Westcrowns Contracting Services Limited

Report and Financial Statements

31 March 2015

Directors

J W Haran	Chairman
W A M McBride	Managing Director
J F Haran	
L E M Haran	
S Haran	
A D McIndoe	
A W Brown	

Secretary

R J Heggie

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

Strategic report

The directors present their strategic report for the year ended 31 March 2015.

Principal activity and review of the business

Whilst the business continues to develop its flooring contracting operations in a disciplined manner, the Directors have, in line with their previously stated strategy, further diversified the principal business activities towards specialist glazing products, including both Pilkington Profilit © and the businesses' own patented illuminated glazing product, Lumaglass ©, the latter now having secured exclusive patent rights in the UK, Europe and North America accordingly increasing further the business's range of competitive advantages.

This strategy has allowed the business to significantly expand its export activities and thus grow its gross profit to £2.155,000 (an increase of 20% to the previous year). Consequent operating profits at £514,000 were in line with expectations (an increase of 97% to the previous year) as was net current assets growth of 10.5% to £3.799,000. Funds available to shareholders to facilitate the ongoing development of the business increased by 10.3% to £4.447,000.

Future developments

The company considers that its current strategy affords it the best opportunity to both benefit from the present improvement in the UK economy whilst at the same time further increasing international revenue streams coming online in the USA, Europe and Asia through its range of patented products and it ongoing research and development pipeline.

The Directors consider the business to be well placed to continue to grow in a controlled and disciplined manner.

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.

On behalf of the Board

J F Haran
Director

24 September 2015

Directors' report

The directors present their report for the year ended 31 March 2015.

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 — Resigned 20/10/14
A D McIndoe
A W Brown

Results and dividends

The profit for the year attributable to shareholders amounted to £476,000 (2014 – £190,000). A dividend to the ordinary shareholders (net of waivers) of £62,000 (2014 – £31,000) was paid during the financial year as note 8 to the financial statements.

Future developments

The directors have highlighted in the Strategic report on page 2 their plans to continue to grow in a controlled and disciplined manner

Going concern

In line with the FRC guidance on going concern issued in November 2009, and taking into account the FRC's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014, 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.

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

24 September 2015

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 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 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2015 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 Strategic Report and 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

24 September 2015

Profit and loss account

for the year ended 31 March 2015

	Notes	2015 £000	2014 £000
Turnover	2	6,064	6,096
Cost of sales		(3,909)	(4,308)
Gross profit		2,155	1,788
Administrative expenses		(1,641)	(1,527)
Operating profit	3	514	261
Interest payable	6	(28)	(24)
Profit on ordinary activities before taxation		486	237
Tax	7	(10)	(47)
Profit for the financial year	19	476	190

The figures above represent amounts relating to continuing operations only.

Statement of total recognised gains and losses

for the year ended 31 March 2015

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £476,000 in the year ended 31 March 2015 (2014 – £190,000).

Balance Sheet

at 31 March 2015

	Notes	*2015* *£000*	*2014* *£000*
Fixed assets			
Tangible assets	9	1,351	1,352
Current assets			
Stocks	10	1,607	1,772
Debtors – due within one year	11	3,686	3,426
– due after one year	11	565	565
		5,858	5,763
Creditors: amounts falling due within one year	12	(2,036)	(2,327)
Net current assets		3,822	3,436
Total assets less current liabilities		5,173	4,788
Creditors: amounts falling due after more than one year	13	(571)	(595)
Accruals and deferred income			
Deferred government grants	17	(155)	(160)
Total assets less total liabilities		4,447	4,033
Capital and reserves			
Called up equity share capital	18	224	224
Revaluation reserve	19	275	284
Profit and loss account	19	3,948	3,525
Equity shareholders' funds	19	4,447	4,033

These financial statements were approved by the directors and authorised for issue on 30 September 2015 and are signed on their behalf by:

J F Haran
Director

Statement of cash flows

for the year ended 31 March 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	3(b)	467	137
Returns on investments and servicing of finance			
Interest element of finance leases and hire purchase payments		(2)	(2)
Bank overdraft and loan interest		(26)	(22)
		(28)	(44)
Taxation			
Corporation tax paid		(50)	(72)
Corporation tax refunds received		16	-
		(34)	(72)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(12)	(55)
Proceeds on sale of tangible fixed assets		2	-
		(10)	(55)
Equity dividends paid		(62)	(31)
Net cash inflow/(outflow) before financing		333	(45)
Financing			
Repayments of capital element of finance leases and hire purchase contracts		(28)	(20)
Repayment of loans		(520)	(107)
Loan received		500	-
		(48)	(127)
Increase/ (decrease) in cash	16	285	(172)

Statement of cash flows

for the year ended 31 March 2015

Reconciliation of net cash movement in net debt

	Notes	2015 £000	2014 £000
Increase/ (decrease) in cash in the year		285	(172)
Cash flow from hire purchase financing		28	20
Repayment of loans		520	107
Loan received		(500)	-
		333	(45)
New hire purchase agreements		(53)	(31)
Movement in net debt in the year		280	(76)
Net debt at 1 April		(1,125)	(1,049)
Net debt at 31 March	16	(845)	(1,125)

Notes to the financial statements

at 31 March 2015

1. Accounting policies

Basis of preparation

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

Tangible fixed assets

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:

Freehold property	–	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 2015

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.

Turnover is generated within the UK except for £779,000 (2014 - £nil) and £105,000 (2014 – £nil) which were generated from Asia and other EEC countries respectively.

Notes to the financial statements

at 31 March 2015

3. Operating profit

(a) This is stated after charging:

	2015 £000	2014 £000
Auditors remuneration – audit services	12	11
Depreciation of tangible owned assets	44	47
Depreciation of assets held under finance leases and hire purchase contracts	22	26
	66	73
Gain on sale of tangible fixed assets	(2)	-
Grant release	(5)	(5)
Operating lease rentals – plant, vehicles and other equipment	45	68

(b) Net cash inflow from operating activities:

	£000	£000
Operating profit	514	261
Depreciation	66	73
Gain on sale of fixed assets	(2)	-
Grant release	(5)	(5)
Decrease/ (increase) in stocks	165	(163)
(Increase)/ decrease in debtors	(270)	122
Decrease in creditors	(1)	(151)
Net cash inflow from operating activities	467	137

Notes to the financial statements

at 31 March 2015

4. Directors' remuneration

	2015	*2014*
	£000	*£000*
Aggregate remuneration in respect of qualifying services	397	394
Money purchase pension scheme contributions	50	47
	No.	*No.*
Members of money purchase pension scheme	3	4
Members of defined benefit pension scheme	3	4

Four other directors do not perform any qualifying services to the company, therefore their remuneration are £nil (2014 - £nil).

The emoluments of the highest paid director for the year ended 31 March 2015 were £209,000 (2014 – £173,000). He was a member of the group's defined benefit pension scheme and his accrued pension at 31 March 2015 was £29,000 (2014 – £28,000) per annum. In addition, pension contributions amounting to £33,000 (2014 - £31,000) were paid into a money purchase pension scheme.

5. Staff costs

	2015	*2014*
	£000	*£000*
Wages and salaries	1,578	1,674
Social security costs	107	99
Other pension costs	185	161
	1,870	1,934

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

	No.	*No.*
Administration	23	22
Other	32	44
	55	66

Notes to the financial statements

at 31 March 2015

6. Interest payable

	2015 £000	2014 £000
Bank overdraft and loan interest	26	22
Finance charges payable under finance leases and hire purchase contracts	2	2
	28	24

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 £000	2014 £000
Current tax:		
UK corporation tax on the profit for the year	63	50
Adjustment in respect of previous periods	(70)	(16)
Total current tax (note 7(b))	(7)	34
Deferred tax (note 7(d)):		
Origination and reversal of timing differences	8	7
Effect of changes in tax rate	9	6
Tax charge on profit on ordinary activities	10	47

(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 21% (2014 – 23%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	486	237
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	102	55
Effects of:		
Income/expenses not taxable/deductible for tax purposes	8	3
Fixed asset timing differences	(9)	(8)
Group relief received for nil payment	(38)	-
Overprovision in previous periods	(70)	(16)
Total current tax (note 7 (a))	(7)	34

Notes to the financial statements
at 31 March 2015

7. Tax (continued)

(c) Factors that may affect future tax charges

The main UK corporation tax rate of 21%, which applied from 1 April 2014, was reduced to 20% on 1 April 2015. It was announced in the Summer Budget in July 2015 that the corporation tax rate will further reduce to 19% from 1 April 2017, and to 18% from 1 April 2020; however these reductions have not yet been substantively enacted.

As the impact on the reversal of the deferred tax asset is not material, all timing differences at the balance sheet date have been calculated at 20%.

(d) Deferred tax asset

The deferred tax asset, calculated at 20% (2014: 20%), included in the balance sheet is as follows:

	2015	*2014*
	£000	*£000*
Fixed asset timing differences	20	39
Short term timing differences	2	-
	22	39

	£000
At 1 April 2014	39
Deferred tax charge in profit and loss account (note 7(a))	(17)
At 31 March 2015	22

8. Dividends

		2015		*2014*
		Net of		*Net of*
	Total	*waiver*	*Total*	*waiver*
	£000	*£000*	*£000*	*£000*
Declared and paid in year 36.6p (2014 – 17.9p)	82	62	40	31

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

Notes to the financial statements

at 31 March 2015

9. Tangible fixed assets

	Freehold property £000	*Motor vehicles £000*	*Plant and machinery £000*	*Fixtures and fittings £000*	*Computer equipment £000*	*Total £000*
Cost or valuation:						
At 1 April 2014	1,566	240	615	28	60	2,509
Additions	-	56	-	-	9	65
Disposals	-	(89)	-	-	-	(89)
At 31 March 2015	1,566	207	615	28	69	2,485
Cost	216	207	615	28	69	1,135
Valuation	1,350	-	-	-	-	1,350
	1,566	207	615	28	69	2,485
Depreciation:						
At 1 April 2014	268	220	585	28	56	1,157
Charge for the year	39	15	8	-	4	66
Disposals	-	(89)	-	-	-	(89)
At 31 March 2015	307	146	593	28	60	1,134
Net book value:						
At 31 March 2015	1,259	61	22	-	9	1,351
At 1 April 2014	1,298	20	30	-	4	1,352

Notes to the financial statements

at 31 March 2015

9. Tangible fixed assets (continued)

The company's freehold property was revalued as at 30 August 2013 by Gerald Eve, Chartered Surveyors and Property Consultants, at its open market value for existing use basis at £1,250,000. This valuation was less than the net book value of the property at that date, but as there was no material difference, the directors have not adjusted the value. The valuation was carried out in accordance with the Professional Standards, incorporating the International Valuation Standards ("the Standards") of the Royal Institution of Chartered Surveyors (RICS) March 2012.

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

	£000
Cost	1,191
Cumulative depreciation based on cost	(252)
Net book amount	939

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

	2015	*2014*
	£000	*£000*
Plant and machinery	21	28
Motor vehicles	61	18

10. Stocks

	2015	*2014*
	£000	*£000*
Work in progress:		
Costs less loss provisions	1,258	720
Progress payments received/receivable	(1,198)	(587)
	60	133
Raw materials and consumables	1,547	1,639
	1,607	1,772

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 2015

11. Debtors

	2015 *£000*	*2014* *£000*
Trade debtors	3,540	3,305
Amounts owed by group undertakings	565	565
Other debtors	117	82
Deferred tax asset (note 7(d))	22	39
Corporation tax recoverable	7	-
	4,251	3,991

'Amounts owed by group undertakings' of £565,000 (2014 – £565,000) is due after one year.

12. Creditors: amounts falling due within one year

	2015 *£000*	*2014* *£000*
Bank borrowings (note 14)	240	510
Obligations under finance leases and hire purchase contracts (note 15)	34	20
Trade creditors	905	685
Excess progress payments	238	309
Corporation tax	-	34
Amounts owed to group undertakings	67	182
Other taxes and social security costs	160	222
Accruals and deferred income	392	365
	2,036	2,327

13. Creditors: amounts falling due after one year

	2015 *£000*	*2014* *£000*
Bank borrowings (note 14)	536	571
Obligations under finance leases and hire purchase contracts (note 15)	35	24
	571	595

Notes to the financial statements

at 31 March 2015

14. Bank borrowings

	2015	*2014*
	£000	*£000*
Not wholly repayable within five years (see below)	620	640
Wholly repayable within five years	156	441
Total secured bank borrowings	776	1,081
Less: included in creditors: amounts falling due within one year (note 12)	(240)	(510)
Included in creditors: amounts falling due after more than one year (note 13)	536	571

Not wholly repayable within five years

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

	2015	*2014*
	£000	*£000*
Amounts repayable:		
In one year or less	84	69
In more than one year, but not more than two years	84	69
In more than two years, but not more than five years	246	208
In more than five years	206	294
	620	640

The bank borrowings are secured by standard securities over all of the properties owned by the group, floating charges over all the assets of the group and by cross guarantees between all companies within the group.

Notes to the financial statements

at 31 March 2015

15. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2015	*2014*
	£000	*£000*
Amounts payable:		
Within one year	37	22
In two to five years	38	26
	75	48
Less: finance charges allocated to future periods	(6)	(4)
	69	44

Finance leases and hire purchase contracts are analysed as follows:

Current obligations (note 12)	34	20
Non-current obligations (note 13)	35	24
	69	44

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

	2015	*2014*
	£000	*£000*
At 1 April	44	33
Inception of finance leases and hire purchase contracts	53	31
Capital element of finance leases and hire purchase payments	(28)	(20)
At 31 March	69	44

16. Analysis of net debt

	At 1 April 2014	*Cash flow*	*Non cash changes*	*At 31 March 2015*
	£000	*£000*	*£000*	*£000*
Bank overdraft	(441)	285	-	(156)
Bank loans	(640)	20	-	(620)
Finance leases	(44)	28	(53)	(69)
	(1,125)	333	(53)	(845)

Notes to the financial statements

at 31 March 2015

17. Deferred government grants

	£000
At 1 April 2014	160
Released in year	(5)
At 31 March 2015	155

18. Issued share capital

Allotted, called up and fully paid	*No.*	*2015* *£000*	*No.*	*2014* *£000*
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 2013	224	293	3,357	3,874
Profit for the year	-	-	190	190
Dividends	-	-	(31)	(31)
Transfer in respect of depreciation on revalued property	-	(9)	9	-
At 1 April 2014	224	284	3,525	4,033
Profit for the year	-	-	476	476
Dividends	-	-	(62)	(62)
Transfer in respect of depreciation on revalued property	-	(9)	9	-
At 31 March 2015	224	275	3,948	4,447

20. Capital commitments

No future capital expenditure has been contracted at 31 March 2015 (2014 – £nil).

Notes to the financial statements

at 31 March 2015

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 (2014 – £nil).

A full actuarial valuation of the scheme was carried out as at 31 March 2014 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 2015.

Westcrowns Limited paid a shortfall-correction contribution of £160,000 (2014: £160,000) during the year. Following the 31 March 2014 actuarial valuation, Westcrowns Limited will continue to pay shortfall-correction contributions through to March 2036 with £100,000 payable in the year to 31 March 2016.

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 2015 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

	2015	*2014*
	£000	*£000*
Benefit obligation at 1 April	8,042	8,081
Interest cost	368	363
Benefits paid	(254)	(194)
Actuarial loss/ (gain)	2,043	(208)
Benefit obligation at 31 March	10,199	8,042

Change in scheme assets

	2015	*2014*
	£000	*£000*
Fair value of scheme assets at 1 April	6,213	6,011
Expected return on scheme assets	351	336
Contributions by employer	160	173
Benefits paid	(254)	(194)
Actuarial gain/ (loss)	600	(113)
Fair value of scheme assets at 31 March	7,070	6,213
Deficit in the scheme	3,129	1,829

Notes to the financial statements

at 31 March 2015

21. Pensions arrangements (continued)

Main assumptions

Weighted average assumptions to determine benefit obligations:

	2015	*2014*
Rate of increased in deferred pensions pre 1/4/05	1.95%	2.45%
Rate of increased in deferred pensions post 1/4/05	2.95%	3.35%
Discount rate	3.40%	4.65%
Inflation assumption	2.95%	3.35%
Expected rates of return on scheme assets:		
Equity securities	3.40%	7.00%
Bond securities	3.40%	4.20%
Cash	3.40%	3.50%

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	22.7 yrs	22.5 yrs
2. Life expectancy for a female pensioner from age 65	23.9 yrs	23.9 yrs
3. Life expectancy from age 65 for a male participant currently aged 45	23.6 yrs	23.4 yrs
4. Life expectancy from age 65 for a female participant currently aged 45	25.7 yrs	25.8 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 2015 %	*Allocation percentage 2014 %*
Equity securities	53.91	54.82
Bond securities	45.74	43.32
Cash	0.35	1.36
	£000	*£000*
Actual return on scheme assets	951	223

Five year history

	2015 £000	*2014 £000*	*2013 £000*	*2012 £000*	*2011 £000*
Fair value of scheme assets	7,070	6,213	6,011	5,657	5,835
Present value of defined benefit obligation	(10,199)	(8,042)	(8,081)	(6,803)	(6,509)
Deficit in the scheme	(3,129)	(1,829)	(2,070)	(1,146)	(674)
Difference between actual and expected return on scheme assets	600	(113)	224	(335)	34
Experience gains and losses on scheme liabilities	-	-	-	448	-

Notes to the financial statements
at 31 March 2015

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 £81,000 (2014 - £78,000). Contributions amounting to £7,000 (2014 - £6,000) were payable to the fund at 31 March 2015 and are included in creditors.

22. Other financial commitments

At 31 March 2015, the company had annual commitments under non-cancellable operating leases as follows:

	Plant, vehicles and other equipment 2015 £000	*Plant, vehicles and other equipment 2014 £000*
Operating leases which expire:		
Within one year	41	2

23. Contingent liabilities

Cross guarantees exist between all group companies in favour of the group's bankers. At 31 March 2015 the combined group bank borrowings subject to the guarantee amounted to £7,350,000 gross and £4,398,000 net of credit balances (2014 – £6,292,000 gross; £4,396,000 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:

	2015 £000	*2014 £000*
Administrative expenses	325	158

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.