

PIPE SUPPORTS LIMITED

Registered number 926644

Directors' report and Financial Statements
For the year ended 31 December 2011



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the Financial Statements	3
Independent auditor's report to the members of Pipe Supports Limited	4
Profit and loss account	5
Balance sheet	6
Reconciliation of movements in shareholder's funds	7
Notes	8

Directors' report

The directors present their report and audited Financial Statements for the year ended 31 December 2011

Principal activity

The principal activity of the Company is the manufacture and marketing of constant pipe supports, variable load supports and ancillary equipment

Key performance indicators

The Group's key performance indicators are commented on in detail in the Hill & Smith Holdings PLC annual report. Those that specifically relate to the Company are as follows

Financial – The Company considers revenue, underlying operating profit, underlying operating margin and net cash flow from operating activities to be its principal financial key performance indicators

Non-financial – Health and safety, energy efficiency, emissions, use of recycled products and waste management are all principal areas of focus for the Company

Business review and future developments

Overview — The operating profit for the year was £692,000 (2010 loss £411,000). The improvement reflects an upturn in project activity compared with the prior year, mainly as a consequence of the company's sales expansion strategy.

Strategy — The Company continues to expand its markets with further investment in targeted sales resource, improvement of its manufacturing facilities and management of its cost base.

Health and Safety — Health and safety remains core to the Company's business. The Company is now part of Hill & Smith Holdings PLC's Health and Safety Management System and benefits from the support of the Group's health & safety function to place additional resource in this important area. Further details of the Group's health and safety activities can be found in the Hill & Smith Holdings PLC annual report.

Corporate Social Responsibility — The Company recognises the importance of balancing the interests of key stakeholders — employees, customers, shareholders, suppliers and the wider community in which it operates. The Company remains committed to a continuous improvement in its environmental performance to ensure that its activities comply with environmental standards and legislation. Further details of the Group's CSR activities can be found in its annual report.

Outlook — The signs of markets improving are reasonably positive although competition remains tough. We expect further modest growth in 2012 in most sectors, particularly oil and gas. In the long term, markets are expected to be strong both in developing countries and also traditional markets, such as US and Europe where demand for new power generation is clearly evident.

Principal risks and uncertainties

The Board continues to develop policies and procedures that reflect the nature and scale of the Company's business. These are designed to identify, mitigate and manage risk. The board reviews potential risks on a regular basis in order to minimise their impact.

Dividends

No dividend payment has been made in the year ended 31 December 2011 (2010 £Nil). There are no proposed dividends.

Creditor payment terms

It is the Company's normal practice to agree in advance the terms of transactions with suppliers, including payment terms. Provided suppliers perform in accordance with the agreed terms, it is the Company's policy that payment is made accordingly. Creditor days at the end of the year were 78 days (2010 45 days).

Directors' report *(continued)*

Research and development

The Company does not invest in research and development

Directors

The directors serving during the year and in the period up to the date of this report, none of whom has any beneficial interest in the shares of the Company, were as follows

S J Barry
D P Chapman
D W Muir
M Pegler

Political and charitable donations

Charitable donations amounting to £nil (2010 £nil) were made in the year There were no political donations

Employees

Details of the number of employees and related costs can be found in note 6 to the Financial Statements Applications for employment by disabled persons are considered fully, bearing in mind the aptitudes of the applicant concerned In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

The Company participates in Hill & Smith Holdings PLC's policies and practices to keep employees informed on matters relevant to them as employees through appropriate means, such as employee meetings and newsletters

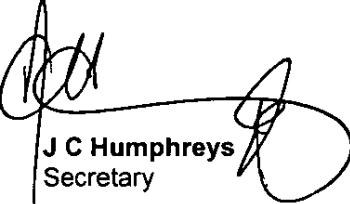
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office

By order of the Board



J C Humphreys
Secretary

26 April 2012

Westhaven House
Arleston Way
Shirley
Solihull
West Midlands
B90 4LH

Statement of directors' responsibilities in respect of the directors' report and the Financial Statements

The directors are responsible for preparing the directors' report and the Financial Statements in accordance with applicable law and regulations

Company law requires the directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements, and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of Pipe Supports Limited

We have audited the Financial Statements of Pipe Supports Limited for the year ended 31 December 2011 set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice,
- and have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

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.



M Steventon (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc,
Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

26 April 2012

PIPE SUPPORTS LIMITED
Directors' report and Financial Statements
For the year ended 31 December 2011

Profit and loss account
for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Turnover	2	19,415	7,856
Cost of sales		(15,670)	(5,470)
Gross profit		3,745	2,386
Distribution costs		-	-
Administrative expenses		(3,053)	(2,797)
Other operating income		-	-
Operating profit/(loss) before re-organisation costs		692	(411)
Re-organisation costs	3	-	-
Operating profit/(loss)		692	(411)
Profit/(loss) on sale of fixed assets		-	-
Income from shares in subsidiary undertakings		-	-
Profit/(loss) on ordinary activities before interest and taxation		692	(411)
Interest receivable	7	17	25
Interest payable and similar charges	8	(75)	-
Profit/(loss) on ordinary activities before taxation	4	634	(386)
Taxation on profit/(loss) on ordinary activities	9	(304)	(93)
Profit/(loss) for the financial year		330	(479)

All operations are continuing

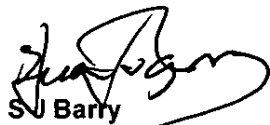
There were no recognised gains or losses during the current or preceding year apart from the profit/(loss) for the financial year shown above

PIPE SUPPORTS LIMITED
Directors' report and Financial Statements
For the year ended 31 December 2011

Balance sheet
as at 31 December 2011

	Note	2011 £000	2010 £000
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	1,933	1,935
Investments	12	-	-
		<u>1,933</u>	<u>1,935</u>
Current assets			
Stocks	13	1,043	906
Debtors	14	7,453	2,455
Cash at bank and in hand		1,399	565
		<u>9,895</u>	<u>3,926</u>
Creditors: Amounts falling due within one year	15	<u>(8,048)</u>	<u>(2,415)</u>
Net current assets/(liabilities)		<u>1,847</u>	<u>1,511</u>
Total assets less current liabilities		<u>3,780</u>	<u>3,446</u>
Creditors: Amounts falling due after more than one year	16	-	-
Provisions for liabilities and charges	17	(27)	(23)
Net assets		<u>3,753</u>	<u>3,423</u>
Capital and reserves			
Called up share capital	18	1,177	1,177
Share premium account	19	-	-
Revaluation reserve	19	-	-
Capital redemption reserve	19	-	-
Other reserves	19	-	-
Profit and loss account	19	2,576	2,246
Equity shareholder's funds		<u>3,753</u>	<u>3,423</u>

These Financial Statements were approved by the board of directors and signed on their behalf by


S J Barry
Director

D P Chapman
Director

Date 26 April 2012

Company No 926644

Reconciliation of movements in shareholder's funds
for the year ended 31 December 2011

	<i>Note</i>	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Profit/(loss) for the financial year		330	(479)
Dividends paid	23	-	-
Retained profit/(loss)		330	(479)
Share capital issued during the year		-	-
Increase/(decrease) in shareholder's funds		330	(479)
Opening shareholder's funds		3,423	3,902
Closing shareholder's funds		3,753	3,423

Notes

(forming part of the Financial Statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements

Basis of accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable UK GAAP Accounting Standards

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the directors' report on page 1

The company participates in the Group's centralised treasury and banking arrangements, along with its parent and certain fellow subsidiaries, as shown in note 20. However, the directors have no reason to believe that a material uncertainty exists for the Company since the directors of the Company's parent, Hill & Smith Holdings PLC, have already signed the Annual Report and Accounts for the same period on a going concern basis. The directors of the Company therefore have evidence of the Group's ability to continue in operational existence for the foreseeable future with its current banking arrangements. Thus they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements

Consolidation

In accordance with Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company incorporated in England, which has prepared consolidated Financial Statements to include the results of the Company

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less amounts written off for impairment. Investments are reviewed for impairment where events or circumstances indicate that their carrying value may not be recoverable.

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated Financial Statements

Tangible Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Plant, equipment and vehicles	-	4 to 20 years
Land and buildings	-	50 years
Leasehold assets	-	the life of the lease

Stocks and work in progress

These are valued on a "first-in, first-out" basis at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes all production overheads and the attributable proportion of indirect overhead expenses

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date, except as otherwise required by FRS 19

Notes (continued)

1 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at closing rates at the balance sheet date and the gains or losses on translation included in the Profit and Loss Account.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Goodwill

Goodwill arising on acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised as a fixed asset and amortised on a straight line basis over its estimated useful economic life up to a maximum of 20 years.

Other intangible assets

Other intangible assets identified, such as customer lists, are valued at their fair value at the time of acquisitions and are capitalised as a fixed asset which is amortised on a straight line basis over its estimated useful economic life up to a maximum of 20 years.

Research and development

Expenditure on development activities may be capitalised if the product or process is considered to be technically and commercially viable and the Company has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Profit and Loss Account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is provided equally over the estimated useful economic life of the assets concerned currently up to 7 years.

Pension scheme arrangements

The Company participates in the Hill & Smith Executive Pension Scheme and the Hill & Smith Pension Scheme, as described in note 22.

As the Company is unable to identify its share of the Group pension scheme assets in respect of the defined benefit sections on a consistent and reasonable basis, as permitted by FRS 17 the schemes are accounted for as if they are defined contribution schemes.

Contributions in respect of defined contribution schemes are charged to the profit and loss account in the period to which they relate.

Leased assets

Assets held under leases which confer rights and obligations similar to those attaching to owned assets are capitalised as tangible fixed assets and the corresponding liability to pay rentals is shown net of interest in the accounts as obligations under finance leases. Interest is calculated on the reducing balance basis and is charged over the period of the lease.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Notes (continued)

1 Accounting policies (continued)

Share based payments

The share option programme allows employees to acquire shares of the ultimate parent company Hill & Smith Holdings PLC. The fair value of options granted after 7 November 2002 and those not yet vested by 31 December 2004 are not recognised as an employee expense, those vested 1 January 2005 onwards are expensed with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Share-based payments are recharged by the ultimate parent company to participating subsidiary undertakings on an annual basis.

Where the Company's parent grants rights to its equity instruments to the Group's or the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Group or the Company as the case may be account for these share-based payments as equity settled.

Dividends

Dividends are recognised in the Financial Statements in the period in which they are approved by the Company's shareholders.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these Financial Statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

2 Turnover

The turnover of the company is derived from the following geographical markets

	2011 £000	2010 £000
United Kingdom	1,362	1,432
Rest of Europe	1,274	3,042
North America	86	1,040
Asia	10,508	1,580
Rest of the world	6,185	762
	<u>19,415</u>	<u>7,856</u>

In the opinion of the directors, there is only one class of business

3 Reorganisation costs

There were no reorganisation costs in the year (2010 £nil)

4 Profit/loss on ordinary activities before taxation

	2011 £000	2010 £000
Profit/loss on ordinary activities before taxation is stated		
<i>after charging</i>		
Depreciation		
Owned assets	193	166
Leased assets	-	-
Amortisation of intangible assets	-	-
Impairment of fixed assets	-	-
Operating leases		
Plant and equipment	39	-
Other assets	70	72
Auditor's remuneration	15	14
Research and development expenditure	-	-
Foreign exchange loss	47	24
Loss on sale of fixed assets	-	-
<i>after crediting</i>		
Rental income from operating leases	-	-
Grant income	-	-
Foreign exchange gain	-	-
Profit on sale of fixed assets	-	-
	<u> </u>	<u> </u>

Fees paid to KPMG Audit Plc and its associates for non-audit services to the company itself are not disclosed because Hill & Smith Holdings PLC Group accounts are required to disclose such fees on a consolidated basis

Notes (continued)

5 Remuneration of directors

Aggregate directors' remuneration for the year was as follows

	2011 £000	2010 £000
Emoluments	203	249
Compensation for loss of office	-	-
Company contributions to money purchase pension schemes	5	10
	<u>208</u>	<u>259</u>
	Number	Number
Directors exercising share options	-	-
Directors who are members of defined benefit pension schemes	1	1
	<u>1</u>	<u>1</u>

The remuneration of the highest paid director excluding pension contributions was £117,000 (2010 £138,000). His accrued pension entitlement per annum at the year end was £2,000 (2010 £2,000).

6 Staff numbers and costs

The average number of persons employed by the company (including directors) all of whom were involved in the principal activity was

	2011 Number	2010 Number
Production	40	31
Administration	15	15
Sales and distribution	13	16
	<u>68</u>	<u>62</u>

The aggregate payroll costs of these persons were

	£000	£000
Wages and salaries	2,596	1,929
Share-based payment (see note 24)	-	(1)
Social security costs	161	139
Other pension costs	115	129
	<u>2,872</u>	<u>2,196</u>

Notes (continued)

7 Interest receivable

	2011	2010
	£000	£000
Bank interest receivable	-	2
Deposit interest receivable	-	-
On loans to group undertakings	17	23
Other interest receivable	-	-
	<hr/> 17 <hr/>	<hr/> 25 <hr/>

8 Interest payable and similar charges

	2011	2010
	£000	£000
Bank interest payable	75	-
Other loan interest payable	-	-
Finance charges payable in respect of finance leases and hire purchase contracts	-	-
On loans from group undertakings	-	-
Other interest payable	-	-
	<hr/> 75 <hr/>	<hr/> - <hr/>

9 Taxation on profit/(loss) on ordinary activities

Analysis of charge/(credit) in year

	2011	2010
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	300	(20)
Relating to the prior year	-	47
	<hr/> 300 <hr/>	<hr/> 27 <hr/>
<i>Deferred tax (see note 17)</i>		
Origination/reversal of timing differences	6	64
Relating to the prior year	-	1
Effect of change in tax rate	(2)	1
	<hr/> 304 <hr/>	<hr/> 93 <hr/>
Total tax charge/(credit)	<hr/> 304 <hr/>	<hr/> 93 <hr/>

Notes (continued)

9 Taxation on profit/(loss) on ordinary activities (continued)

Factors affecting tax charge/credit for the year

The effective current tax charge/(credit) for the year is higher (2010 higher) than the standard rate of corporation tax in the UK. The differences are explained below

	2011	2010
	£000	£000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before taxation	634	(386)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities multiplied by the effective rate of corporation tax in the UK of 26.5% (2010 28.0%)	168	(108)
<i>Effects of</i>		
Expenses not deductible for tax purposes	138	170
Differences between capital allowances and depreciation	8	(1)
Income and expenditure timing differences	(14)	(65)
Non-taxable dividend income	-	-
Group relief received for no payment	-	-
Double tax relief	-	-
Deductible items not charged against profit	-	(16)
Relating to the prior year	-	47
	<hr/>	<hr/>
Current tax charge/(credit)	300	27
	<hr/>	<hr/>

On 23 March 2011, it was announced that the main rate of corporation tax in the UK would reduce to 26% from 1 April 2011, with subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014. The legislation to reduce the tax rate to 25% from 1 April 2012 was substantively enacted on 5 July 2011. The deferred tax asset/liability provided at the balance sheet date has therefore been recalculated at 25% on the basis that it will materially reverse after 1 April 2012.

The Government announced in the Budget on 21 March 2012 that it intends to enact a reduction in the corporation tax rate to 24% with effect from 1 April 2012 which was substantively enacted on 26 March 2012, with future annual reductions of 1% to reach a corporation tax rate of 22% from 1 April 2014. These tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements. The effect of any such changes on deferred tax balances will be accounted for in the period in which any such changes are enacted.

Notes *(continued)*

10 Intangible assets

	Goodwill £000	Other intangibles £000	Capitalised R&D £000	Total £000
Cost				
At 1 January 2011	-	-	-	-
Acquisitions	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amortisation				
At 1 January 2011	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
At 31 December 2011	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2010	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There were no acquisitions during the year

Notes *(continued)*

11 Tangible fixed assets

	Land and buildings £000	Plant, equipment and vehicles £000	Total £000
Cost			
At 1 January 2011	913	1,798	2,711
Acquisitions	-	-	-
Additions	96	95	191
Disposals	-	(4)	(4)
At 31 December 2011	1,009	1,889	2,898
Depreciation			
At 1 January 2011	90	686	776
Impairment	-	-	-
Charge for the year	-	193	193
Disposals	-	(4)	(4)
At 31 December 2011	90	875	965
Net book value			
At 31 December 2011	919	1,014	1,933
At 31 December 2010	823	1,112	1,935

The gross book value of land and buildings includes freehold land of £nil (2010 £nil)

The cost or valuation figures for property include no valuation on an open market value for existing use basis

The amount of revalued property as determined according to the historical cost accounting rule is

	2011 £000	2010 £000
Cost	-	-
Impairment	-	-
	-	-

Included within plant, equipment and vehicles are assets held for hire with an accumulated cost of £nil (2010 £nil) and accumulated depreciation of £nil (2010 £nil)

Included in the total net book value of plant, equipment and vehicles is £nil (2010 £nil) in respect of assets held under finance leases and similar hire purchase contracts

Notes *(continued)*

12 Investments

	Shares in subsidiary undertakings £000
Cost	
At 1 January 2011	-
Additions	-
Disposals	-
	<hr/>
At 31 December 2011	-
	<hr/>
Provisions	
At 1 January 2011	-
Provided	-
Disposals	-
	<hr/>
At 31 December 2011	-
	<hr/>
Net realisable value	
At 31 December 2011	-
	<hr/>
At 31 December 2010	-
	<hr/>

There were no investments at the beginning and end of the year

13 Stocks

	2011 £000	2010 £000
Raw material and consumables	608	579
Work in progress	339	236
Finished goods	96	91
	<hr/>	<hr/>
	1,043	906
	<hr/>	<hr/>

PIPE SUPPORTS LIMITED
Directors' report and Financial Statements
For the year ended 31 December 2011

Notes (continued)

14 Debtors

	2011 £000	2010 £000
Trade debtors	6,966	2,125
Amounts owed by group undertakings	140	42
Corporation tax	-	-
Deferred tax (note 17)	-	-
Prepayments and accrued income	171	240
Other tax and social security	176	48
Other debtors	-	-
	<u>7,453</u>	<u>2,455</u>

Intercompany loans are unsecured and with no fixed repayment date. Interest is charged at a rate equivalent to the Group's average borrowing rate for the year.

15 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	2,139	-
Obligations under finance leases and similar hire purchase contracts	-	-
Bills of exchange	-	-
Trade creditors	1,000	408
Amounts owed to group undertakings	3,655	1,549
Other creditors	-	-
Corporation tax	712	240
Other tax and social security	49	36
Accruals and deferred income	493	182
	<u>8,048</u>	<u>2,415</u>

Intercompany loans are unsecured and with no fixed repayment date. Interest is charged at a rate equivalent to the Group's average borrowing rate for the year.

16 Creditors: amounts falling due after more than one year

	2011 £000	2010 £000
Bank loans and overdrafts	-	-
Obligations under finance leases and similar hire purchase contracts	-	-
Grants	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Obligations under finance leases are payable as follows		
Within one year	-	-
In the second to fifth year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Notes (continued)

17 Provisions for liabilities and charges

	Deferred tax £000	Other provisions £000	Total £000
At 1 January 2011	23	-	23
Profit and loss account	6	-	6
Effect of change in tax rate	(2)	-	(2)
Utilised during the year	-	-	-
Transferred to/(from) debtors (note 14)	-	-	-
	<u>27</u>	<u>-</u>	<u>27</u>
At 31 December 2011	27	-	27

There are no other provisions

Details of amounts provided or included in debtors (see note 14) for deferred taxation follow

	2011 £000	2010 £000
Difference between accumulated depreciation, amortisation and capital allowances	30	40
Other timing differences	(3)	(17)
	<u>27</u>	<u>23</u>

18 Called up share capital

	2011 £000	2010 £000
Allotted, called up and fully paid		
1,177,000 ordinary shares of £1 each	1,177	1,177
Nil "A" ordinary shares of £1 each	-	-
Nil "B" ordinary shares of £1 each	-	-
Nil deferred shares of £1 each	-	-
	<u>1,177</u>	<u>1,177</u>

19 Share premium and reserves

	Share premium account £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 January 2011	-	-	-	2,246
Profit/(loss) on ordinary activities after tax	-	-	-	330
Dividends	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2011	-	-	-	2,576

Notes (continued)

20 Contingent liabilities

The company is a party to cross guarantees given for bank loans and overdrafts of the ultimate parent company and certain fellow subsidiaries amounting to £125,783,000 (2010 £94,557,000)

The Company has no other guarantees (2010 £nil)

21 Commitments

	Land and buildings		Other	
	2011	2010	2011	2010
	£000	£000	£000	£000
Operating leases which expire				
Within one year	-	-	7	-
Within two to five years	-	-	30	-
After more than five years	70	70	-	-
	<u>70</u>	<u>70</u>	<u>37</u>	<u>-</u>
	<u>70</u>	<u>70</u>	<u>37</u>	<u>-</u>

The Company had capital expenditure contracted but not provided in the Financial Statements at the year end of £nil (2010 £nil)

At the year end, the company was committed to sell US Dollars and Euros through forward contracts which all mature in 2012. The company has not included these derivatives in its results for the year. The fair value of these unhedged agreements at the year end amounted to a gain of £69,000 (2010 gain of £2,000)

22 Pension Scheme

The Company is a subsidiary of Hill & Smith Holdings PLC and participates in the Hill & Smith Executive Pension Scheme and the Hill & Smith Pension Scheme, the former providing benefits on a defined benefit basis and the second scheme providing benefits that are on a defined benefit and a defined contribution basis. Details of the schemes and their most recent actuarial valuation are contained in the Financial Statements of Hill & Smith Holdings PLC.

The pension cost for the year represents contributions payable by the company to the fund and amounted to £115,000 (2010 £129,000)

23 Dividends

	2011	2010
	£000	£000
Aggregate amount of dividends paid in the financial year	-	-
	<u>-</u>	<u>-</u>

24 Share-based payments

Employees of the Company have been granted various options in the ultimate parent company, which have given rise to charges related to the implied share-based payments, the details of which follow

Under Executive Share Option Schemes, options may be awarded at the discretion of the Committee to acquire Ordinary Shares at an exercise price no lower than the market value of a share at the date of grant. The options can only be exercised between three and ten years after the date of grant. Additionally options may only be exercised if the growth in underlying earnings per share of the Company over a three year period is not less than the increase in the Retail Price Index plus nine per cent, over the same period.

PIPE SUPPORTS LIMITED
Directors' report and Financial Statements
For the year ended 31 December 2011

Long term incentive plans (LTIP) are shares awarded in the Hill & Smith Holdings PLC to select senior management within the Group. The maximum award to any individual is 100% of their basic salary and generally can not be assigned or transferred, the size and final vesting of the award is based on the Group's underlying EPS performance over a three year period

24 Share-based payments (continued)

The ShareSave Schemes are open to all employees who have completed at least six months' continuous service. Under this scheme the Company can, if it thinks fit, grant options at a price up to twenty per cent below the market price

	Number of shares	2011 Option price (p)	Number of shares	2010 Option price (p)	Date first exercisable	Expiry date
2005 Executive Share Option Scheme (granted October 2005)	-	205	-	205	4 Oct 2008	4 Oct 2015
2007 Executive Share Option Scheme (granted April 2007)	57,000	350	57,000	350	13 Apr 2010	13 Apr 2017
2010 grant of 2007 LTIP Award	-	-	-	-	^	^
2009 grant of 2007 LTIP Award	-	-	-	-	^	^
2008 grant of 2007 LTIP Award	-	-	-	-	^	^
2007 grant of 2007 LTIP Award	-	-	-	-	^	^
2008 (Dec) grant of 2005 Savings Related Share Option Scheme#	2,215	246	5,336	246	1 Dec 2011	1 Jun 2012
2008 (Dec) grant of 2005 Savings Related Share Option Scheme#	5,446	246	5,446	246	1 Dec 2013	1 Jun 2014
2008 (Jan) grant of 2005 Savings Related Share Option Scheme#	-	318	-	318	1 Jan 2011	1 Jul 2011
2008 (Jan) grant of 2005 Savings Related Share Option Scheme#	3,901	318	3,901	318	1 Jan 2013	1 Jul 2013
2011 (Jan) grant of 2005 Savings Related Share Option Scheme#	14,719	238	-	-	1 Jan 2016	1 Jul 2016
Outstanding at the end of the year	83,281		71,683			
Exercisable at the year end	59,215		57,000			
Not exercisable at the year end	24,066		14,683			
Outstanding at the end of the year	83,281		71,683			

^ Awards lapse on the earlier of the award holder ceasing their employment or the applicable performance conditions not being met. The earliest possible date for award is 1 January 2012 for the 2009 grant, 1 January 2013 for the 2010 grant and 1 January 2014 for the 2011 grant

Options may be exercised early under the terms of this scheme if employees meet the criteria of 'good leaver', which encompasses circumstances such as retirement or redundancy

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The contractual life is the life of the option in question and the growth in dividend yield is based on the best current estimate of future yields over the contractual period

Notes (continued)

24 Share-based payments (continued)

	2011 (Jan) grant of 2005 Savings Related Share Option Scheme	2008 (Dec) grant of 2005 Savings Related Share Option Scheme	2008 (Jan) grant of 2005 Savings Related Share Option Scheme	2007 grant of 2005 Share Option Scheme	2005 grant of 2005 Share Option Schemes
Fair value at measurement date	44p	3p/3p	51p/49p	59p	34p
Share price at grant date	290p	160p	331p	351p	208p
Exercise price	238p	246p	318p	350p	205p
Expected volatility	21%	28%/24%	29%/25%	22%	36%
Option life (years)	5	3/5	3/5	3	3
Dividend yield	4.4%	4.6%	4.6%	3.7%	3.7%
Risk free interest rate	1.6%	1.8%/2.8%	4.0%	5.1%	4.5%
			2011 grant of 2007 LTIP Award	2010 grant of 2007 LTIP Award	2009 grant of 2007 LTIP Award
Fair value at measurement date			303p/171p	344p	133p
Share price at grant date			303p	339p	154p
Exercise price			0p	0p	0p
Expected volatility			28%	27%	30%
Option life (years)			3	3	3
Dividend yield			0.0%	0.0%	4.6%
Risk free interest rate			1.6%	1.9%	2.1%

The expected volatility is wholly based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information

The total expense recognised for the period arising from share based payments is as follows

	2011 £000	2010 £000
Expensed/(credited) during the year	-	(1)

25 Related party transactions

As an ultimately wholly owned subsidiary of Hill & Smith Holdings PLC, the Company has taken advantage of the exemption available under FRS 8 Related party transactions not to disclose transactions that have been made between the Company and other fellow subsidiaries of Hill & Smith Holdings PLC

26 Ultimate parent company

The Company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company registered in England. Copies of the Group Financial Statements may be obtained from Group headquarters
Westhaven House, Arlestone Way
Shirley, Solihull, B90 4LH

27 Post balance sheet events

There were no significant post balance sheet events