

Westcrowns Contracting Services Limited

Report and Financial Statements

31 March 2013

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COMPANIES HOUSE

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 2013.

Results and dividends

The profit for the year attributable to shareholders amounted to £267,000 (2012 – £520,000). A dividend to the ordinary shareholders (net of waivers) of £41,000 (2012 – £101,000) 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 businesses' own patented glass products flowing from its Research and Development programmes.

The Directors have continued with their strict regime of selective tendering, avoiding the pitfalls of lower margin works which has beset the construction industry in recent years.

Coupled with revenues from new product ranges, this has ensured another year of disciplined performance. Gross profit percentages are in line with expectations and with administrative expenses reducing by some 6%, the Companies net current assets have increased in the year by some 6% to £3.35m and funds available to shareholders to develop the business further increased by some 6% to £3.87m.

The companies continued investment in Research & Development has, in addition to its new European patents, also resulted in it achieving a United States Patent for its unique Lumaglass illuminated glazing system. New product ranges including Reglit Rainbow and further research and development programmes are well underway and will continue and increase future contributions to revenue streams"

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

20 September 2013

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 2013 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 2013 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

20 September 2013

Profit and loss account

for the year ended 31 March 2013

	Notes	2013 £000	2012 £000
Turnover	2	5,895	6,397
Cost of sales		(3,942)	(4,074)
Gross profit		1,953	2,323
Administrative expenses		(1,590)	(1,692)
Operating profit	3	363	631
Interest payable	6	(43)	(49)
Profit on ordinary activities before taxation	7(b)	320	582
Tax	7(a)	(53)	(62)
Profit for the financial year	19	267	520

The figures above represent amounts relating to continuing operations only.

Statement of total recognised gains and losses

for the year ended 31 March 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £267,000 in the year ended 31 March 2013 (2012 – £520,000).

Balance sheet

at 31 March 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	9	1,339	1,415
Current assets			
Stocks	10	1,609	1,174
Debtors – due within one year	11	3,561	3,638
– due after one year	11	565	565
Cash at bank and in hand	16	-	327
Creditors: amounts falling due within one year	12	5,735 (2,380)	5,704 (2,547)
Net current assets		3,355	3,157
Total assets less current liabilities		4,694	4,572
Creditors: amounts falling due after more than one year	13	(655)	(754)
Accruals and deferred income			
Deferred government grants	17	(165)	(170)
Total assets less total liabilities		3,874	3,648
Capital and reserves			
Called up equity share capital	18	224	224
Revaluation reserve	19	293	302
Profit and loss account	19	3,357	3,122
Shareholders' funds	19	3,874	3,648



J F Haran
Director

20 September 2013

Statement of cash flows

for the year ended 31 March 2013

	Notes	2013 £000	- 2012 £000
Net cash (outflow)/inflow from operating activities	3(b)	(277)	93
Returns on investments and servicing of finance			
Interest element of finance leases and hire purchase payments		(15)	(17)
Bank overdraft and loan interest		(28)	(32)
		(43)	(49)
Taxation			
Corporation tax paid		(33)	(84)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3)	(3)
Proceeds on sale of tangible fixed assets		8	3
		5	-
Equity dividends paid		(41)	(101)
Net cash outflow before financing		(389)	(141)
Financing			
Repayments of capital element of finance leases and hire purchase contracts		(105)	(119)
Repayment of long term loans		(102)	(95)
		(207)	(214)
Decrease in cash	16	(596)	(355)

Reconciliation of net cash movement in net debt

	2013 £000	2012 £000
Decrease in cash in the year	(596)	(355)
Cash flow from hire purchase financing	105	119
Repayment of loans	102	95
	(389)	(141)
New hire purchase agreements	(35)	-
Movement in net debt in the year	(424)	(141)
Net debt at 1 April	(625)	(484)
Net debt at 31 March	16 (1,049)	(625)

Statement of cash flows

for the year ended 31 March 2013

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 2013

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 2013

3. Operating profit

(a) This is stated after charging:

	2013 £000	2012 £000
Auditors remuneration – audit services	11	11
Depreciation of tangible owned assets	75	55
Depreciation of assets held under finance leases and hire purchase contracts	36	48
	111	104
Gain on sale of tangible fixed assets	(5)	(3)
Grant release	(5)	(10)
Operating lease rentals – plant, vehicles and other equipment	61	60

(b) Net cash inflow from operating activities:

	£000	£000
Operating profit	363	631
Depreciation	111	104
Gain on sale of fixed assets	(5)	(3)
Grant release	(5)	(10)
Increase in stocks	(435)	(343)
Decrease/(increase) in debtors	75	(660)
(Decrease)/increase in creditors	(381)	374
Net cash (outflow)/inflow from operating activities	(277)	93

Notes to the financial statements

at 31 March 2013

4. Directors' remuneration

	2013 £000	2012 £000
Aggregate remuneration in respect of qualifying services	393	403
Money purchase pension scheme contributions	46	51
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 (2012 - £nil).

The emoluments of the highest paid director for the year ended 31 March 2013 were £177,000 (2012 - £200,000). He was a member of the group's defined benefit pension scheme and his accrued pension at 31 March 2013 was £27,000 (2012 - £27,000) per annum.

5. Staff costs

	2013 £000	2012 £000
Wages and salaries	1,729	1,823
Social security costs	95	105
Other pension costs	154	124
	1,978	2,052

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

	No.	No.
Administration	24	24
Other	46	44
	70	68

Notes to the financial statements

at 31 March 2013

6. Interest payable

	2013 £000	2012 £000
Bank overdraft and loan interest	28	32
Finance charges payable under finance leases and hire purchase contracts	15	17
	<u>43</u>	<u>49</u>

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2013 £000	2012 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	72	54
Adjustment in respect of previous periods	(21)	-
Total current tax (note 7(b))	<u>51</u>	<u>54</u>
<i>Deferred tax (note 7(d)):</i>		
Origination and reversal of timing differences	-	4
Effect of changes in tax rate	2	4
Tax charge on profit on ordinary activities	<u>53</u>	<u>62</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 24% (2012 – 26%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	320	582
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	<u>77</u>	<u>151</u>
<i>Effects of:</i>		
Income/expenses not taxable/deductible for tax purposes	(3)	9
Fixed asset timing differences	1	(5)
Group relief received for nil payment	(3)	(99)
Overprovision in previous periods	(21)	-
Others	-	(2)
Total current tax (note 7 (a))	<u>51</u>	<u>54</u>

Notes to the financial statements

at 31 March 2013

7. Tax (continued)

(c) Factors that may affect future tax charges

The Finance Act 2011 reduced the main rate of corporation tax from 26% to 25% from 1 April 2012; however this rate reduction was latterly amended to 24% in the 2012 Budget with effect from 1 April 2012.

The 23% rate of corporation tax was enacted on 17 July 2012 and will apply from 1 April 2013. Further reductions are proposed to reduce the rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015.

It is estimated that the reduction in the proposed rate of corporation tax from 23% to 20% will result in a reduction in the deferred asset as at 31 March 2013 of approximately £6k.

(d) Deferred tax asset

The deferred tax asset, calculated at 23% (2012: 24%), included in the balance sheet is as follows:

	2013 £000	2012 £000
Fixed asset timing differences	52	54
	<u>52</u>	<u>54</u>
		£000
At 1 April 2012		54
Deferred tax charge in profit and loss account (note 7(a))		(2)
At 31 March 2013		<u>52</u>

8. Dividends

	Total £000	2013 Net of waiver £000	Total £000	2012 Net of waiver £000
Declared and paid in year 24.2p (2012 – 58.9p)	54	41	132	101

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

Notes to the financial statements

at 31 March 2013

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 2012	1,521	255	580	28	51	2,435
Additions	-	35	-	-	3	38
Disposals	-	(38)	-	-	-	(38)
At 31 March 2013	1,521	252	580	28	54	2,435
Cost	-	252	580	28	54	914
Valuation	1,521	-	-	-	-	1,521
	1,521	252	580	28	54	2,435
Depreciation:						
At 1 April 2012	191	209	543	28	49	1,020
Charge for the year	38	36	34	-	3	111
Disposals	-	(35)	-	-	-	(35)
At 31 March 2013	229	210	577	28	52	1,096
Net book value:						
At 31 March 2013	1,292	42	3	-	2	1,339
At 1 April 2012	1,330	46	37	-	2	1,415

Notes to the financial statements

at 31 March 2013

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	(192)
Net book amount	999

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

	2013 £000	2012 £000
Plant and machinery	-	33
Motor vehicles	37	30

10. Stocks

	2013 £000	2012 £000
Work in progress:		
Costs less loss provisions	678	1,443
Progress payments received/receivable	(672)	(1,424)
	6	19
Raw materials and consumables	1,603	1,155
	1,609	1,174

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 2013

11. Debtors

	2013 £000	2012 £000
Trade debtors	3,436	3,503
Amounts owed by group undertakings	565	565
Other debtors	73	81
Deferred tax asset (note 7(d))	52	54
	<u>4,126</u>	<u>4,203</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

	2013 £000	2012 £000
Bank borrowings (note 14)	379	100
Obligations under finance leases and hire purchase contracts (note 15)	15	98
Trade creditors	970	1,682
Excess progress payments	182	173
Corporation tax	72	54
Amounts owed to group undertakings	173	90
Other taxes and social security costs	198	127
Accruals and deferred income	391	223
	<u>2,380</u>	<u>2,547</u>

13. Creditors: amounts falling due after one year

	2013 £000	2012 £000
Bank borrowings (note 14)	637	749
Obligations under finance leases and hire purchase contracts (note 15)	18	5
	<u>655</u>	<u>754</u>

Notes to the financial statements

at 31 March 2013

14. Bank borrowings

	2013 £000	2012 £000
Not wholly repayable within five years (see below)	747	771
Wholly repayable within five years	269	78
Total secured bank borrowings	1,016	849
Less: included in creditors: amounts falling due within one year (note 12)	(379)	(100)
Included in creditors: amounts falling due after more than one year (note 13)	637	749

Not wholly repayable within five years

£1m bank loan at 5.95063% per annum, repayable in variable monthly instalments

	2013 £000	2012 £000
Amounts repayable:		
In one year or less	110	63
In more than one year, but not more than two years	69	63
In more than two years, but not more than five years	208	187
In more than five years	360	458
	747	771

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 2013

15. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2013 £000	2012 £000
Amounts payable:		
Within one year	16	113
In two to five years	20	5
	<u>36</u>	<u>118</u>
Less: finance charges allocated to future periods	(3)	(15)
	<u>33</u>	<u>103</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations (note 12)	15	98
Non-current obligations (note 13)	18	5
	<u>33</u>	<u>103</u>

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

	2013 £000	2012 £000
At 1 April	103	222
Inception of finance leases and hire purchase contracts	35	-
Capital element of finance leases and hire purchase payments	(105)	(119)
	<u>33</u>	<u>103</u>

16. Analysis of net debt

	At 1 April 2012 £000	Cash flow £000	Non cash changes £000	At 31 March 2013 £000
Cash at bank and in hand	327	(596)	-	(269)
Loans	(849)	102	-	(747)
Finance leases	(103)	105	(35)	(33)
	<u>(625)</u>	<u>(389)</u>	<u>(35)</u>	<u>(1,049)</u>

Notes to the financial statements

at 31 March 2013

17. Deferred government grants

	£000
At 1 April 2012	170
Released in year	(5)
At 31 March 2013	165

18. Issued share capital

	No.	2013 £000	No.	2012 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	224,422	224,422	224,422	224,422

19. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Revaluation reserve £000	Profit and loss account £000	Total share- holders' funds £000
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 1 April 2012	224	302	3,122	3,648
Profit for the year	-	-	267	267
Dividends	-	-	(41)	(41)
Transfer in respect of depreciation on revalued property	-	(9)	9	-
At 31 March 2013	224	293	3,357	3,874

20. Capital commitments

No future capital expenditure has been contracted at 31 March 2013 (2012 – £nil).

Notes to the financial statements

at 31 March 2013

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 2011 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 2013.

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 2013 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

	2013 £000	2012 £000
Benefit obligation at 1 April	6,803	6,509
Interest cost	338	354
Benefits paid	(199)	(271)
Actuarial loss	1,139	211
Benefit obligation at 31 March	8,081	6,803

Change in scheme assets

Fair value of scheme assets at 1 April	5,657	5,835
Expected return on scheme assets	182	268
Contributions by employer	147	160
Benefits paid	(199)	(271)
Actuarial gain/(loss)	224	(335)
Fair value of scheme assets at 31 March	6,011	5,657
Deficit in the scheme	2,070	1,146

Notes to the financial statements

at 31 March 2013

21. Pensions arrangements (continued)

Main assumptions

	2013	2012
Rate of increased in deferred pensions pre 1/4/05	2.65%	2.50%
Rate of increased in deferred pensions post 1/4/05	3.35%	3.20%
Discount rate	4.55%	5.05%
Inflation assumption	3.35%	3.20%
Expected rates of return on scheme assets:		
Equity securities	4.6%	4.10%
Bond securities	1.8%	0.60%
Cash	1.1%	0.60%

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	22.3 yrs	22.0 yrs
2. Life expectancy for a female pensioner from age 65	23.6 yrs	23.3 yrs
3. Life expectancy from age 65 for a male participant currently aged 45	23.2 yrs	22.5 yrs
4. Life expectancy from age 65 for a female participant currently aged 45	25.6 yrs	24.8 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 2013 %	Allocation percentage 2012 %
Equity securities	56.58	75.41
Bond securities	43.32	15.92
Property	-	0.9
Cash	1.10	7.77
	£000	£000
Actual return on scheme assets	407	(67)

Five year history

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Fair value of scheme assets	6,011	5,657	5,835	6,320	4,711
Present value of defined benefit obligation	(8,081)	(6,803)	(6,509)	(5,724)	(4,050)
Deficit in the scheme	(2,070)	(1,146)	(674)	(596)	(661)
Difference between actual and expected return on scheme assets	224	(335)	34	(1,254)	(1,380)
Experience gains and losses on scheme liabilities	-	448	-	86	(309)

Notes to the financial statements

at 31 March 2013

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 £116,000. Contributions amounting to £9,000 were payable to the fund at 31 March 2012 and are included in creditors.

22. Other financial commitments

At 31 March 2013, the company had annual commitments under non-cancellable operating leases as follows:

	<i>Plant, vehicles and other equipment</i>	
	<i>2013</i>	<i>2012</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	2	4
Within two to five years	-	7
	<u>2</u>	<u>11</u>

23. Contingent liabilities

Cross guarantees exist between all group companies in favour of the group's bankers. At 31 March 2013 the combined group bank borrowings subject to the guarantee amounted to £6,142,000 gross and £4,145,000 net of credit balances (2012 – £6,354,000 gross; £4,684,000 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>2013</i>	<i>2012</i>
	<i>£000</i>	<i>£000</i>
Administrative expenses	158	173

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.