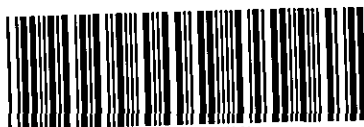


# **Westcrowns Contracting Services Limited**

## **Report and Financial Statements**

31 March 2009

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COMPANIES HOUSE

# Westcrowns Contracting Services Limited

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Registered No. SC 045884

## **Directors**

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

## **Secretary**

I K Finlayson

## **Auditors**

Ernst & Young LLP  
George House  
50 George Square  
Glasgow  
G2 1RR

## **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 2009.

### Results and dividends

The profit for the year attributable to shareholders amounted to £525,000 (2008: £688,000). A dividend to the ordinary shareholders (net of waivers) of £81,000 (2008: £515,000) was paid during the financial year as per note 8 to the financial statements.

### Principal activity

The principal activity of the company is that of flooring contractors and the supply and fitting of proflit glass products.

### Review of the business

The Directors are pleased to report another year of satisfactory performance with both turnover and operating profit in line with expectations.

In challenging market conditions, the business policies of selective tendering and ongoing investment in the continual improvement of operational efficiency has provided the stability of a solid platform for partnership with key clients.

Increased investment in research & development, staff and operative training and in new product lines has produced both new opportunities and harvested exciting prospects for the coming year.

The resulting strong forward order book reinforces the directors' view that the company is in a favourable position to achieve increased turnover and profitability in the next year.

Accordingly, the directors plan to continue with their investment policies, combining them with its inherent strategy of controlled turnover and profit growth.

### 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

All the directors listed on page 1 have held office throughout the year under review. In accordance with the Articles of Association no director is required to retire by rotation.

## Directors' report (continued)

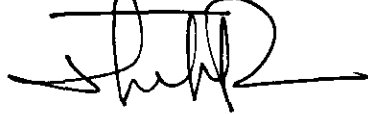
### Directors' statement as to disclosure of information to auditors

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

Ernst & Young LLP will be reappointed as the company's auditors in accordance with the elective resolution passed by the company on 21 October 1994 under section 386 Companies Act 1985.

On behalf of the Board



J F Haran

Director

24/9/ 2009

## **Statement of directors' responsibilities in respect of the financial statements**

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). The financial statements are required by law to 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 those 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 disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 company's financial statements for the year ended 31 March 2009 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 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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**

The directors' responsibilities for the preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Independent auditors' report

to the members of Westcrowns Contracting Services Limited (continued)

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of the profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young LLP  
Registered Auditor  
Glasgow

24 September 2009

**Profit and loss account**

for the year ended 31 March 2009

	<i>Notes</i>	<i>2009</i> <i>£000</i>	<i>2008</i> <i>£000</i>
<b>Turnover</b>	2	9,126	8,854
Cost of sales		(6,255)	(6,090)
<b>Gross profit</b>		2,871	2,764
Administrative expenses		(2,144)	(1,943)
<b>Operating profit</b>	3	727	821
Interest payable	6	(88)	(120)
<b>Profit on ordinary activities before taxation</b>	7(b)	639	701
Tax on profit on ordinary activities	7(a)	(114)	(13)
<b>Profit for the financial year</b>	19	525	688

**Statement of total recognised gains and losses**

For the year ended 31 March 2009

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £525,000 in the year ended 31 March 2009 and of £688,000 in the year ended 31 March 2008.



**Balance sheet**

at 31 March 2009

	Notes	2009 £000	2008 £000
<b>Fixed assets</b>			
Tangible assets	9	1,809	1,907
<b>Current assets</b>			
Stocks	10	681	412
Debtors			
- due within one year	11	3,339	3,226
- due after one year	11	300	300
Cash at bank and in hand	16	278	358
		4,598	4,296
<b>Creditors:</b> amounts falling due within one year	12	(2,705)	(2,793)
<b>Net current assets</b>		1,893	1,503
<b>Total assets less current liabilities</b>		3,702	3,410
<b>Creditors:</b> amounts falling due after more than one year	13	(1,326)	(1,463)
<b>Accruals and deferred income</b>			
Deferred government grants	17	(215)	(230)
<b>Total assets less total liabilities</b>		2,161	1,717
<b>Capital and reserves</b>			
Called up equity share capital	18/19	224	224
Revaluation reserve	19	328	337
Profit and loss account	19	1,609	1,156
<b>Equity shareholders' funds</b>		2,161	1,717

Approved by the Board



J F Haran

Director

24/9/2009

## Statement of cash flows

for the year ended 31 March 2009

	Notes	2009 £000	2008 £000
<b>Net cash inflow from operating activities</b>	3(b)	321	1,033
<b>Returns on investments and servicing of finance</b>			
Interest element of finance leases and hire purchase payments		(19)	(5)
Bank overdraft and loan interest		(69)	(115)
		(88)	(120)
<b>Taxation</b>			
Corporation tax (paid)/received		(12)	11
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		-	(9)
Proceeds on sale of tangible fixed assets		7	-
		7	(9)
<b>Equity dividends paid</b>		(81)	(515)
<b>Net cash inflow before financing</b>		147	400
<b>Financing</b>			
Repayments of capital element of finance leases and hire purchase contracts		(148)	(50)
Long term loans		-	50
Repayment of long term loans		(79)	(35)
		(227)	(35)
<b>(Decrease)/increase in cash</b>		(80)	365

**Statement of cash flows (continued)**

for the year ended 31 March 2009

	<i>Notes</i>	<i>2009</i> <i>£000</i>	<i>2008</i> <i>£000</i>
<b>Reconciliation of net cash movement in net (debt)</b>	<b>16</b>		
(Decrease)/increase in cash in the year		(80)	365
Cash flow from hire purchase financing		148	50
Cash flow from increase in loans		-	(50)
Repayment of loans		79	35
		<u>147</u>	<u>400</u>
New hire purchase agreements		(107)	(18)
		<u>40</u>	<u>382</u>
Movement in net (debt) in the year		(1,304)	(1,686)
Net (debt) at 1 April			
		<u>(1,264)</u>	<u>(1,304)</u>
Net (debt) at 31 March			

## Non cash transactions:

During the year, the company entered into finance lease and hire purchase arrangements in respect of assets with a total capital value of £107,000 (2008: £18,000). In addition, in 2008 £400,000 was converted from a bank loan to hire purchase.

## Notes to the financial statements

at 31 March 2009

### 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.

#### *Fixed assets*

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

#### *Depreciation*

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 from revaluation in 2006
Motor vehicles	-	4 years
Plant and machinery	-	5 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 years

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.

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

#### *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 2009

### 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.

#### *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.

#### *Deferred taxation*

Deferred tax 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 a 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.

#### *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.

#### *Foreign currencies*

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

### 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 2009

### 3. Operating profit

(a) This is stated after charging and (crediting):

	2009 £000	2008 £000
Depreciation of tangible owned assets	155	57
Depreciation of assets held under finance leases and hire purchase contracts	50	176
	<u>205</u>	<u>233</u>
Gain on sale of tangible fixed assets	(7)	-
Grant release	(15)	(15)
Auditors' remuneration - audit services	11	11
Operating lease rentals - plant, vehicles and other equipment	217	82
	<u>205</u>	<u>233</u>

(b) Net cash inflow from operating activities:

	2009 £000	2008 £000
Operating profit	727	821
Depreciation	205	233
(Gain) on sale of fixed assets	(7)	-
Grant release	(15)	(15)
Increase in stocks	(269)	(117)
Increase in debtors	(106)	(376)
(Decrease)/increase in creditors	(214)	487
	<u>321</u>	<u>1,033</u>

### 4. Directors' remuneration

	2009 £000	2008 £000
Emoluments	393	403
	<u>393</u>	<u>403</u>
	2009 No.	2008 No.
Members of defined benefit pension scheme	6	6
	<u>6</u>	<u>6</u>

The emoluments of the highest paid director for the year ended 31 March 2009 were £212,000 (2008: £211,000). He was a member of the group's defined benefit pension scheme and his accrued pension at 31 March 2009 was £21,000 (2008: £16,000) per annum.

## Notes to the financial statements

at 31 March 2009

### 5. Staff costs and numbers

	2009	2008
	£000	£000
Wages and salaries	2,388	2,114
Social security costs	268	240
Other pension costs	104	94
	<u>2,760</u>	<u>2,448</u>

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

	2009	2008
	No.	No.
Administration	26	26
Other	63	60
	<u>89</u>	<u>86</u>

### 6. Interest payable

	2009	2008
	£000	£000
Bank overdraft and loan interest	69	115
Finance charges payable under finance leases and hire purchase contracts	19	5
	<u>88</u>	<u>120</u>

### 7. Taxation

#### (a) Tax on profit on ordinary activities

	2009	2008
	£000	£000
<i>Current tax:</i>		
UK corporation tax	121	12
Overprovided in previous year	-	-
Total current tax (note 7 (b))	<u>121</u>	<u>12</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences (note 7 (d))	(7)	1
Tax on profit on ordinary activities	<u>114</u>	<u>13</u>

## Notes to the financial statements

at 31 March 2009

### 7. Taxation (continued)

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the rate of corporation tax in the UK of 28% (2008: 30%). The differences are reconciled below:

	2009 £000	2008 £000
Profit on ordinary activities before taxation	639	701
Profit on ordinary activities multiplied by rate of corporation tax in the UK of 28% (2008: 30%)	179	210
<i>Effects of:</i>		
Expenses not deductible for tax purposes	6	8
Fixed asset timing differences	8	4
Group relief for nil payment	(72)	(204)
Reduction for small companies rate of tax	-	(6)
Total current tax (note 7 (a))	121	12

#### (c) Factors that may affect future tax charges

There are no significant factors that will affect future tax charges.

#### (d) Deferred tax

The deferred tax asset, calculated at 28% (2008: 28%), included in the balance sheet is as follows:

	2009 £000	2008 £000
Fixed asset timing differences	55	48
		£000
At 1 April 2008		48
Deferred tax credit in profit and loss account		8
Adjustment in respect of previous periods		(1)
At 31 March 2009		55



## Notes to the financial statements

at 31 March 2009

### 8. Dividends

	2009		2008	
	<i>Total</i>	<i>Net of</i>	<i>Total</i>	<i>Net of</i>
	<i>£000</i>	<i>waiver</i>	<i>£000</i>	<i>waiver</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Declared and paid in year – 47.7p (2008 - £305.58)	107	81	679	515

The holders of 54,338 ordinary shares waived their rights to the dividend (2008 – 538 ordinary shares). In 2008, dividends were paid prior to the increase in ordinary shares issued by way of bonus issue on 31 March 2008.

### 9. Tangible fixed assets

	<i>Heritable property</i>	<i>Motor vehicles</i>	<i>Plant and machinery</i>	<i>Fixtures and fittings</i>	<i>Computer equipment</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Cost or valuation:</i>						
At 1 April 2008	1,506	280	576	27	44	2,433
Additions	-	107	-	-	-	107
Disposals	-	(31)	-	-	-	(31)
At 31 March 2009	1,506	356	576	27	44	2,509
<i>Cost</i>	6	356	576	27	44	1,009
<i>Valuation</i>	1,500	-	-	-	-	1,500
	1,506	356	576	27	44	2,509
<i>Depreciation:</i>						
At 1 April 2008	38	236	190	26	36	526
Charge for year	38	55	107	1	4	205
Disposals	-	(31)	-	-	-	(31)
At 31 March 2009	76	260	297	27	40	700
<i>Net book value:</i>						
At 31 March 2009	1,430	96	279	-	4	1,809
At 1 April 2008	1,468	44	386	1	8	1,907

## Notes to the financial statements

at 31 March 2009

### 9. Tangible fixed assets (continued)

The company's freehold property was valued on 14 March 2007 by Allison, Lightbody, Waddell, Chartered Surveyors at its open market value for existing use at £1,500,000. The valuation was carried out in accordance with the RICS Appraisal and Valuation Standards (Fifth Edition) dated September 2003 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 at 31 March 2009, the heritable property would have been included on the historical cost basis as follows:

	£000
Cost	1,191
Cumulative depreciation based on cost	(89)
Net book amount	1,102

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

	2009 £000	2008 £000
Plant and machinery	263	367
Motor vehicles	93	41

### 10. Stocks

	2009 £000	2008 £000
<i>Work in progress:</i>		
Costs less loss provisions	1,879	2,598
Progress payments received/receivable	(1,860)	(2,578)
	19	20
Raw materials and consumables	662	392
	681	412

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 2009

### 11. Debtors

	2009	2008
	£000	£000
Trade debtors	2,988	3,021
Amounts owed by group undertakings	565	420
Other debtors	31	37
Deferred tax (note 7(d))	55	48
	<u>3,639</u>	<u>3,526</u>

Included within 'Amounts owed by group undertakings' is £300,000 due after one year.

### 12. Creditors: amounts falling due within one year

	2009	2008
	£000	£000
Bank borrowings (note 14)	84	79
Obligations under finance leases and hire purchase contracts (note 15)	132	120
Trade creditors	1,572	1,681
Excess progress payments	198	214
Corporation tax	133	12
Amounts owed to group undertakings	120	196
Other taxes and social security costs	227	246
Accruals and deferred income	239	245
	<u>2,705</u>	<u>2,793</u>

### 13. Creditors: amounts falling due after one year

	2009	2008
	£000	£000
Bank borrowings (note 14)	1,033	1,117
Obligations under finance leases and hire purchase contracts (note 15)	293	346
	<u>1,326</u>	<u>1,463</u>

## Notes to the financial statements

at 31 March 2009

### 14. Bank borrowings

	2009 £000	2008 £000
Not wholly repayable within five years (see below)	941	1,196
Wholly repayable within five years	176	-
Total secured bank borrowings	1,117	1,196
Less: included in creditors: amounts falling due within one year (note 12)	(84)	(79)
Included in creditors: amounts falling due after more than one year (note 13)	1,033	1,117

*Wholly repayable within five years:*

£300,000 bank loan at 7.11% per annum, repayable in quarterly instalments of £10,544 (capital and interest)

	2009 £000	2008 £000
<i>Amounts repayable:</i>		
In one year or less	30	28
In more than one year, but not more than two years	33	30
In more than two years, but not more than five years	113	105
In more than five years	-	41
	176	204

*Not wholly repayable within five years:*

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

	2009 £000	2008 £000
<i>Amounts repayable:</i>		
In one year or less	54	51
In more than one year, but not more than two years	56	54
In more than two years, but not more than five years	191	175
In more than five years	640	712
	941	992

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 2009

### 15. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2009 £000	2008 £000
<i>Amounts payable:</i>		
Within one year	150	138
In two to five years	340	403
	<u>490</u>	<u>541</u>
Less: finance charges allocated to future periods	(65)	(75)
	<u>425</u>	<u>466</u>

Finance leases and hire purchase contracts are analysed as follows:

	2009 £000	2008 £000
Current obligations (note 12)	132	120
Non-current obligations (note 13)	293	346
	<u>425</u>	<u>466</u>

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

	2009 £000	2008 £000
At 1 April	466	97
Inception of finance leases and hire purchase contracts	107	419
Capital element of finance leases and hire purchase payments	(148)	(50)
	<u>425</u>	<u>466</u>
At 31 March		

### 16. Analysis of net (debt)

	At 1 April 2008 £000	Cash flow £000	Non-cash changes £000	At 31 March 2009 £000
Cash at bank and in hand	358	(80)		278
Loans	(1,196)	79	-	(1,117)
Finance leases	(466)	148	(107)	(425)
	<u>(1,304)</u>	<u>147</u>	<u>(107)</u>	<u>(1,264)</u>

## Notes to the financial statements

at 31 March 2009

### 17. Deferred government grants

	£000
At 1 April 2008	230
Release in year	(15)
At 31 March 2009	215

### 18. Share capital

	2009 No.	2008 No.
<i>Authorised:</i>		
Ordinary shares of £1 each	250,000	250,000
	2009 £	2008 £
<i>Allotted, called up and fully paid:</i>		
224,422 (2008: 224,422) ordinary shares of £1 each	224,422	224,422

### 19. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Total £000
At 31 March 2007	2	-	346	1,196	1,544
Profit for the year	-	-	-	688	688
Dividends	-	-	-	(515)	(515)
Transfer in respect of depreciation on revalued property	-	-	(9)	9	-
Bonus issue of ordinary shares	222	-	-	(222)	-
At 31 March 2008	224	-	337	1,156	1,717
Profit for the year	-	-	-	525	525
Dividends	-	-	-	(81)	(81)
Transfer in respect of depreciation on revalued property	-	-	(9)	9	-
At 31 March 2009	224	-	328	1,609	2,161

## Notes to the financial statements

at 31 March 2009

### 20. Capital commitments

No future capital expenditure has been contracted at 31 March 2009 (2008: £nil).

### 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.

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 was £104,000 (2008: £94,000).

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 FRS17 purposes was carried out by a qualified independent actuary as at 31 March 2009.

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:

	2009 £000	2008 £000
Benefit obligation at 1 April	5,221	7,142
Interest cost	331	384
Current service cost	251	322
Scheme participants' contributions	118	109
Benefits paid	(161)	(207)
Actuarial (gains)/losses	(1,049)	(1,031)
Net transfer out	-	(1,473)
Curtailments	-	(25)
Benefit obligation at 31 March	4,711	5,221

#### Change in scheme assets:

	2009 £000	2008 £000
Fair value of scheme assets at 1 April	4,845	6,548
Expected return on scheme assets	264	326
Contributions by employer	364	356
Scheme participants' contributions	118	118
Benefits paid	(161)	(207)
Actuarial (losses)/gains	(1,380)	(814)
Net transfer out	-	(1,473)
Benefit obligation at 31 March	4,050	4,845
Net amount recognised	661	376

## Notes to the financial statements

at 31 March 2009

### 21. Pension arrangements (continued)

	2009	2008
<b>Main assumptions</b>		
Rate of increase in deferred pensions	3.1%	3.4%
Rate of increase in pensions in deferment	3.1%	3.4%
Discount rate	7.0%	6.0%
Inflation assumption	3.1%	3.4%
Expected rates of return on scheme assets:		
Equity securities	5.6%	5.9%
Bond securities	2.1%	2.4%
Cash	2.1%	2.9%

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 2009 %	Allocation Percentage 2008 %
Equity securities	76.7	80.9
Bond securities	17.6	10.3
Cash	5.7	8.8

#### Five year history

	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
Fair value of scheme assets	4,050	4,845	6,548	5,898	4,540
Present value of defined benefit obligation (4,711)	(5,221)	(7,142)	(6,509)	(5,527)	
Deficit in the scheme	(661)	(376)	(594)	(611)	(987)
Difference between actual and expected return on scheme assets	(1,380)	(814)	(7)	962	301
Experience gains and (losses) on scheme liabilities	(309)	238	59	(166)	(2)



## Notes to the financial statements

at 31 March 2009

### 22. Other financial commitments

At 31 March 2009, the company had annual commitments under non-cancellable operating leases as follows:

	<i>Plant, vehicles and other equipment</i>	
	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
<i>Operating leases which expire:</i>		
Within one year	7	10
Within two to five years	58	40
	<u>65</u>	<u>50</u>

### 23. Contingent liabilities

Cross guarantees exist between all Scottish registered group companies in favour of the group's bankers. At 31 March 2009 the combined group bank borrowings subject to the guarantee amounted to £5,645,000 gross and £3,230,000 net of credit balances (2008: £3,288,000 gross; £2,085,000 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. Post balance sheet events

There have been no significant post balance sheet events.

### 24. Related parties

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

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Sales	1	-
Administrative expenses	160	84

There are no other related party transactions which require to be notified under the provisions of Financial Reporting Standard No 8.

### 26. Ultimate parent company

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