the property. The group also recharged electricity and other costs during the year totalling £4,207 (2015: £3,300) to Chequered Flag Karting Limited.

Chequered Flag Karting Limited also provided services to the group for the repair of motor vehicles during the year ended 30 April 2016 totalling £5,296 (2015: £5,935).

	2016 £	2015 £
Amount due from related party at the balance sheet date	<u>221,414</u>	<u>174,021</u>

Mrs G A Ramsden

The wife of Col. R A B Ramsden

Interest was paid in the year of £1,074 (2015: £1,352) to Mrs G A Ramsden.

	2016 £	2015 £
Amount due to related party at the balance sheet date	<u>9,260</u>	<u>17,735</u>

22. **ULTIMATE CONTROLLING PARTY**

The company is controlled by Col. R A B Ramsden.

23. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2016 £	2015 £
Loss before taxation	(604,593)	(28,152)
Depreciation charges	93,389	80,055
Profit on disposal of fixed assets	(4,203)	(2,069)
Pension contribution in excess of charge	(102,000)	(98,700)
Finance costs	39,866	41,062
Finance income	(979)	(1,329)
	<u>(578,520)</u>	<u>(9,133)</u>
Decrease in stocks	439,023	87,168
Decrease/(increase) in trade and other debtors	121,614	(61,498)
Increase/(decrease) in trade and other creditors	47,184	(176,064)
Cash generated from operations	<u>29,301</u>	<u>(159,527)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2016

24. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2016

	30.4.16	1.5.15
	£	£
Cash and cash equivalents	955,568	1,077,266
	<u> </u>	<u> </u>

Year ended 30 April 2015

	30.4.15	1.5.14
	£	£
Cash and cash equivalents	1,077,266	1,311,294
	<u> </u>	<u> </u>

25. FIRST YEAR ADOPTION

This is the first year that the group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements prepared under the previous UK GAAP were for the year ended 30 April 2015 and the date of transition was therefore 1 May 2014. As a consequence of adopting FRS 102 the Directors are of the opinion that no changes need to be made upon transition to this accounting standard as the effect of any changes are not material.