

Westcrowns Contracting Services Limited

Report and Financial Statements

31 March 2012

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COMPANIES HOUSE

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Westcrowns Contracting Services Limited

Directors

J W Haran

Chairman

J F Haran

L E M Haran

S Haran

W A M McBride

Managing Director

R McDonald

A D McIndoe

A W Brown

Secretary

I K Finlayson

Auditors

Ernst & Young LLP

G1

5 George Square

Glasgow G2 1DY

Bankers

Clydesdale Bank PLC

30 St Vincent Place

Glasgow G1 2HL

Solicitors

MacRoberts

152 Bath Street

Glasgow G2 4TB

Registered Office

Quay House

Quay Road North

Rutherglen

Glasgow G73 1LD

Directors' report

The directors present their report and financial statements for the year ended 31 March 2012.

Results and dividends

The profit for the year attributable to shareholders amounted to £520,000 (2011 – £559,000). A dividend to the ordinary shareholders (net of waivers) of £101,000 (2011 – £83,000) was paid during the financial year as per note 8 to the financial statements.

Principal activity and review of the business

The principal activity of the Company remains that of flooring contractors together with the supply and fitting of both Pilkington Profilit glass products and the business's own Lumaglass glazing system.

The company has dealt with the challenging UK market conditions by concentrating its efforts on selective tendering, coupled with improved diversity in its product range arising from its continuous and extensive research and development initiatives.

This has ensured another year of disciplined performance. Gross profit percentages are in line with expectations and with administrative expenses reducing by some 7%, the Companies net current assets have increased in the period by some 11% to £3.2m and funds available to shareholders to develop the business further increased by some 13% to £3.6m.

European patents were granted in the year for the companies' unique Lumaglass illuminated glazing system and further research and development programmes are well underway and will contribute to future revenue streams enabling the company to proactively deal with the prevailing economic conditions.

Financial risk management objectives and policies

Although the company's policy does permit trading in any financial instruments, the company's principal financial instruments comprise of cash, short and long term deposits and/or borrowings, the main purpose of which is to provide finance for its normal trading operations. These borrowings are taken out at either normal commercial variable or fixed rates of interest. The company's interest payable can therefore be affected by movements in interest rates. The company assessing such position does not undertake active hedging of this risk.

The company has various other financial instruments such as trade debtors and creditors that arise directly from its trading operations.

The company aims to mitigate credit risk by continuing to trade with their key customers. In addition, the company performs credit checks on its customers and tailors its credit terms accordingly.

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. Investment and ongoing expansion is carefully controlled, with authorization limits operating at different levels up to board level.

Directors' report

Going concern

In line with the FRC guidance on going concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to credit, liquidity, cash flow and foreign currency risk are described above.

As a consequence of the review exercise, the directors believe the company is well placed to manage its business risks successfully and that the company has adequate resources to meet their liabilities as they fall due for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the accounts.

Directors

The directors who served during the year were as follows:

J W Haran
J F Haran
L E M Haran
S Haran
W A M McBride
R McDonald
A D McIndoe
A W Brown

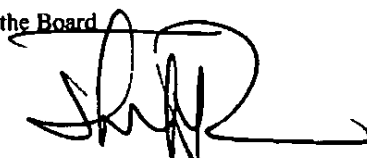
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

On behalf of the Board



J F Haran
Director
25 September 2012

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 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 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.

Independent auditors' report

to the members of Westcrowns Contracting Services Limited

We have audited the financial statements of Westcrowns Contracting Services Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 25. 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 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 4, 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

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 and Financial Statements 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Westcrowns Contracting Services Limited (continued)

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.

Ernst & Young LLP

Walter Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

25 September 2012

Profit and loss account

for the year ended 31 March 2012

	Notes	2012 £000	2011 £000
Turnover	2	6,397	6,748
Cost of sales		(4,074)	(4,245)
Gross profit		2,323	2,503
Administrative expenses		(1,692)	(1,805)
Operating profit	3	631	698
Interest payable	6	(49)	(50)
Profit on ordinary activities before taxation	7(b)	582	648
Tax	7(a)	(62)	(89)
Profit for the financial year	19	520	559

The figures above represent amounts relating to continuing operations only.

Statement of total recognised gains and losses

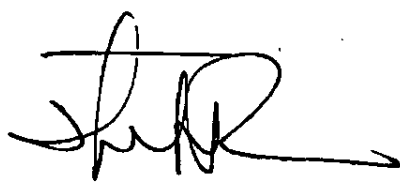
for the year ended 31 March 2012

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £520,000 in the year ended 31 March 2012 (2011 – £559,000).

Balance sheet

at 31 March 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Tangible assets	9	1,415	1,516
Current assets			
Stocks	10	1,174	831
Debtors – due within one year	11	3,638	3,229
– due after one year	11	565	322
Cash at bank and in hand	16	327	682
		5,704	5,064
Creditors: amounts falling due within one year	12	(2,547)	(2,219)
Net current assets		3,157	2,845
Total assets less current liabilities		4,572	4,361
Creditors: amounts falling due after more than one year	13	(754)	(952)
Accruals and deferred income			
Deferred government grants	17	(170)	(180)
Total assets less total liabilities		3,648	3,229
Capital and reserves			
Called up equity share capital	18	224	224
Revaluation reserve	19	302	311
Profit and loss account	19	3,122	2,694
Shareholders' funds	19	3,648	3,229



J F Haran
Director
25 September 2012

Statement of cash flows

for the year ended 31 March 2012

	Notes	2012 £000	2011 £000
Net cash inflow from operating activities	3(b)	93	125
Returns on investments and servicing of finance			
Interest element of finance leases and hire purchase payments		(17)	(18)
Bank overdraft and loan interest		(32)	(32)
		(49)	(50)
Taxation			
Corporation tax paid		(84)	(84)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3)	(22)
Proceeds on sale of tangible fixed assets		3	20
		-	(2)
Equity dividends paid		(101)	(83)
Net cash outflow before financing		(141)	(94)
Financing			
Repayments of capital element of finance leases and hire purchase contracts		(119)	(136)
Repayment of long term loans		(95)	(89)
		(214)	(225)
Decrease in cash	16	(355)	(319)

Reconciliation of net cash movement in net debt/funds

	2012 £000	2011 £000
Decrease in cash in the year	(355)	(319)
Cash flow from hire purchase financing	119	136
Repayment of loans	95	89
	(141)	(94)
New hire purchase agreements	-	(40)
Movement in net debt in the year	(141)	(134)
Net debt at 1 April	(484)	(350)
Net debt at 31 March	16 (625)	(484)

Statement of cash flows

for the year ended 31 March 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of heritable property and are prepared in accordance with applicable accounting standards.

Tangible fixed assets

Fixed assets are initially recorded at cost. Freehold property was revalued, the most recent valuation incorporated in the financial statements being at 14 March 2007, with the revaluation surplus taken to the revaluation reserve.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life by equal annual instalments, as follows:

Buildings	—	40 years
Motor vehicles	—	4 years
Plant and machinery	—	5 years
Fixtures and fittings	—	5 years
Computer equipment	—	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Freehold land is considered to be an integral part of heritable properties and, accordingly, is depreciated along with buildings.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on these assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Government grants

Government grants on capital expenditure are credited to a deferred income account and are released to profit over the expected useful life, of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match the expenditure to which they relate.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows:

Raw materials and goods for resale	—	purchase cost on a first-in, first-out basis
Work in progress and finished goods	—	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 March 2012

1. Accounting policies (continued)

Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs (as defined in Stocks above) as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the exception of:

Deferred tax assets which are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

Employees are members of a defined benefit pension scheme operated by the Westcrowns Group. The scheme requires contributions to be made to an independently administered fund. Contributions to this fund are charged to the profit and loss account on a defined contribution basis.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long-term contracts where turnover represents the sales value of work done in the year, including estimates in respect of amounts not invoiced. Turnover in respect of long-term contracts is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Turnover is attributable to continuing activities, namely glazing and flooring contracting.

Notes to the financial statements

at 31 March 2012

3. Operating profit

(a) This is stated after charging:

	2012 £000	2011 £000
Auditors remuneration – audit services	11	11
Depreciation of tangible owned assets	56	52
Depreciation of assets held under finance leases and hire purchase contracts	48	140
	104	192
Gain on sale of tangible fixed assets	(3)	(20)
Grant release	(10)	(15)
Operating lease rentals – plant, vehicles and other equipment	60	60

(b) Net cash inflow from operating activities:

	£000	£000
Operating profit	631	698
Depreciation	104	192
Gain on sale of fixed assets	(3)	(20)
Grant release	(10)	(15)
Increase in stocks	(343)	(168)
(Increase)/decrease in debtors	(660)	26
Increase/(decrease) in creditors	374	(588)
Net cash inflow from operating activities	93	125

Notes to the financial statements

at 31 March 2012

4. Directors' remuneration

	2012 £000	2011 £000
Aggregate remuneration in respect of qualifying services	403	392
Money purchase pension scheme contributions	51	81
Members of money purchase pension scheme	No. 4	No. 4
Members of defined benefit pension scheme	No. 4	No. 4

Two other directors do not perform any qualifying services to the company, therefore their remuneration are £nil (2011 - £nil).

The remuneration of the highest paid director for the year ended 31 March 2012 were £200,000 (2011 - £207,000). He was a member of the group's defined benefit pension scheme and his accrued pension at 31 March 2012 was £27,000 (2011 - £25,000) per annum.

5. Staff costs

	2012 £000	2011 £000
Wages and salaries	1,823	1,899
Social security costs	105	108
Other pension costs	124	159
	2,052	2,166

The average monthly number of persons employed by the company, including directors, during the year was as follows:

	No.	No.
Administration	24	27
Other	44	56
	68	83

Notes to the financial statements

at 31 March 2012

6. Interest payable

	2012 £000	2011 £000
Bank overdraft and loan interest	32	32
Finance charges payable under finance leases and hire purchase contracts	17	18
	<u>49</u>	<u>50</u>

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2012 £000	2011 £000
<i>Current tax:</i>		
UK corporation tax on the profits for the year (note 7(b))	54	84
<i>Deferred tax (note 7(d)):</i>		
Origination and reversal of timing differences	4	5
Effect of changes in tax rate	4	5
Tax charge on profit on ordinary activities	<u>62</u>	<u>89</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26% (2011 – 28%). The differences are explained below:

	2012 £000	2011 £000
Profit on ordinary activities before tax	582	648
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	<u>151</u>	<u>181</u>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	9	8
Fixed asset timing differences	(5)	(1)
Group relief received for nil payment	(99)	(104)
Others	(2)	-
Total current tax (note 7 (a))	<u>54</u>	<u>84</u>

Notes to the financial statements

at 31 March 2012

7. Tax (continued)

(c) Factors that may affect future tax charges

The Finance Act (No 2) was enacted in July 2010 and reduced the main rate of corporation tax from 28% to 27% from 1 April 2011. This rate reduction was latterly amended to 26% in the 2011 Budget with effect from 1 April 2011. Further reductions are to be enacted separately each year with the aim of reducing the rate by 1% per annum to 23% by 1 April 2014. There is also a reduction in the main rate of capital allowances from 20% to 18% with effect from April 2012. These changes will affect the amount of future cash tax payments to be made by the company.

It is estimated that the reduction in the proposed rate of corporation tax from 26% to 23% will result in a reduction in the deferred asset as at 31 March 2012 of approximately £6k.

(d) Deferred tax asset

The deferred tax asset, calculated at 26% (2011: 26%), included in the balance sheet is as follows:

	2012 £000	2011 £000
Fixed asset timing differences	54	62
		£000
At 1 April 2011		62
Deferred tax charge in profit and loss account (note 7(a))		(8)
At 31 March 2012		54

8. Dividends

	Total £000	2012 Net of waiver £000	Total £000	2011 Net of waiver £000
Declared and paid in year 58.9p (2011 – 48.8p)	132	101	109	83

The holders of 54,338 ordinary shares waived their rights to the dividend in both years.

Notes to the financial statements

at 31 March 2012

9. Tangible fixed assets

	<i>Heritable property £000</i>	<i>Motor vehicles £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures and fittings £000</i>	<i>Computer equipment £000</i>	<i>Total £000</i>
Cost or valuation:						
At 1 April 2011	1,521	295	579	28	49	2,472
Additions	–	–	1	–	2	3
Disposals	–	(40)	–	–	–	(40)
At 31 March 2012	1,521	255	580	28	51	2,435
Cost	21	255	580	28	51	935
Valuation	1,500	–	–	–	–	1,500
	1,521	255	580	28	51	2,435
Depreciation:						
At 1 April 2011	153	216	512	28	47	956
Charge for the year	38	33	31	–	3	104
Disposals	–	(40)	–	–	–	(40)
At 31 March 2012	191	209	543	28	49	1,020
Net book value:						
At 31 March 2012	1,330	46	37	–	2	1,415
At 1 April 2011	1,368	79	67	–	2	1,516

Notes to the financial statements

at 31 March 2012

9. Tangible fixed assets (continued)

The company's freehold property was valued as at 31 March 2010 by Johnston Waddell, Commercial Property Consultants, at its open market value for existing use basis at £1,350,000. This valuation is less than the net book value of the property, but as there is no material difference, the directors have not adjusted the value. The valuation was carried out in accordance with the RICS Valuation Standards (Sixth Edition) as amended. The directors have ascertained from the valuers that the value of the land included in the valuation above amounts to £128,250.

Had it not been revalued, the heritable property would have been included on the historical cost basis as follows:

	£000
Cost	1,191
Cumulative depreciation based on cost	163
Net book amount	<u>1,028</u>

The net book value of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2012 £000	2011 £000
Plant and machinery	33	62
Motor vehicles	30	75

10. Stocks

	2012 £000	2011 £000
Work in progress:		
Costs less loss provisions	1,443	874
Progress payments received/receivable	1,424	861
	<u>19</u>	<u>13</u>
Raw materials and consumables	1,155	818
	<u>1,174</u>	<u>831</u>

In the opinion of the directors the replacement cost of stocks is not materially different from that stated in the balance sheet.

Notes to the financial statements

at 31 March 2012

11. Debtors

	2012 £000	2011 £000
Trade debtors	3,503	2,835
Amounts owed by group undertakings	565	565
Other debtors	81	89
Deferred tax asset (note 7(d))	54	62
	<u>4,203</u>	<u>3,551</u>

Included within 'Amounts owed by group undertakings' is £565,000 (2011 – £565,000) due after one year.

12. Creditors: amounts falling due within one year

	2012 £000	2011 £000
Bank borrowings (note 14)	100	94
Obligations under finance leases and hire purchase contracts (note 15)	98	120
Trade creditors	1,682	1,196
Excess progress payments	173	179
Corporation tax	54	84
Amounts owed to group undertakings	90	165
Other taxes and social security costs	127	166
Accruals and deferred income	223	215
	<u>2,547</u>	<u>2,219</u>

13. Creditors: amounts falling due after one year

	2012 £000	2011 £000
Bank borrowings (note 14)	749	850
Obligations under finance leases and hire purchase contracts (note 15)	5	102
	<u>754</u>	<u>952</u>

Notes to the financial statements

at 31 March 2012

14. Bank borrowings

	2012 £000	2011 £000
Not wholly repayable within five years (see below)	771	831
Wholly repayable within five years	78	113
Total secured bank borrowings	849	944
Less: included in creditors: amounts falling due within one year (note 12)	(100)	(94)
Included in creditors: amounts falling due after more than one year (note 13)	749	850
Not wholly repayable within five years		
£1m bank loan at 5.95063% per annum, repayable in variable monthly instalments	2012 £000	2011 £000
Amounts repayable:		
In one year or less	63	59
In more than one year, but not more than two years	63	59
In more than two years, but not more than five years	187	176
In more than five years	458	537
	771	831

The bank borrowings are secured by a floating charge over all the assets of the company, by cross guarantees between all Scottish registered group companies, and by a standard security over the company's heritable property.

Notes to the financial statements

at 31 March 2012

15. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2012 £000	2011 £000
Amounts payable:		
Within one year	113	136
In two to five years	5	117
	<u>118</u>	<u>253</u>
Less: finance charges allocated to future periods	15	31
	<u>103</u>	<u>222</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations (note 12)	98	120
Non-current obligations (note 13)	5	102
	<u>103</u>	<u>222</u>

Analysis of changes in finance leases and hire purchase contracts during the current and previous years:

	2012 £000	2011 £000
At 1 April	222	318
Inception of finance leases and hire purchase contracts	-	40
Capital element of finance leases and hire purchase payments	(119)	(136)
At 31 March	<u>103</u>	<u>222</u>

16. Analysis of net debt

	At 1 April 2011 £000	Cash flow £000	Non cash changes £000	At 31 March 2012 £000
Cash at bank and in hand	682	(355)	-	327
Loans	(944)	95	-	(849)
Finance leases	(222)	119	-	(103)
	<u>(484)</u>	<u>(141)</u>	<u>-</u>	<u>(625)</u>

Notes to the financial statements

at 31 March 2012

17. Deferred government grants

	£000
At 1 April 2011	180
Released in year	(10)
At 31 March 2012	170

18. Issued share capital

	2012		2011	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£000</i>	<i>No.</i>	<i>£000</i>
Ordinary shares of £1 each	224,422	224,422	224,422	224,422

19. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i> <i>£000</i>	<i>Revaluation reserve</i> <i>£000</i>	<i>Profit and loss account</i> <i>£000</i>	<i>Total shareholders' funds</i> <i>£000</i>
At 1 April 2010	224	320	2,209	2,753
Profit for the year	—	—	559	559
Dividends	—	—	(83)	(83)
Transfer in respect of depreciation on revalued property	—	(9)	9	—
At 1 April 2011	224	311	2,694	3,229
Profit for the year	—	—	520	520
Dividends	—	—	(101)	(101)
Transfer in respect of depreciation on revalued property	—	(9)	9	—
At 31 March 2012	224	302	3,122	3,648

20. Capital commitments

No future capital expenditure has been contracted at 31 March 2012 (2011 – £nil).

Notes to the financial statements

at 31 March 2012

21. Pension arrangements

FRS17 disclosures

The parent company sponsors the Westcrowns Limited Pension and Life Assurance Scheme which is an arrangement which provides benefits on a "defined benefit" basis. The scheme was closed to future accrual on 31 December 2009.

Although the scheme is a defined deferred benefit scheme, the company is unable to identify its share of underlying assets and liabilities therefore the company has accounted for the contributions to the scheme as if it were a defined contribution scheme. The company's pension cost for the year for this scheme was £nil (2011 – £nil).

A full actuarial valuation of the scheme was carried out as at 31 March 2008 by a qualified actuary. An updated valuation of this scheme for FRS 17 purposes was carried out by a qualified independent actuary as at 31 March 2012.

With effect from 31 December 2009, this defined benefit scheme was closed to new members and accrual of defined benefits ceased for existing active members.

The fair value of the assets of the scheme at 31 March 2012 relates wholly to equity securities, fixed interest bonds and cash.

The following disclosures do not impact the primary statements in accordance with FRS 17.

The movements in assets and liabilities in the year are as follows:

Change in benefit obligation

	2012 £000	2011 £000
Benefit obligation at 1 April	6,509	6,320
Interest cost	354	353
Benefits paid	(271)	(350)
Actuarial loss	211	186
Benefit obligation at 31 March	6,803	6,509

Change in scheme assets

Fair value of scheme assets at 1 April	5,835	5,724
Expected return on scheme assets	268	267
Contributions by employer	160	160
Benefits paid	(271)	(350)
Actuarial gain	(335)	34
Fair value of scheme assets at 31 March	5,657	5,835
Deficit in the scheme	1,146	674

Notes to the financial statements

at 31 March 2012

21. Pensions arrangements (continued)

Main assumptions

	2012	2011
Rate of increased in deferred pensions pre 1/4/05	2.50%	3.3%
Rate of increased in deferred pensions post 1/4/05	3.20%	3.3%
Discount rate	5.05%	5.5%
Inflation assumption	3.20%	3.3%
Expected rates of return on scheme assets:		
Equity securities	4.1%	5.4%
Bond securities	0.6%	1.9%
Cash	0.6%	1.9%

Weighted average life expectancy on post-retirement mortality table used to determine benefit obligations for:

1. Life expectancy for a male pensioner from age 65	22.0 yrs	19.5 yrs
2. Life expectancy for a female pensioner from age 65	23.3 yrs	22.2 yrs
3. Life expectancy from age 65 for a male participant currently aged 45	22.5 yrs	21.3 yrs
4. Life expectancy from age 65 for a female participant currently aged 45	24.8 yrs	24.0 yrs

The mortality assumption used reflects a reasonable estimate of likely future experience by adjusting standard projected tables for the geographical location of the membership.

Scheme asset information

	Allocation percentage 2012 %	Allocation percentage 2011 %
Equity securities	75.41	78.2
Bond securities	15.92	15.3
Property	0.9	0.5
Cash	7.77	6.0
	£000	£000
Actual return on scheme assets	(67)	301

Five year history

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Fair value of scheme assets	5,657	5,835	6,320	4,711	5,221
Present value of defined benefit obligation	(6,803)	(6,509)	(5,724)	(4,050)	(4,845)
Deficit in the scheme	(1,146)	(674)	(596)	(661)	(376)
Difference between actual and expected return on scheme assets	(335)	34	1,254	(1,380)	(814)
Experience gains and losses on scheme liabilities	448	-	86	(309)	238

Notes to the financial statements

at 31 March 2012

21. Pensions arrangements (continued)

The company's parent company, Westcrowns Limited also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £124,000. Contributions amounting to £6,000 were payable to the fund at 31 March 2012 and are included in creditors.

22. Other financial commitments

At 31 March 2012, the company had annual commitments under non-cancellable operating leases as follows:

	<i>Plant, vehicles and other equipment</i>	
	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	4	9
Within two to five years	7	30
	<u>11</u>	<u>39</u>

23. Contingent liabilities

Cross guarantees exist between all Scottish registered group companies in favour of the group's bankers. At 31 March 2012 the combined group bank borrowings subject to the guarantee amounted to £6,354,000 gross and £4,684,000 net of credit balances (2011 – £6,421,000 gross; £4,422,000 net).

Other contingent liabilities are those arising in the ordinary course of business in connection with the completion of contracts in accordance with specifications.

24. Related party transactions

Included in the profit and loss account are the following amounts relating to transactions with group companies:

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Administrative expenses	173	225

There are no other related party transactions which require to be notified under the provisions of FRS 8.

25. Ultimate parent undertaking and controlling party

The directors regard Westcrowns Limited, a company registered in Scotland, as the controlling party and ultimate parent undertaking. Copies of the Westcrowns Limited's group financial statements may be obtained from Westcrowns Limited, Quay House, Quay Road North, Rutherglen, Glasgow G73 1LD.