

REGISTERED NUMBER: 00775443 (England and Wales)

Concord Limited
Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2013

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for the Year Ended 31 December 2013

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Company Information
for the Year Ended 31 December 2013

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

Group Strategic Report
for the Year Ended 31 December 2013

The directors present their strategic report of the company and the group for the year ended 31 December 2013.

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

As we warned in our previous report profits before tax were significantly lower than the previous year on the back of a continuing reduction in demand from customers across the markets we serve. It is fair to say that we are not losing market share as the softening in markets we are experiencing is being felt throughout the UK foundry industry; customers generally are simply not placing orders. We have had to make some redundancies to reflect the lower levels of activity but remain confident that demand will eventually pick up and to satisfy that we will need the skills of our workforce.

KEY PERFORMANCE INDICATORS

The principal indicators to measure the performance at a Group and subsidiary level in the past twelve months are order intake and cash generation. There are very detailed key performance indicators at an operating level and these are monitored accordingly.

PRINCIPAL RISKS AND UNCERTAINTIES

We manufacture high integrity steel and iron castings for all engineering markets but are focussed on low volume specialist OEMs rather than, for example, the automotive market; extraction industries, coal mining and offshore, are a particular niche for us. As we mention below we are exploring other new markets and have invested in people and technology to address them; however there is no guarantee that this will lead to additional sales and there is of course uncertainty as to when our traditional markets will return.

DEVELOPMENT

The global downturn which has reduced demand in the last few years seems now to be turning although there is no evidence of that yet in our order intake. We are addressing the fall in sales by attacking other markets; on the steel side valves and pumps is an area of potential growth for us and in our iron business the renewables market is one in which we have had some success in the last 12 months together with marine propulsion where we are gaining a significant share in a diminishing market with a move towards fully-machined finished product.

We have also taken on a new business development manager with an in-depth knowledge of the castings market and have strengthened the quality team to cater for the higher requirements of the markets we service. In addition we are developing new technologies together with gaining formal standards approvals for these markets.

YEAR END POSITION

The reduction in order intake has stabilised and as we write it is no worse than during the last quarter of 2013. Some customers are talking more positively but, in our markets, optimism can take several months to result in firm orders. We end the year in good shape as we have managed the downturn actively and have sufficient resources both financially and operationally to take advantage of opportunities when demand does finally pick up. However we do not see any improvement in profit performance in the 12 months to 31 December 2014 as we stand today.

ON BEHALF OF THE BOARD:


.....
S P Murphy - Secretary

Date: 29/7/2014

Concord Limited

**Report of the Directors
for the Year Ended 31 December 2013**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 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 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:


S P Murphy - Secretary

Date: 29/1/2014

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 2013 on pages six to twenty six. 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 page 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 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 31 December 2013 and of the group's 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 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
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 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.



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

Date: 29th July 2014

Concord Limited**Consolidated Profit and Loss Account**
for the Year Ended 31 December 2013

	Notes	31.12.13 £'000	£'000	31.12.12 £'000	£'000
TURNOVER			23,849		28,565
Cost of sales			<u>19,094</u>		<u>22,356</u>
GROSS PROFIT			4,755		6,209
Administrative expenses			<u>3,781</u>		<u>4,220</u>
			974		1,989
Other operating income	2		<u>11</u>		<u>11</u>
OPERATING PROFIT	4		985		2,000
Interest receivable and similar income			<u>1</u>		<u>-</u>
			986		2,000
Interest payable and similar charges	5	4		8	
Other finance costs	20	<u>771</u>		<u>765</u>	
			<u>775</u>		<u>773</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			211		1,227
Tax on profit on ordinary activities	6		<u>64</u>		<u>141</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			<u>147</u>		<u>1,086</u>

CONTINUING OPERATIONS

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

The notes form part of these financial statements

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2013

	31.12.13 £'000	31.12.12 £'000
PROFIT FOR THE FINANCIAL YEAR	147	1,086
Unrealised deficit on revaluation of properties	-	(172)
(Loss)/gains on assets	2,038	1,001
Experience (loss)/gain on liabilities	(23)	(495)
Gain/(loss) on change of assumptions	1,184	(3,780)
Tax on actuarial amounts	<u>(949)</u>	<u>434</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>2,397</u></u>	<u><u>(1,926)</u></u>

Note of Historical Cost Profits and Losses
for the Year Ended 31 December 2013

	31.12.13 £'000	31.12.12 £'000
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	211	1,227
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	6	6
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>217</u></u>	<u><u>1,233</u></u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u><u>153</u></u>	<u><u>1,092</u></u>

Consolidated Balance Sheet
31 December 2013

	Notes	31.12.13 £'000	31.12.12 £'000
FIXED ASSETS			
Intangible assets	8	(167)	(178)
Tangible assets	9	2,346	2,396
Investments	10	-	-
		<u>2,179</u>	<u>2,218</u>
CURRENT ASSETS			
Stocks	11	1,762	2,325
Debtors	12	4,068	5,266
Cash in hand		<u>2,354</u>	<u>2,158</u>
		8,184	9,749
CREDITORS			
Amounts falling due within one year	13	<u>4,951</u>	<u>6,464</u>
NET CURRENT ASSETS		<u>3,233</u>	<u>3,285</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,412	5,503
CREDITORS			
Amounts falling due after more than one year	14	-	(73)
PROVISIONS FOR LIABILITIES	17	(19)	(3)
PENSION LIABILITY	20	<u>(8,203)</u>	<u>(10,634)</u>
NET LIABILITIES		<u>(2,810)</u>	<u>(5,207)</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,969	1,969
Share premium	19	14,611	14,611
Revaluation reserve	19	839	839
Other reserves	19	879	879
Profit and loss account	19	<u>(21,108)</u>	<u>(23,505)</u>
SHAREHOLDERS' FUNDS	24	<u>(2,810)</u>	<u>(5,207)</u>

The financial statements were approved by the Board of Directors on 29/7/2014 and were signed on its behalf by:


S P Murphy - Director

The notes form part of these financial statements

Company Balance Sheet
31 December 2013

	Notes	31.12.13 £'000	31.12.12 £'000
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	1,859	1,884
Investments	10	<u>865</u>	<u>865</u>
		2,724	2,749
CURRENT ASSETS			
Debtors	12	104	14
Cash at bank		<u>1,412</u>	<u>1,525</u>
		1,516	1,539
CREDITORS			
Amounts falling due within one year	13	<u>2,220</u>	<u>1,172</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(704)</u>	<u>367</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,020	3,116
CREDITORS			
Amounts falling due after more than one year	14	-	(73)
PENSION LIABILITY	20	<u>(8,203)</u>	<u>(10,634)</u>
NET LIABILITIES		<u>(6,183)</u>	<u>(7,591)</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,969	1,969
Share premium	19	14,611	14,611
Revaluation reserve	19	573	573
Other reserves	19	879	879
Profit and loss account	19	<u>(24,215)</u>	<u>(25,623)</u>
SHAREHOLDERS' FUNDS	24	<u>(6,183)</u>	<u>(7,591)</u>

The financial statements were approved by the Board of Directors on 29/7/2014 and were signed on its behalf by:


S P Murphy - Director

Concord Limited**Consolidated Cash Flow Statement
for the Year Ended 31 December 2013**

	Notes	31.12.13 £'000	£'000	31.12.12 £'000	£'000
Net cash inflow from operating activities	1		717		1,540
Returns on investments and servicing of finance	2		(3)		(8)
Taxation			(224)		(499)
Capital expenditure	2		(124)		(174)
			366		859
Financing	2		(88)		(88)
Increase in cash in the period			<u>278</u>		<u>771</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase in cash in the period		278	771
Cash outflow from decrease in debt		<u>88</u>	<u>88</u>
Change in net funds resulting from cash flows		<u>366</u>	<u>859</u>
Movement in net funds in the period		<u>366</u>	<u>859</u>
Net funds at 1 January		<u>1,614</u>	<u>755</u>
Net funds at 31 December		<u>1,980</u>	<u>1,614</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.13	31.12.12
	£'000	£'000
Operating profit	985	2,000
Depreciation charges	174	194
Goodwill amortisation	(11)	(11)
Decrease/(increase) in stocks	563	(269)
Decrease in debtors	1,306	1,347
Decrease in creditors	(1,301)	(849)
Difference between pension charge and cash contributions	(999)	(872)
Net cash inflow from operating activities	<u>717</u>	<u>1,540</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.13	31.12.12
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	1	-
Interest paid	(4)	(8)
Net cash outflow for returns on investments and servicing of finance	<u>(3)</u>	<u>(8)</u>
Capital expenditure		
Purchase of tangible fixed assets	(124)	(174)
Net cash outflow for capital expenditure	<u>(124)</u>	<u>(174)</u>
Financing		
Loan repayments in year	(88)	(88)
Net cash outflow from financing	<u>(88)</u>	<u>(88)</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2013

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.13 £'000	Cash flow £'000	At 31.12.13 £'000
Net cash:			
Cash at bank and in hand	2,158	196	2,354
Bank overdraft	<u>(383)</u>	<u>82</u>	<u>(301)</u>
	<u>1,775</u>	<u>278</u>	<u>2,053</u>
Debt:			
Debts falling due within one year	(88)	15	(73)
Debts falling due after one year	<u>(73)</u>	<u>73</u>	<u>-</u>
	<u>(161)</u>	<u>88</u>	<u>(73)</u>
Total	<u>1,614</u>	<u>366</u>	<u>1,980</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The financial statements have been prepared, for the first time for the year ended 31 December 2013, in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently is set out below.

The prior year has been restated for comparative purposes.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the group obtains the right to consideration.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2002, is being amortised evenly over its estimated useful life of forty five years.

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
Plant and machinery	- 15% on cost
Office equipment	- 33% on cost, 25% on cost and 20% on cost

Stocks

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 items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

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.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

1. ACCOUNTING POLICIES - continued

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.

2. OTHER OPERATING INCOME

	31.12.13	31.12.12
	£'000	£'000
Goodwill amortisation	<u>11</u>	<u>11</u>

3. STAFF COSTS

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

	31.12.13	31.12.12
	<u>259</u>	<u>250</u>
	31.12.13	31.12.12
	£'000	£'000
Wages and salaries	6,709	7,648
Social security costs	657	812
Other pension costs	<u>294</u>	<u>301</u>
	<u>7,660</u>	<u>8,761</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

4. OPERATING PROFIT

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

	31.12.13	31.12.12
	£'000	£'000
Other operating leases	72	44
Depreciation - owned assets	174	182
Auditors' remuneration	28	27
Auditors' remuneration for non audit work	5	5
Foreign exchange differences	(96)	(34)
Property leasing cost	<u>52</u>	<u>13</u>

	31.12.13	31.12.12
	£	£
Directors' remuneration	75,000	150,000
Directors' pension contributions to money purchase schemes	<u>4,875</u>	<u>4,875</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.13	31.12.12
	£'000	£'000
Bank interest	<u>4</u>	<u>8</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.13	31.12.12
	£'000	£'000
Current tax:		
UK corporation tax	-	284
Deferred tax	<u>64</u>	<u>(143)</u>
Tax on profit on ordinary activities	<u>64</u>	<u>141</u>

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £842,453 (£2012 - £433,220 profit)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

8. INTANGIBLE FIXED ASSETS

Group

Goodwill
£'000

COST

At 1 January 2013

and 31 December 2013

(266)

AMORTISATION

At 1 January 2013

Amortisation for year

(88)

(11)

At 31 December 2013

(99)

NET BOOK VALUE

At 31 December 2013

(167)

At 31 December 2012

(178)

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
COST					
At 1 January 2013	1,870	4,101	20	253	6,244
Additions	<u>-</u>	<u>123</u>	<u>-</u>	<u>1</u>	<u>124</u>
At 31 December 2013	<u>1,870</u>	<u>4,224</u>	<u>20</u>	<u>254</u>	<u>6,368</u>
DEPRECIATION					
At 1 January 2013	-	3,600	7	241	3,848
Charge for year	<u>18</u>	<u>142</u>	<u>7</u>	<u>7</u>	<u>174</u>
At 31 December 2013	<u>18</u>	<u>3,742</u>	<u>14</u>	<u>248</u>	<u>4,022</u>
NET BOOK VALUE					
At 31 December 2013	<u>1,852</u>	<u>482</u>	<u>6</u>	<u>6</u>	<u>2,346</u>
At 31 December 2012	<u>1,870</u>	<u>501</u>	<u>13</u>	<u>12</u>	<u>2,396</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

9. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
COST OR VALUATION				
At 1 January 2013				
and 31 December 2013	<u>1,870</u>	<u>20</u>	<u>2</u>	<u>1,892</u>
DEPRECIATION				
At 1 January 2013	-	7	1	8
Charge for year	<u>18</u>	<u>7</u>	<u>-</u>	<u>25</u>
At 31 December 2013	<u>18</u>	<u>14</u>	<u>1</u>	<u>33</u>
NET BOOK VALUE				
At 31 December 2013	<u>1,852</u>	<u>6</u>	<u>1</u>	<u>1,859</u>
At 31 December 2012	<u>1,870</u>	<u>13</u>	<u>1</u>	<u>1,884</u>

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

Cost or valuation at 31 December 2013 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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

10. FIXED ASSET INVESTMENTS**Group**

Shares in
group
undertakings
£'000

COST

At 1 January 2013
and 31 December 2013

6,432

PROVISIONS

At 1 January 2013
and 31 December 2013

6,432

NET BOOK VALUE

At 31 December 2013

-

At 31 December 2012

-

Company

Shares in
group
undertakings
£'000

COST

At 1 January 2013
and 31 December 2013

6,165

PROVISIONS

At 1 January 2013
and 31 December 2013

5,300

NET BOOK VALUE

At 31 December 2013

865

At 31 December 2012

865

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

Subsidiaries**North Midlands Castings Limited**

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

BAS Castings Limited

Nature of business: Castings

	%
Class of shares:	holding
Ordinary	100.00

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013**

10. FIXED ASSET INVESTMENTS - continued

HI Quality Steel Castings Limited

Nature of business: Castings

	%
Class of shares:	holding
Ordinary	100.00

The subsidiary undertakings listed are those which have continuing operations. Dormant companies are not listed.

11. STOCKS

	Group	
	31.12.13	31.12.12
	£'000	£'000
Raw materials	907	1,059
Work-in-progress	<u>855</u>	<u>1,266</u>
	<u>1,762</u>	<u>2,325</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.13	31.12.12	31.12.13	31.12.12
	£'000	£'000	£'000	£'000
Trade debtors	3,501	5,147	20	12
Other debtors	252	23	82	-
Prepayments	<u>315</u>	<u>96</u>	<u>2</u>	<u>2</u>
	<u>4,068</u>	<u>5,266</u>	<u>104</u>	<u>14</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.13	31.12.12	31.12.13	31.12.12
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 15)	374	471	73	88
Trade creditors	2,675	3,401	26	14
Amounts owed to group undertakings	371	309	1,592	330
Corporation tax	-	114	-	-
Social security and other taxes	308	444	6	217
Other creditors	725	1,134	523	523
Accruals and deferred income	<u>498</u>	<u>591</u>	<u>-</u>	<u>-</u>
	<u>4,951</u>	<u>6,464</u>	<u>2,220</u>	<u>1,172</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.12.13	31.12.12	31.12.13	31.12.12
	£'000	£'000	£'000	£'000
Bank loans (see note 15)	<u>-</u>	<u>73</u>	<u>-</u>	<u>73</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.13	31.12.12	31.12.13	31.12.12
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank overdrafts	301	383	-	-
Bank loans	<u>73</u>	<u>88</u>	<u>73</u>	<u>88</u>
	<u>374</u>	<u>471</u>	<u>73</u>	<u>88</u>
Amounts falling due between one and two years:				
Bank loans	<u>-</u>	<u>73</u>	<u>-</u>	<u>73</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	31.12.13	31.12.12
	£'000	£'000
Bank loans	<u>73</u>	<u>161</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013**

17. PROVISIONS FOR LIABILITIES

The deferred tax liability/(asset) provided and unprovided is set out below.

	Provided		Unprovided	
	31.12.13	31.12.12	31.12.13	31.12.12
	£'000	£'000	£'000	£'000
Accelerated capital allowances	19	3	(4)	(3)
Other timing differences	(2,181)	(3,176)	-	-
Less:				
Tax losses carried forward	-	-	(198)	(217)
	<u>(2,162)</u>	<u>(3,173)</u>	<u>(202)</u>	<u>(220)</u>

The deferred taxation is provided are analysed below and are recognised where referred to in the relevant notes;

	Total £'000	Liability £'000	Asset £'000
Balance at 1 January 2013	(3,173)	3	(3,176)
Profit and loss account	16	16	-
Tax on actuarial gain/(loss)	<u>995</u>	<u>-</u>	<u>995</u>
Deferred taxation liability/(asset) at 31 December 2013	<u>(2,162)</u>	<u>19</u>	<u>(2,181)</u>

The deferred taxation asset is set off against the pension liability as required by FRS17.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.13	31.12.12
			£'000	£'000
19,690,554	Ordinary	10p	<u>1,969</u>	<u>1,969</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013**

19. RESERVES

Group

	Profit and loss account £'000	Share premium £'000	Revaluation reserve £'000	Other reserves £'000	Totals £'000
At 1 January 2013	(23,505)	14,611	839	879	(7,176)
Profit for the year	147	-	-	-	147
Actuarial gain/(loss)	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250</u>
At 31 December 2013	<u>(21,108)</u>	<u>14,611</u>	<u>839</u>	<u>879</u>	<u>(4,779)</u>
Profit and loss account excluding pension liability	(12,905)				
Pension deficit	<u>(8,203)</u>				
Profit and loss account	<u>(21,108)</u>				

Company

	Profit and loss account £'000	Share premium £'000	Revaluation reserve £'000	Other reserves £'000	Totals £'000
At 1 January 2013	(25,623)	14,611	573	879	(9,560)
Deficit for the year	(842)	-	-	-	(842)
Actuarial gain/(loss)	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250</u>
At 31 December 2013	<u>(24,215)</u>	<u>14,611</u>	<u>573</u>	<u>879</u>	<u>(8,152)</u>
Profit and loss account excluding pension liability	(16,012)				
Pension deficit	<u>(8,203)</u>				
Profit and loss account	<u>(24,215)</u>				

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

20. 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 2012 by Towers Watson LLP Limited using the projected unit method, and an update was carried out at 31 December 2013 under the assumptions prescribed in Financial Reporting Standard 17 "Retirement Benefits". The company pension contributions for the year were £998,600 (2012: 872,000). The outstanding deficit in the funding of the Scheme at the year end was £10,384,400 (2012: £13,810,00). No additional contributions were paid in respect of Scheme expenses. The next actuarial valuation for the scheme will take place in April 2015.

The Trustees of the Scheme and the Company have agreed to increase contributions to the scheme year on year by 3.4%. Contributions for the calendar year 2014 will therefore be approximately £1,130,000.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.12.13	31.12.12
	£'000	£'000
Present value of funded obligations	(36,396)	(37,281)
Fair value of plan assets	<u>26,012</u>	<u>23,471</u>
	(10,384)	(13,810)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	(10,384)	(13,810)
Deferred tax asset – see note 17	<u>2,181</u>	<u>3,176</u>
Net liability	<u><u>(8,203)</u></u>	<u><u>(10,634)</u></u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31.12.13	31.12.12
	£'000	£'000
Current service cost	-	-
Interest cost	1,475	1,500
Expected return	(704)	(735)
Past service cost	<u>-</u>	<u>-</u>
	<u>771</u>	<u>765</u>
Actual return on plan assets	<u><u>2,742</u></u>	<u><u>1,736</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.12.13	31.12.12
	£'000	£'000
Opening defined benefit obligation	37,281	32,406
Interest cost	1,475	1,500
Actuarial losses/(gains)	(1,160)	4,275
Benefits paid	<u>(1,200)</u>	<u>(900)</u>
	<u>36,396</u>	<u>37,281</u>

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

	Defined benefit pension plans	
	31.12.13	31.12.12
	£'000	£'000
Opening fair value of scheme assets	23,471	21,763
Contributions by employer	999	872
Expected return	704	735
Actuarial gains/(losses)	2,038	1,001
Benefits paid	<u>(1,200)</u>	<u>(900)</u>
	<u>26,012</u>	<u>23,471</u>

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

	Defined benefit pension plans	
	31.12.13	31.12.12
	£'000	£'000
Actuarial gains/(losses)	<u>3,198</u>	<u>(3,274)</u>
	<u>3,198</u>	<u>(3,274)</u>
Cumulative amount of actuarial gains/(losses)	<u>(8,381)</u>	<u>(11,579)</u>

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

	Defined benefit pension plans	
	31.12.13	31.12.12
	£'000	£'000
Equities	17,481	14,831
Bonds	8,411	8,520
Cash & NCA	<u>120</u>	<u>120</u>
	<u>26,012</u>	<u>23,471</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	31.12.13	31.12.12
Discount rate	4.40%	4.10%
Expected return on scheme assets	5.50%	4.70%
Future pension increases	3.60%	3.50%
Inflation rate (RPI)	3.30%	2.70%
Inflation rate (CPI)	2.30%	2.00%
Rate of increase for deferred pensioners	2.30%	2.00%

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

	31.12.13 £'000	31.12.12 £'000	31.12.11 £'000	31.12.10 £'000	31.12.09 £'000
Defined benefit pension plans					
Defined benefit obligation	(36,396)	(37,281)	(32,406)	(29,421)	(27,841)
Fair value of scheme assets	26,012	23,471	21,763	21,574	19,293
Deficit	(10,384)	(13,810)	(10,643)	(7,847)	(8,548)
 Experience adjustments on scheme liabilities	-	1.30%	-	-	3.60%
 Experience adjustments on scheme assets	7.70%	4.30%	3.70%	5.60%	9.30%

21. 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 2013 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.

22. CONTINGENT LIABILITIES

The death of an employee of one of the group's subsidiary companies, whilst working at the Sheffield facility in March 2012 that resulted in an investigation by the Crown Prosecution Service. The verdict from this investigation was that the group was cleared of corporate manslaughter. However, the group acknowledges that a claim may still arise from it. The directors are currently unable to state with any certainty that a claim will be made or make a reliable estimate of the quantum of such a claim.

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 2013 tax owing by the group was £30,482 (31 December 2012: £180,759).

The company together with other group undertakings are also part of an agreement with Barclays Bank Plc, whereby balances with the bank are subject to joint and several guarantees. The net aggregated borrowings at 31 December 2013 subject to this agreement amounted to £373,718 (31 December 2012: £543,892). The bank has a fixed and floating charge over all of the company's assets.

23. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption not to disclose related party transactions with wholly owned subsidiaries within the group.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2013

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31.12.13	31.12.12
	£'000	£'000
Profit for the financial year	147	1,086
Other recognised gains and losses relating to the year (net)	<u>2,250</u>	<u>(3,012)</u>
Net addition/(reduction) to shareholders' funds	2,397	(1,926)
Opening shareholders' funds	<u>(5,207)</u>	<u>(3,281)</u>
Closing shareholders' funds	<u>(2,810)</u>	<u>(5,207)</u>

Company

	31.12.13	31.12.12
	£'000	£'000
(Loss)/profit for the financial year	(842)	433
Other recognised gains and losses relating to the year (net)	<u>2,250</u>	<u>(3,012)</u>
Net addition/(reduction) to shareholders' funds	1,408	(2,579)
Opening shareholders' funds	<u>(7,591)</u>	<u>(5,012)</u>
Closing shareholders' funds	<u>(6,183)</u>	<u>(7,591)</u>