

REGISTERED NUMBER 00775443 (England and Wales)



Report of the Directors and
Financial Statements
for the Year Ended 31 December 2012
for
Concord Limited

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for the Year Ended 31 December 2012

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Concord Limited

Company Information
for the Year Ended 31 December 2012

DIRECTORS

S P Murphy
Stratagem Group Limited

SECRETARY

S P Murphy

REGISTERED OFFICE.

The Media Centre
Culverhouse Cross
Cardiff
South Wales
CF5 6XJ

REGISTERED NUMBER.

00775443 (England and Wales)

AUDITORS

Dutton Mander Duffill
Chartered Accountants & Registered Auditors
65 St Mary Street
Chippenham
Wiltshire
SN15 3JF

**Report of the Directors
for the Year Ended 31 December 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company

REVIEW OF BUSINESS

2012 started well for both our subsidiary companies on the back of strong order books and the first half of the year was a little ahead of expectations. However the gradually slowing order intake first noted at the end of 2011 accelerated in the second half and this significant reduction in aggregate demand has resulted in a pre-tax profit a little behind the prior year between them in aggregate. The softening in demand is across most markets but has been particularly marked in the mining industry which has traditionally been their mainstay. The continued relatively stable costs environment, together with careful management of resources, has enabled them to limit the effects of lower levels of activity. This cannot be maintained for very long however so both companies are seeking to expand their positions within some of the markets in which they already have a foothold.

The FRS 17 pension deficit has increased by about £3,200,000, before taking deferred tax into consideration, arising principally from the continuing effects of very low bond yields. The 2012 actuarial valuation has been completed in draft form and we are currently in discussions with the scheme trustee over a new schedule of contributions. Pending a new agreement, contributions for calendar 2013 will be about £900,000.

The other major item affecting the Company's financial position is the revaluation of our properties as required by FRS 15. Continuing softness in property market conditions has resulted in a £172,000 write down which is taken against previous revaluation surpluses.

There is little prospect of an upturn in activity from our subsidiaries' existing customer-base in the short-term. With order books at lower levels than for some years, 2013 is likely to see a result significantly below that of 2012.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2012.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

S P Murphy
Stratagem Group Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the Directors
for the Year Ended 31 December 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

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 company'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 company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


S P Murphy - Secretary

Date 27/3/2013

**Report of the Independent Auditors to the Members of
Concord Limited**

We have audited the financial statements of Concord Limited for the year ended 31 December 2012 on pages six to eighteen. 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 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 pages two and three, 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 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31 December 2012 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 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
Concord 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors



R L Mander (Senior Statutory Auditor)
for and on behalf of Dutton Mander Duffill
Chartered Accountants & Registered Auditors
65 St Mary Street
Chippenham
Wiltshire
SN15 3JF

Date 27.3.2013

Concord Limited (Registered number: 00775443)

Profit and Loss Account
for the Year Ended 31 December 2012

	Notes	31 12 12 £'000	£'000	31 12 11 £'000	£'000
TURNOVER			256		257
Administrative expenses			<u>355</u>		<u>331</u>
OPERATING LOSS	3		(99)		(74)
Interest receivable and similar income	4		<u>1,200</u>		<u>1,000</u>
			1,101		926
Interest payable and similar charges	5	5		7	
Other finance costs	17	<u>765</u>		<u>563</u>	
			<u>770</u>		<u>570</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			331		356
Tax on profit on ordinary activities	6		<u>(102)</u>		<u>66</u>
PROFIT FOR THE FINANCIAL YEAR			<u>433</u>		<u>290</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2012

	31 12 12 £'000	31 12 11 £'000
PROFIT FOR THE FINANCIAL YEAR	433	290
Unrealised deficit on revaluation of properties	(172)	-
(Loss)/gains on assets	1,001	(761)
Experience (loss)/gain on liabilities	(495)	(10)
Gain/(loss) on change of assumptions	(3,780)	(2,314)
Tax on actuarial amounts	<u>434</u>	<u>645</u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>(2,579)</u>	<u>(2,150)</u>

Note of Historical Cost Profits and Losses
for the Year Ended 31 December 2012

	31 12 12 £'000	31 12 11 £'000
REPORTED PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	331	356
Depreciation on revalued amount	<u>6</u>	<u>6</u>
HISTORICAL COST PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>337</u>	<u>362</u>
HISTORICAL COST PROFIT		
FOR THE YEAR RETAINED AFTER TAXATION	<u>439</u>	<u>296</u>

Balance Sheet
31 December 2012

	Notes	31 12 12 £'000	31 12 11 £'000	31 12 11 £'000
FIXED ASSETS				
Tangible assets	7		1,884	2,084
Investments	8		<u>865</u>	<u>865</u>
			2,749	2,949
CURRENT ASSETS				
Debtors	9	14	25	
Cash at bank		<u>1,525</u>	<u>1,283</u>	
		1,539	1,308	
CREDITORS				
Amounts falling due within one year	10	<u>1,173</u>	<u>1,107</u>	
NET CURRENT ASSETS			<u>366</u>	<u>201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,115	3,150
CREDITORS				
Amounts falling due after more than one year	11	(73)		(161)
PROVISIONS FOR LIABILITIES	14	-		(126)
PENSION LIABILITY	17	(10,634)		(7,876)
NET LIABILITIES		<u>(7,592)</u>		<u>(5,013)</u>
CAPITAL AND RESERVES				
Called up share capital	15	1,969		1,969
Share premium	16	14,611		14,611
Revaluation reserve	16	573		745
Other reserves	16	879		879
Profit and loss account	16	<u>(25,624)</u>		<u>(23,217)</u>
SHAREHOLDERS' FUNDS	21	<u>(7,592)</u>		<u>(5,013)</u>

The financial statements were approved by the Board of Directors on
were signed on its behalf by

27/3/2013 and


S P Murphy - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2012

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently is set out below.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents rents receivable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- 1% on cost
Office equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying differences.

Pension costs and other post-retirement benefits

The Company is the principal employer in respect of a defined benefit pension scheme. The Scheme was closed to new entrants in 2000 and the last of the active members left the Scheme in August 2002. The amount charged to operating profit in respect of this Scheme is the current service cost, and gains and losses on settlements and curtailments and is included as part of staff costs. Past service costs are included in the profit and loss account if the benefits have not vested immediately; the costs are recognised over the period until vesting occurs. The interest cost and expected return on assets are shown as a net amount of other finance costs or credits within interest payable. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses.

The defined benefit scheme is funded with the assets of the Scheme held separately from 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of deferred tax, is presented separately after other net assets on the face of the balance sheet.

Cashflow statement

The company is a wholly owned subsidiary of Ryder Court Investments Limited and the cash flows of the company are included in the consolidated group cash flow of that company. Consequently the company is exempt under the terms of Financial Reporting Standard no. 1(Revised) from publishing a cash flow statement.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

2 STAFF COSTS

	31 12 12	31 12 11
	£'000	£'000
Wages and salaries	150	125
Social security costs	20	16
Other pension costs	<u>5</u>	<u>5</u>
	<u>175</u>	<u>146</u>

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

	31 12 12	31 12 11
Directors	<u>2</u>	<u>2</u>

3 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	31 12 12	31 12 11
	£'000	£'000
Depreciation - owned assets	28	28
Profit on disposal of fixed assets	-	(3)
Auditors' remuneration	9	8
Auditors' remuneration for non audit work	5	5
Management charges	<u>80</u>	<u>80</u>

	31 12 12	31 12 11
	£'000	£'000
Directors' remuneration	150	125
Directors' pension contributions to money purchase schemes	<u>5</u>	<u>5</u>

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

	31 12 12	31 12 11
Money purchase schemes	<u>1</u>	<u>1</u>

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	31 12 12	31 12 11
	£'000	£'000
Dividends received	<u>1,200</u>	<u>1,000</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 12	31 12 11
	£'000	£'000
Interest payable	<u>5</u>	<u>7</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

6 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	31 12 12	31 12 11
	£'000	£'000
Deferred tax	<u>(102)</u>	<u>66</u>
Tax on profit on ordinary activities	<u>(102)</u>	<u>66</u>

Factors affecting the tax (credit)/charge

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

	31 12 12	31 12 11
	£'000	£'000
Profit on ordinary activities before tax	<u>331</u>	<u>356</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	79	93
Effects of		
Expenses not deductible for tax purposes	-	4
Income not taxable for tax purposes	(288)	(260)
Depreciation in excess of capital allowances	6	4
Movement in short term timing differences	(25)	(75)
Group relief	<u>228</u>	<u>234</u>
Current tax (credit)/charge	<u>-</u>	<u>-</u>

7 TANGIBLE FIXED ASSETS

	Freehold property £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
COST OR VALUATION				
At 1 January 2012	2,105	20	2	2,127
Revaluations	<u>(235)</u>	<u>-</u>	<u>-</u>	<u>(235)</u>
At 31 December 2012	<u>1,870</u>	<u>20</u>	<u>2</u>	<u>1,892</u>
DEPRECIATION				
At 1 January 2012	42	1	-	43
Charge for year	21	6	1	28
Revaluation adjustments	<u>(63)</u>	<u>-</u>	<u>-</u>	<u>(63)</u>
At 31 December 2012	<u>-</u>	<u>7</u>	<u>1</u>	<u>8</u>
NET BOOK VALUE				
At 31 December 2012	<u>1,870</u>	<u>13</u>	<u>1</u>	<u>1,884</u>
At 31 December 2011	<u>2,063</u>	<u>19</u>	<u>2</u>	<u>2,084</u>

The company's properties are now subject to a second charge, after the company's bankers, in favour of the pension trustee

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

7 TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2012 is represented by

	Freehold property £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
Valuation in 2004	661	-	-	661
Valuation in 2005	69	-	-	69
Valuation in 2007	255	-	-	255
Valuation in 2009	(345)	-	-	(345)
Valuation in 2012	(235)	-	-	(235)
Cost	<u>1,465</u>	<u>20</u>	<u>2</u>	<u>1,487</u>
	<u>1,870</u>	<u>20</u>	<u>2</u>	<u>1,892</u>

Freehold property was valued on an open market value basis on 31 December 2012 by Jones Lang Lasalle

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2012 and 31 December 2012	<u>6,165</u>
PROVISIONS	
At 1 January 2012 and 31 December 2012	<u>5,300</u>
NET BOOK VALUE	
At 31 December 2012	<u>865</u>
At 31 December 2011	<u>865</u>

The company's investments at the balance sheet date in the share capital of companies include the following

North Midlands Castings Limited
Nature of business Holding company

Class of shares	% holding
Ordinary	100 00

HB Doors Limited
Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 12	31 12 11
	£'000	£'000
Trade debtors	12	16
Prepayments	2	9
	<u>14</u>	<u>25</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 12	31 12 11
	£'000	£'000
Bank loans and overdrafts (see note 12)	88	88
Trade creditors	15	21
Amounts owed to group undertakings	330	274
Social security and other taxes	217	209
Other creditors	523	515
	<u>1,173</u>	<u>1,107</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 12 12	31 12 11
	£'000	£'000
Bank loans (see note 12)	<u>73</u>	<u>161</u>

12 LOANS

An analysis of the maturity of loans is given below

	31 12 12	31 12 11
	£'000	£'000
Amounts falling due within one year or on demand		
Bank loans	<u>88</u>	<u>88</u>
Amounts falling due between one and two years		
Bank loans	<u>73</u>	<u>88</u>
Amounts falling due between two and five years		
Bank loans	<u>-</u>	<u>73</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	31 12 12	31 12 11
	£'000	£'000
Bank loans	<u>161</u>	<u>249</u>

These debts are secured by a first legal charge in favour of Barclays Bank Plc

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

14 PROVISIONS FOR LIABILITIES

	31 12 12 £'000	31 12 11 £'000
Deferred taxation	<u>-</u>	<u>126</u>
Balance at 1 January 2012		126
Credit to profit and loss account during year		<u>(126)</u>
Balance at 31 December 2012		<u>-</u>

15 CALLED UP SHARE CAPITAL

Number	Class	Nominal value	31 12 12 £'000	31 12 11 £'000
19,690,554	Ordinary	10p	<u>1,969</u>	<u>1,969</u>

16 RESERVES

	Profit and loss account £'000	Share premium £'000	Revaluation reserve £'000	Other reserves £'000	Totals £'000
At 1 January 2012	(23,217)	14,611	745	879	(6,982)
Profit for the year	433	-	-	-	433
Property revaluation	-	-	(172)	-	(172)
Actuarial gain/(loss)	<u>(2,840)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,840)</u>
At 31 December 2012	<u>(25,624)</u>	<u>14,611</u>	<u>573</u>	<u>879</u>	<u>(9,561)</u>
Profit and loss account excluding pension liability	(14,990)				
Pension deficit	<u>(10,634)</u>				
Profit and loss account	<u>(25,624)</u>				

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

17 EMPLOYEE BENEFIT OBLIGATIONS

The Concord Plc Retirement Benefits Scheme ("the Scheme") was closed to new members with effect from 1 April 2000, and to future benefit accrual from the same date. All remaining active members left the scheme at 1 September 2002 so the Scheme is left with only deferred members and pensioners. The Scheme is funded with the assets being held by the Trustees separately from the assets of the company. Pension costs are determined in accordance with advice of a professionally qualified actuary.

An actuarial valuation of the Concord Plc Retirement Benefit Scheme was carried out as at 5 April 2009 by Watson Wyatt Limited using the projected unit method, and an update was carried out at 31 December 2012 under the assumptions prescribed in Financial Reporting Standard 17 "Retirement Benefits". The company pension contributions for the year were £872,000 (2011: £852,000). The outstanding deficit in the funding of the Scheme at the year end was £13,810,000 (2011: £10,643,000). No additional contributions were paid in respect of Scheme expenses. The actuarial valuation for 5 April 2012 is in progress at the date of this report.

The Trustees of the Scheme and the Company have agreed to increase contributions to the scheme year on year by 3.5%. Contributions for the calendar year 2013 will therefore be approximately £902,000.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31 12 12	31 12 11
	£'000	£'000
Present value of funded obligations	(37,281)	(32,406)
Fair value of plan assets	<u>23,471</u>	<u>21,763</u>
	(13,810)	(10,643)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	(13,810)	(10,643)
Deferred tax asset	<u>3,176</u>	<u>2,767</u>
Net liability	<u>(10,634)</u>	<u>(7,876)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31 12 12	31 12 11
	£'000	£'000
Current service cost	-	-
Interest cost	1,500	1,561
Expected return	(735)	(998)
Past service cost	<u>-</u>	<u>-</u>
	<u>765</u>	<u>563</u>
Actual return on plan assets	<u>1,736</u>	<u>237</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

17 EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31 12 12	31 12 11
	£'000	£'000
Opening defined benefit obligation	32,406	29,421
Interest cost	1,500	1,561
Actuarial losses/(gains)	4,275	2,324
Benefits paid	<u>(900)</u>	<u>(900)</u>
	<u>37,281</u>	<u>32,406</u>

Changes in the fair value of scheme assets are as follows

	Defined benefit pension plans	
	31 12 12	31 12 11
	£'000	£'000
Opening fair value of scheme assets	21,763	21,574
Contributions by employer	872	852
Expected return	735	998
Actuarial gains/(losses)	1,001	(761)
Benefits paid	<u>(900)</u>	<u>(900)</u>
	<u>23,471</u>	<u>21,763</u>

The amounts recognised in the statement of recognised gains and losses are as follows

	Defined benefit pension plans	
	31 12 12	31 12 11
	£'000	£'000
Actuarial gains/(losses)	<u>(3,274)</u>	<u>(3,085)</u>
	<u>(3,274)</u>	<u>(3,085)</u>
Cumulative amount of actuarial gains/(losses)	<u>(11,579)</u>	<u>(8,305)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows

	Defined benefit pension plans	
	31 12 12	31 12 11
	£'000	£'000
Equities	14,831	13,705
Bonds	8,520	8,058
Cash & NCA	<u>120</u>	<u>-</u>
	<u>23,471</u>	<u>21,763</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

17 EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	31 12 12	31 12 11
Discount rate	4 10%	5 70%
Expected return on scheme assets	4 70%	4 90%
Future pension increases	3 50%	3 50%
Inflation rate (RPI)	2 70%	2 70%
Inflation rate (CPI)	2 00%	2 00%
Rate of increase for deferred pensioners	2 00%	2 00%

Amounts for the current and previous four periods are as follows

	31 12 12 £'000	31 12 11 £'000	31 12 10 £'000	31 12 09 £'000	31 12 08 £'000
Defined benefit pension plans					
Defined benefit obligation	(37,281)	(32,406)	(29,421)	(27,841)	(22,132)
Fair value of scheme assets	23,471	21,763	21,574	19,293	16,594
Deficit	(13,810)	(10,643)	(7,847)	(8,548)	(5,538)
Experience adjustments on scheme liabilities	1 30%	-	-	3 60%	-
Experience adjustments on scheme assets	4 30%	3 70%	5 60%	9 30%	23 50%

18 ULTIMATE PARENT COMPANY

The immediate parent company of this company is Stratagem Group Limited, a company registered in England and Wales. The UK parent undertaking for which consolidated accounts have been prepared at 31 December 2012 is Ryder Court Investments Limited, a company registered in England and Wales. The ultimate parent company is Prayer Investments Limited, a company registered in Cyprus.

19 CONTINGENT LIABILITIES

The company is involved in the Value Added Tax Group election under s29 of the Value Added Tax Act 1983. It has therefore guaranteed to pay any tax due by other members of the group. At 31 December 2012 tax owing by the group was £180,759 (31 December 2011: £301,470).

20 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption not to disclose transactions with other entities that fall within the group companies owned 100% by the ultimate parent company.

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 12 £'000	31 12 11 £'000
Profit for the financial year	433	290
Other recognised gains and losses relating to the year (net)	(3,012)	(2,440)
Net reduction of shareholders' funds	(2,579)	(2,150)
Opening shareholders' funds	(5,013)	(2,863)
Closing shareholders' funds	(7,592)	(5,013)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

22 DEFERRED TAXATION

	Provided		Unprovided	
	31 12 12	31 12 11	31 12 12	31 12 11
	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	126	(3)	-
Other timing differences	(3,176)	(2,767)	-	-
Less				
Tax losses carried forward	-	-	(217)	(246)
	<u>(3,176)</u>	<u>(2,641)</u>	<u>(220)</u>	<u>(246)</u>

The deferred taxation provided is recognised as follows

	Total £'000	Liability £'000	Asset £'000
Balance at 1 January 2012	(2,641)	126	(2,767)
Profit and loss account	(101)	(126)	25
Tax on actuarial gain/(loss)	<u>(434)</u>	<u>-</u>	<u>(434)</u>
Deferred taxation liability/(asset) at 31 December 2012	<u>(3,176)</u>	<u>-</u>	<u>(3,176)</u>

The deferred taxation asset is set off against the pension liability as required by FRS17 See note 17