ENSOR HOLDINGS PLC

REPORT AND ACCOUNTS 2012

Ensor Holdings plc, Ellard House, Dallimore Road, Manchester M23 9NX
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Contents

Activities of Principal Trading Subsidiaries

Segment and Company	Location	Activities
CONTINUING OPERATIONS		
Building and Security Products		
Ellard Limited	Manchester	Design, manufacture and distribution of electric drives for industrial, commercial and domestic doors and gates
Ensor Building Products Limited	Blackburn, Lancashire	Marketing and distribution of roofing, drainage and specialist building products
OSA Door Parts Limited	Runcorn, Cheshire	Manufacture and distribution of industrial doors and door components.
Technocover Limited	Welshpool, Powys	Manufacture and installation of high-security steel access products
Packaging		
Wood's Packaging Limited	Castleford, West Yorkshire	Marketing and distribution of packaging materials
Other		
SRC Limited	Stockport, Cheshire	Manufacture of rubber crumb for the sports and safety surfaces and automotive industries
Ensor Recycling	Woodville, Derbyshire	Waste recycling
DISCONTINUED OPERATION		
Building and Security Products		
CMS Tools Limited	Normanton, West Yorkshire	Marketing and distribution of tools and accessories to the construction industry.

Directors and Advisers

Board of Directors

Kenneth A Harrison, TD	(Chairman)
A Roger Harrison	(Chief Executive)
Marcus A Chadwick, BSc, ACA	(Finance Director)
Anthony E Coyne	(Non-executive Director & Deputy Chairman)
Christine M Harrison	(Non-executive Director)

Secretary
Marcus A Chadwick, BSc, ACA

Registered Office and Executive Office
Ellard House, Dallimore Road, Manchester M23 9NX

Registered Number
13944

Auditors
Mazars LLP, The Lexicon, 10/12 Mount Street, Manchester M2 5NT

Nominated Adviser
Westhouse Securities Limited, One Angel Court, London EC2R 7HJ

Broker
Westhouse Securities Limited, One Angel Court, London EC2R 7HJ

Bankers
Lloyds Bank Corporate Markets, 40 Spring Gardens, Manchester M2 1EN

Registrars
Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL

Chairman's Statement

- **Operatıng profit. up 68% to £1,288,000**
- **Earnıngs per share up 107% to 3 1p per share**
- **Fınal dıvıdend up 50% to 0 525p per share**

The progress we made ın recent years has contınued thıs year and therefore I am pleased to report that, from contınuıng operatıons, the Group has recorded full year operatıng profits of £1,288,000 Thıs ıs an ıncrease on last year of 68% (2011 £766,000) and ıs a trıbute to the hard work of all our managers and staff operatıng ın dıfficult and uncertaın market condıtıons

Indıvıdually our operatıng busınesses are performıng well In partıcular, margıns have been ımproved at our door and securıty product companıes although there ıs a general feelıng that confıdence ın our markets may be weakenıng Our packagıng and specıalıst buıldıng materıals actıvıtıes remaın steady and have been assısted by good sourcıng of new products through our Chına office

Durıng the second half of the year we announced our acquısıtıon of Technocover Lımıted The company manufactures and ınstalls physıcal securıty products used for the protectıon of Crıtıcal Natıonal Infrastructure assets operated by UK and European Utılıty Companıes, ıncludıng water, energy and communıcatıons It ıs ıntegratıng well ınto the Group and has made an ımmedıate contrıbutıon to our results sınce the acquısıtıon ın January, whıch I am confıdent wıll contınue

At about the same tıme, we sold our margınally profitable busıness ın Scotland, Lowland Ensor Doors The sale realısed a profit agaınst the balance sheet value Sınce the year end we have also agreed to sell CMS Tools Lımıted to a management buyout team Thıs busıness, supplyıng tools to the roofing ındustry has partıcularly suffered durıng the economıc downturn and has been slow to emerge from recessıon Our balance sheet carrıed a substantıal goodwıll asset for CMS and the proposed sale has resulted ın a wrıte down and charge to the ıncome statement for the year to 31 March 2012, ın antıcıpatıon of the sale

These changes gıve our specıalıst buıldıng materıals busınesses a securıty focus whıch, together wıth our packagıng actıvıtıes, we belıeve, provıde a good basıs for future growth

The Group cash flows have been excellent agaın thıs year wıth net cash of £569,000 beıng generated by our establıshed operatıons Agaınst thıs we have consolıdated Technocover borrowıngs of £1,750,000 and ınjected cash ınto the company of £1,500,000 These new borrowıngs, whıch are comfortably wıthın our agreed facılıtıes, represented gearıng of 34% at the year end

Our pensıon lıabılıtıes have remaıned largely unchanged, although slıghtly ıncreased Recognısıng the volatıle nature of these lıabılıtıes, we have ınıtıated an enhanced transfer value programme whıch ıs ıntended to reduce the rısk to our balance sheet.

Our land assets contınue to be managed to maxımıse theır value The process towards obtaınıng resıdentıal plannıng permıssıon for our Brackley sıte ıs ongoıng and tımescales for a conclusıon are runnıng out due to new plannıng regulatıons delayıng progress

The new fınancıal year has started satısfactorıly We are however cautıous about the ımpact of the fınancıal crısıs ın Europe although, as we are net ımporters, the strength of sterlıng ıs to our advantage Weakenıng confıdence ın our markets ıs also of concern However, we are ready to react ıf change ıs requıred

In lıne wıth our determınatıon to grow dıvıdends, I am pleased to advıse that the Board ıs proposıng a final dıvıdend of 0 525p per share Thıs ıs a 50% ıncrease agaınst last year (2011 0 350p) and makes a total dıvıdend of 0 80p per share for the year ended 31 March 2012 The final dıvıdend wıll be payable on 10 August 2012, to shareholders regıstered on 29 June 2012

I would fınally lıke to say thank you to all our staff for theır sustaıned efforts My thanks also to our shareholders, customers and supplıers for theır contınuıng support

K A Harrıson TD
Chaırman
15 June 2012

Report of the Directors

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

The company is incorporated in England and Wales under the Companies Act Details of the registered office can be found under Directors and Advisers on page 3

Activities and business

The Group's activities include the manufacture, marketing, supply and distribution of building materials and tools and rubber buffings, the distribution of access control automation equipment, manufacture and installation of secure access products, distribution of packaging and waste recycling Particulars of the activities of the principal subsidiary companies are set out in more detail on page 2

Business review

Operating results

Ensor's activities are focussed on the UK construction market, which has remained difficult as restricted public spending and a general lack of confidence served to hinder investment in both capital and refurbishment projects.

Nevertheless, on a like-for-like basis, excluding discontinued and acquired businesses, the Group results showed further improvement in 2011/12, across all segments

Sales increased by 3% despite a noticeable dip at the beginning of the year, due to the extended Easter and Royal Wedding breaks Otherwise, sales remained reliable throughout the period

Gross profit margins were increased, from 22 5% to 25 5%, through continued emphasis on cost control and sales of higher-margin products, and through relatively favourable average exchange rates

The combination of higher sales and margins enabled the Group's established and continuing businesses to post a £390,000 increase in gross profit

Administrative expenses increased by less than 4%, meaning that continuing businesses returned an operating profit of £1,099,000, compared with £766,000 for last year

The acquisition of Technocover Limited, in January 2012, was the most significant single event during the period under review, and represents a substantial uplift in the level of the Group's activities It amplifies the focus of our Building Products activities towards security and access products

The business was acquired having undergone significant restructuring - both financial and operational - but still in need of financial support Our injection of £1 5m between acquisition and the current year end - £1m by way of equity post-acquisition to rebuild the balance sheet, and £0 5m by way of a short term loan - is expected to provide the business with the liquidity which it needs to progress

Nevertheless, sales of £2,850,000 and operating profits of £189,000, were consolidated in respect of the post-acquisition period

We anticipate that the benefits of financial security and senior management appointments, will enable the business to operate more effectively and efficiently during 2012/13, when the Group will consolidate a full year's trading results

Group operating profit of £1,288,000 was 68% higher than last year's – 43% being attributable to continuing businesses, and 25% to acquisition

Financial expenses

Financial expenses comprise borrowing costs and an actuarial calculation reflecting the net cost of financing the deficit in the Group's defined-benefit pension scheme The increase in total financial expenses, from £125,000 to £165,000, reflects an increase in the pension-related cost, principally due to a reassessment of expected returns on pension fund investments between March 2010 and March 2011

The cost of financing Group borrowings remained level, year on year, at £69,000, primarily as a result of the borrowings associated with the Technocover acquisition countering the benefit of strong cash generation and previously-eliminated borrowings

Loss on disposal of CMS

The anticipated disposal of CMS has resulted in it being treated as a discontinued activity and a charge to the income statement of £842,000, details of which can be found in note 2

Cash flow and financial position

Having achieved a debt-free position at the 2011 year end, the Group continued to strengthen that position through 2011/12, enabling us to comfortably accommodate the acquisition of Technocover Limited towards the end of the year

Adjusting for the cash flows associated with the acquired business, the established businesses generated net cash of £569,000

Secured only on the assets of Technocover, the acquisition involved the consolidation of a £1 75m bank loan and a £775,000 invoice discounting facility The invoice discounting facility was repaid on acquisition

Technocover's post-acquisition cash outflows of £890,000, reflect the exceptional degree to which creditors had been extended over the pre-acquisition period, and were broadly anticipated

Consolidated group borrowings stood at £2,713,000 at the year end, representing gearing of 34%

Goodwill and other intangibles of £1,697,000 arising on the acquisition of Technocover, reflects an expectation of payment of consideration of £1m in 2015 which, in turn, is dependent upon the business generating profits at a level which would comfortably justify the carrying value of goodwill

The Group balance sheet has been increased throughout by the consolidation of Technocover's balances In other respects, there are few changes worthy of note

The Brackley property which had been shown as a current asset at £542,000, has been returned to fixed assets We still expect to dispose of that property profitably but, in the absence of an imminent sale due to the planning process, accounting convention dictates this treatment.

Although the pension scheme deficit changed little over the year, the materially adverse effect of a deterioration in bond yields was mitigated by other actuarial factors, including the adoption of consumer price index (CPI) and revised mortality tables These potentially significant influences, which are beyond our control, serve to highlight the risk inherent in the Group's obligations to its long-closed pension scheme

We have therefore commenced an Enhanced Transfer Value exercise, since the year end, which is intended to reduce the pension scheme liabilities in relation to those members who wish to take advantage of it An indication of the outcome will be included with the 2012/13 Interim Report

Key performance indicators

In addition to the universal performance indicators of sales, gross margins, operating profit, earnings per share, cash flow and gearing referred to above, or in the Chairman's Statement, indicators of a more activity-specific nature are used within the Group to assess the performance of subsidiary companies These indicators are used in conjunction with the controls described in the Corporate Governance statement and relate to a wide variety of aspects of the businesses, for example, working capital measures, production yields, quality control, targets, market share information, product return rates, etc Due to the differences in size and markets across the Group's businesses it is not practicable to provide a more detailed analysis of how these indicators are applied to each of the respective activities

Principal risks and uncertainties

The directors believe that the most significant risk and uncertainty facing the Group remains that of the general economic outlook for the UK and for the construction sector in particular

The Group's businesses have adapted to the current economic climate, whilst retaining the capacity to increase market share Their diversified nature and the lack of over-reliance on any one business, serves to moderate the range of risks The business of Technocover is regarded as being significantly less prone to recessionary pressures, being principally driven by security concerns

The risks arising from holding financial instruments are discussed in more detail in note 23 to the financial statements

Dividend

The directors propose to pay a final dividend of 0 525p per share in respect of the financial year ended 31 March 2012 (2011 0 35p) Dividends of £187,000 were paid on ordinary shares during the year ended 31 March 2012 (2011 £83,000)

Dividends paid and proposed (note 9) In respect of the year ended	2012	2011
Interim dividend paid	**0 275p**	0 175p
Final dividend proposed	**0.525p**	0.350p
	0.800p	0 525p

Share capital

The Companies Act 2006 permits a company to purchase its own shares if the purchase has been authorised by the shareholders in general meeting It is common practice for publicly traded companies to seek such authority and the directors consider it is prudent for them to do so At the Annual General Meeting, shareholders will be asked to renew the Company's authority to purchase its own issued ordinary shares of 10p each at a price of not less than 10p per share and not more than 5% above the average of the middle-market quotations of the London Stock Exchange for the five days before the purchase The authority is for the purchase of a maximum of 4,592,711 shares, being approximately 15% of the issued share capital, and will expire at the earlier of the conclusion of the next Annual General Meeting or 18 months from the date of the Resolution

At 31 March 2012, the Company held 322,098 of its own shares (2011 Nil)

Directors

The directors who served during the period were as follows

K A Harrison
A R Harrison
M A Chadwick
A E Coyne
C M Harrison

A E Coyne retires by rotation and offers himself for re-election

Kenneth Harrison has been a director and Chairman of the Company since 1993 He has an engineering background In 1971 he started a new venture in the industrial door market which by 1986 had developed into a significant sized group with interests in industrial doors, metal foundries, architectural ironmongery and electrical operators and was admitted in July 1986 to the Official List under the name Harrison Industries PLC. In 1993 he left Harrison Industries PLC and joined Ensor Holdings PLC as Chairman and Chief Executive, resigning the position of Chief Executive on the appointment of A E Coyne in 2000

Roger Harrison has extensive experience in the manufacture and supply of industrial door products He joined the Group as a director of what is now one of the major subsidiary companies, OSA Door Parts Limited, at its inception in 2001 He was appointed as a non-executive director of the Company on 2 February 2006 and as Chief Executive on 24 February 2009

Marcus Chadwick qualified as a chartered accountant in 1989 He trained with Robson Rhodes Chartered Accountants between 1985 and 1989 when he joined Harrison Industries PLC as Group Accountant He subsequently became Divisional Finance Director and left in 1993 to join Ensor Holdings PLC and was appointed Finance Director in 1995

Tony Coyne began his career with British Steel and then Amaze Limited as an engineer, developing into sales and management He worked in the USA for Universal Oil Products and moved back to the UK as a sales and engineering manager After working as a project engineer and project manager with Capper Neil International he then joined Harrison Industries as General Manager He was promoted to Divisional Director and then Main Board Director He joined Ensor Holdings PLC and was appointed Chief Executive on 11 February 2000, retiring from this position on 31 March 2007 to become a non-executive director He is now Deputy Chairman

Christine Harrison has been involved for many years with the NHS and the Fire Service in government appointed roles, dealing with finance and large scale building projects She is a significant shareholder in Ensor Holdings PLC and was appointed as a non-executive director of the Company on 12 September 2008

Directors' indemnities

Indemnity insurance is in place for all serving directors

Directors' interests

The interests of directors and their families in the Ordinary 10p shares in the Company were as follows

	At 31 March 2012		At 1 April 2011	
	Beneficial	Options	Beneficial	Options
K A Harrison	1,463,380	-	1,463,380	-
C M Harrison	3,895,794	-	3,895,794	-
A R Harrison	4,158,500	200,000	4,158,500	200,000
M A Chadwick	296,601	-	70,000	482,759
A E Coyne	353,716	-	30,000	689,656

During the year, M A Chadwick and A E Coyne exercised options over 482,759 and 689,656 shares respectively

In addition to the beneficial interests disclosed above, 2,500,000 shares are held jointly by K A Harrison, C M Harrison, A R Harrison and another family member as trustees There have been no changes in the above interests between 31 March 2012 and the date of this report

Directors' responsibility statement

The directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year Under AIM rules the directors are required to prepare Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

The Group financial statements are required by law, and IFRS as adopted by the EU, to present fairly the financial position and the performance of the Group The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation

The directors have chosen to prepare financial statements for the Company in accordance with UK Generally Accepted Accounting Practice The Parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Company

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,
- for the Group financial statements, prepare the statements in accordance with IFRS as adopted by the EU,
- for the Parent Company financial statements, follow applicable UK Generally Accepted Accounting Practice , subject to any material departures disclosed and explained in the Parent Company financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement as to disclosure of information to auditors

The five directors who held office at the date of approval of the Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

The directors are responsible for the maintenance and integrity of the Company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Substantial shareholdings

The directors are aware of the following significant shareholdings

Name	Number	Percentage
K A Harrison	1,463,380	4 8%
C M Harrison	3,895,794	12 7%
A R Harrison	4,158,500	13 6%
P J Harrison	4,157,500	13 6%
A R Harrison & P J Harrison in Trust	2,500,000	8 2%
B Morgan	1,000,000	3 3%

Employee relations

The Group supports the employment of disabled people wherever possible, both in recruitment and by retention of those who become disabled during their employment

Appropriate steps are taken to inform and consult employees regarding matters affecting them and the Group

The Group's policy regarding health and safety is to ensure that, as far as is reasonably practicable, there is a working environment which will minimise the risk to health and safety of employees and those persons who are authorised to be on its premises

Environment

The Group's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities Our operations are conducted such that we comply with all legal requirements regarding the environment in all areas where we carry out our business During the period covered by this report the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations

Payments to suppliers

It is Group policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice

The Group's trade creditor days for the year ended 31 March 2012 were 51 days (2011 46 days), calculated in accordance with the requirements set down in the Companies Act 2006 This represents the ratio, expressed in days, between the amounts invoiced to the Group by its suppliers in the period and the amounts due, at the period end, to trade creditors within one year

Auditors

A resolution to re-appoint Mazars LLP as auditors will be proposed at the next Annual General Meeting

By order of the Board

M A Chadwick
Secretary
15 June 2012

Corporate Governance

Application of the principles of good governance

The Group is committed to applying the highest principles of the UK Corporate Governance Code commensurate with its size The company is not required to comply with the combined code as it is AIM listed, however the it has chosen to voluntarily apply the principles

The Board

The Group is managed by a board, consisting of the Chairman, two executive members and two non-executive members, who retain responsibility for the formulation of corporate strategy, approval of acquisitions, divestments and major capital expenditure and treasury policy The appointment of new directors is a matter reserved for the Board as a whole rather than for a separate nomination committee

The Board meets regularly and has a schedule of matters specifically referred to it for decision All directors have access to advice from the Company Secretary and training is available for directors as necessary

The Board considers A E Coyne to be independent

Internal control

The directors have overall responsibility for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives However, there are inherent limitations in any system of internal control and accordingly even the most effective system can only provide reasonable and not absolute assurance The Board has reviewed the operation and effectiveness of the system of internal control in operation during the year

Individual companies are managed locally, supported by the Chief Executive and the Board, with responsibility for the operation of the business to meet standards required by both the Group and appropriate regulatory authorities In addition, annual plans and longer-term overviews of objectives are prepared by each business management team and reviewed at minuted meetings by at least one executive director

Individual business management is also responsible for reporting to the Board on the assessment and minimising of all business risks, supported by Group personnel able to provide specific assistance in matters relating to health and safety, environment, quality systems and insurance cover for property and liability risks

Monthly accounts, with commentary on current year performance compared with historical and planned performance, together with key ratio analysis and working capital information, are prepared in accordance with Group accounting policies and principles They are consolidated and reviewed at the Company and, in summary, by the Board, to monitor overall performance and intervene as appropriate

The company monitors the funding requirements of, and the banking facilities provided to, individual operations, in addition to the management of investment and treasury procedures Capital and significant investment expenditure is approved against performance criteria through a structure of authority limits

The Board confirms that it has established the procedures necessary to implement the guidance "Internal Control Guidance for Directors on the Combined Code", though it not required to do so as it is AIM listed The Board has considered the need for an internal audit function but has concluded that the size and complexity of the Group does not justify the expense at present The need for an internal audit function will continue to be reviewed periodically

Relations with shareholders

The Board attaches great importance to maintaining good relationships with shareholders The Board regards the Annual General Meeting as an opportunity to communicate directly with investors, who are encouraged to participate

Report on remuneration

The Remuneration Committee comprises the non-executive directors with the Chairman attending, as appropriate, to advise The directors do not influence their own remuneration.

The Committee periodically reviews the directors' remuneration packages to ensure that the Company can attract, motivate and retain directors of the necessary calibre and to reward them appropriately

K A Harrison has a contract of employment which is determinable on two years notice by the Company

Details of directors' remuneration and share options are given in note 5 to the financial statements

Executive director packages comprise a basic salary, bonus scheme, share options and other benefits The Committee has regard to rates of pay for similar positions in comparable companies as well as internal factors such as performance

A R Harrison holds options under the Company's enterprise management incentive scheme The options are exercisable at 25p per share at any time until 17 December 2016

The remuneration of non-executive directors is determined by the Board

Nominee committee

The Group has not appointed a nominations committee despite the recommendation in the UK Corporate Governance Code The board has concluded that given the size of the Group this function can be effectively carried out by the whole board

Compliance

In the opinion of the directors, the Company has complied throughout the year with the provisions of Section 1 of The UK Corporate Governance Code 2012 with the following exceptions

- There is no agreed procedure for directors in the furtherance of their duties to take independent professional advice if necessary, at the Company's expense (B 5 1)
- The Chairman has a contract of employment determinable on two years notice by the Company (D.1 5)
- There is no Audit Committee (C 3 1) which the Board believes is appropriate given the size and operation of the business

The Company has complied fully with the requirements of provision C 2 1 of the Code (review of effectiveness of internal control system)

Performance evaluation of the Board has been carried out internally by the Chairman and Chief Executive, through a formal discussion process with each director The performance appraisal of the Chairman and Chief Executive has been conducted by the non-executive director considered independent by the board, A E Coyne, through formal discussion

Going concern

The directors report, in connection with paragraph C.1 3 of the Combined Code, that after making enquiries they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence For this reason they continue to adopt the going concern basis in preparing the financial statements More detail is given in the accounting policies disclosure

Independent Auditors' Report

to the Members of Ensor Holdings PLC

We have audited the financial statements of Ensor Holdings Plc for the year ended 31 March 2012 which comprise the Consolidated Statement of Financial Position and Parent Company Balance Sheet, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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 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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Pamela Dawes (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Lexicon
Mount Street
Manchester M2 5NT
15 June 2012

Consolidated Income Statement

for the year ended 31 March 2012

	Note	2012 £'000	2011 Restated £'000
Continuing operations			
Revenue	1	**22,854**	19,379
Cost of sales		**(17,019)**	(15,024)
Gross profit		**5,835**	4,355
Administrative expenses		**(4,547)**	(3,589)
Operating profit	1&3	**1,288**	766
Financial costs	6	**(170)**	(142)
Profit before tax		**1,118**	624
Income tax expense	7	**(204)**	(191)
Profit from continuing operations		**914**	433
Discontinued operation	2	**(842)**	177
Profit for the year attributable to equity shareholders of the parent company		**72**	610
Earnings per share – basic and fully diluted	8		
Continuing operations		**3.1p**	1 5p
Discontinued operation		**(2.8p)**	0 6p
		0.3p	2 1p

Consolidated Statement of Comprehensive Income

	Note	£'000	£'000
Profit for the year		**72**	610
Other comprehensive income			
Actuarial loss	17	**(286)**	(80)
Income tax relating to components of other comprehensive income	20	**28**	(108)
Revaluation of land and buildings	10	**140**	(26)
Total comprehensive income attributable to equity shareholders of the parent company		**(46)**	396

The notes on pages 22 to 40 form part of these financial statements

Consolidated Statement of Financial Position

at 31 March 2012

	Note	2012 £'000	2011 Restated £'000
ASSETS			
Non-current assets			
Property, plant & equipment	10	**6,753**	4,113
Intangible assets	11	**2,771**	2,438
Deferred tax asset	20	**806**	778
Total non-current assets		**10,330**	7,329
Current assets			
Assets held for sale	13	**138**	542
Assets of disposal group classified as held for sale	14	**1,031**	-
Inventories	15	**3,005**	2,390
Trade and other receivables	16	**6,508**	4,596
Cash and cash equivalents		**-**	137
Total current assets		**10,682**	7,665
Total assets		**21,012**	14,994
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations	17	**(3,223)**	(3,111)
Borrowings	18	**(1,007)**	-
Other creditors	19	**(897)**	(16)
Deferred tax	20	**(65)**	-
Total non-current liabilities		**(5,192)**	(3,127)
Current liabilities			
Borrowings	18	**(1,706)**	-
Current income tax liabilities		**(255)**	(182)
Liabilities of disposal group classified as held for sale	14	**(223)**	-
Trade and other payables	22	**(5,678)**	(3,584)
Total current liabilities		**(7,862)**	(3,766)
Total liabilities		**(13,054)**	(6,893)
NET ASSETS		**7,958**	8,101
EQUITY			
Share capital	25	**3,062**	2,945
Share premium		**557**	470
Treasury shares		**(79)**	-
Revaluation reserve		**140**	-
Retained earnings		**4,278**	4,686
Total equity attributable to equity shareholders of the parent company		**7,958**	8,101

The financial statements were approved by the Board and were authorised for issue on 15 June 2012
They were signed on its behalf by

A R Harrison
M A Chadwick } *Directors*

The notes on pages 22 to 40 form part of these financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 March 2012

Attributable to equity shareholders of the parent company

	Issued Capital £'000	Share Premium £'000	Treasury Shares £'000	Revaluation Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance as at 1 April 2010 as previously reported	2,945	470	-	571	3,802	7,788
Reclassification	-	-	-	(545)	545	-
As restated	2,945	470	-	26	4,347	7,788
Profit for the year	-	-	-	-	610	610
Other comprehensive income						
Actuarial loss	-	-	-	-	(80)	(80)
Related deferred tax	-	-	-	-	(108)	(108)
Revaluation of land and buildings	-	-	-	(26)	-	(26)
	2,945	470	-	-	4,769	8,184
Dividends paid	-	-	-	-	(83)	(83)
Balance as at 1 April 2011	2,945	470	-	-	4,686	8,101
Profit for the year	-	-	-	-	72	72
Other comprehensive income						
Actuarial loss	-	-	-	-	(286)	(286)
Related deferred tax	-	-	-	-	28	28
Revaluation of land and buildings	-	-	-	140	-	140
	2,945	470	-	140	4,500	8,055
Issue of shares	117	87	-	-	-	204
Purchase of own shares	-	-	(79)	-	(35)	(114)
Dividends paid	-	-	-	-	(187)	(187)
Balance at 31 March 2012	**3,062**	**557**	**(79)**	**140**	**4,278**	**7,958**

Share premium
The share premium account represents the consideration that has been received in excess of the nominal value of shares on issue of new ordinary share capital, less permitted expenses

Treasury shares
The deduction from equity in respect of treasury shares results from the Company's acquisition of its own shares, at cost

Revaluation reserve
The directors have assessed the composition of the revaluation reserve and arrived at the opinion that it is appropriate to reclassify this reserve as retained earnings Where such reclassification has been made, IFRS ordinarily requires the presentation of a balance sheet at the start of the earliest period presented On the basis that the reclassification is between items within equity and that net assets are not affected, the directors consider the presentation of a third statement of financial position is not necessary

Retained earnings
The retained earnings reserve represents profits and losses retained in the current and previous periods

The notes on pages 22 to 40 form part of these financial statements

Consolidated Cash Flow Statement

for the year ended 31 March 2012

	Note	2012 £'000	2011 £'000
Net cash generated from operations	26	(795)	1,312
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		88	37
Proceeds from disposal of assets held for sale		-	200
Acquisition of property, plant and equipment		(293)	(295)
Net cash generated from investing activities		(205)	(58)
Cash flows from financing activities			
Equity dividends paid		(187)	(83)
Issue of shares		152	-
Purchase of treasury shares		(152)	-
Proceeds from sale of own shares		90	-
Amounts repaid in respect of finance leases		(3)	(4)
Loan repayments		(92)	-
Net cash absorbed by financing activities		(192)	(87)
Net (decrease)/increase in cash and equivalents		(1,192)	1,167
Opening cash and cash equivalents		137	(1,030)
Closing cash and cash equivalents		(1,055)	137

The notes on pages 22 to 40 form part of these financial statements

Accounting Policies

for the year ended 31 March 2012

General information
Ensor Holdings PLC is a company incorporated in England and Wales under the Companies Act, registered number 13944 The principal activities of the main trading companies are set out on page 2

Basis of preparation
The consolidated financial statements of Ensor Holdings PLC have been prepared in accordance the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market The Group financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and derivative financial instruments at fair value through profit or loss The principal accounting policies adopted by the Group are set out below

Going concern
At the date of the approval of the financial statements, the directors have satisfied themselves that the Group will continue in business for the foreseeable future In order to do this, the directors have considered the Group's budgets for the year ended 31 March 2013 and certain extrapolations beyond this date, taking account of the current uncertain market conditions These forecasts demonstrate that the Group shall continue to operate within its banking facility On this basis, the going concern basis of accounting continues to be applied in the preparation of the consolidated financial statements

Basis of consolidation
Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity so as to obtain benefits from its activities, the entity is classified as a subsidiary The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed one single entity Intercompany transactions and balances between Group companies are therefore eliminated in full

The consolidated financial statements incorporate the results of business combinations using the purchase method In the consolidated balance sheet, the subsidiary's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date The results of acquired operations are included in the consolidated income statement from the date on which control is obtained

Revenue
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, rebates and sales-related taxes Sales of goods are recognised when goods have been delivered and title in those goods has passed Rebates are recognised at their anticipated level as soon as any liability is expected to arise

Revenue is generated primarily through the sale of goods Revenue from the provision of services in relation to waste recycling is not material, therefore an analysis of revenue is not provided in accordance with IAS 1

Rental income
Rental income is amounts receivable in respect of operating leases granted over the Group's land and buildings and is recognised in accordance with the terms of the lease

Foreign currencies
The financial statements are presented in pounds sterling, which is the Group's main functional currency Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from settlement of such transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

Finance costs
Financing costs comprise facility fees, interest payable, finance charges on finance leases and the cost of financing the pension scheme deficit

Process technology and know-how
Process technology and know-how assets arise from the acquisition of businesses and represent the directors' evaluation of that portion of the fair value of the acquisition cost which can be apportioned to the product development of the businesses purchased The asset is to be amortised over 15 years

Accounting Policies

Cotinued

Goodwill
Goodwill arises from the acquisition of businesses and represents the difference between the cost of acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired Identifiable intangible assets are those which can be sold separately or which arise from legal rights

Goodwill is capitalised and subject to an impairment review, both annually and when there are indications that the carrying value may not be recoverable

Goodwill is allocated to cash generating units and is not amortised A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets

Impairment of non-financial assets
Assets which have an indefinite useful life are not subject to amortisation and are tested for impairment at each balance sheet date Assets subject to depreciation and amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable Impairment losses on previously revalued properties are recognised against the revaluation reserve as far as this reserve relates to previous revaluations of the same properties. Other impairment losses are recognised in the income statement based on the amount by which the carrying value exceeds the recoverable amount The recoverable amount is the higher of the fair value less the costs to sell, and value in use

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle that obligation Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present values where the effect is material

Property, plant and equipment
Freehold property used in operations and other freehold property are carried at valuation Revaluations are normally undertaken by professionally qualified valuers and are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period In intervening years between professional valuations, a director's valuation is used where sufficient information is available

Plant and equipment and vehicles held for use in the business are carried in the balance sheet at cost less any subsequent depreciation and impairment losses

Depreciation is provided to write off the cost, less estimated residual values, of all property, plant and equipment over the estimated useful life of the assets It is calculated on a straight-line basis at the following rates

Freehold buildings	2% per annum on cost or valuation
Plant and equipment	between 10% and 33%
Vehicles	between 12 5% and 33%

Land is not depreciated

Non-current assets held for sale
Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered to be highly probable Land, buildings, plant and equipment held for sale are carried in the balance sheet at the lower of cost and fair value less costs to sell Gains and losses arising on assets held for sale are charged to the income statement

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments Bank overdrafts are shown within borrowings in current liabilities on the balance sheet
Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows

Inventories
Inventories are stated at the lower of cost and net realisable value Cost is based on the first in, first out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overhead based on normal operating capacity Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution

Financial instruments
Financial instruments are measured initially at cost, which is the fair value of whatever was paid or received to acquire or incur them Acquisition costs include transaction costs The group does not undertake any trading in derivative financial instruments

After initial recognition, financial assets and liabilities are classified into the following categories fair value through profit or loss, loans and receivables A description of these measurement bases is as follows

Fair value through profit or loss
Instruments which are held for trading are accounted for at fair value through profit or loss Instruments are treated as held for trade if they are

(i) acquired or incurred principally for the purpose of selling or repurchasing it in the near term,
(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking, or
(iii) a derivative not designated and effective as a hedging instrument

Such instruments consist solely of foreign currency forward contracts

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments and which are not quoted in an active market Such assets are carried at amortised cost using the effective interest method Gains and losses are recognised in the income statement when the loans and receivables are sold or impaired, as well as through the amortisation process

Financial liabilities
Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'

Other financial liabilities
Other financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability Subsequently they are measured at amortised cost, using the effective interest rate method The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument The principal financial assets and liabilities of the Group are as follows

Trade receivables
Trade receivables are initially recognised at fair value and then are stated at amortised cost using the effective interest method, less provision for impairment

Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less Bank overdrafts are also included as they are an integral part of the Group's cash management

Trade payables
Trade payables are initially recognised at fair value and are then stated at amortised cost using the effective interest method

Interest bearing loans and borrowings
nterest bearing bank loans and overdrafts and other loans are recognised initially at fair value All borrowings are subsequently stated at amortised cost, using the effective interest method, with the difference between initial net proceeds and redemption values recognised in the income statement over the period to redemption

Derivative financial instruments
The Group uses financial instruments to manage financial risks associated with the Group's underlying business activities and the financing of those activities

Accounting Policies

Continued

Derivatives are initially recognised at fair value on the contract date and are subsequently re-measured in future periods at fair value The method of recognising the resulting change in fair value is dependent on whether the derivative is designed as a hedging instrument Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, the effective part of any gain or loss on the derivative is recognised directly in the hedging reserve Any ineffective portion of the hedge is recognised immediately in the income statement

Rental income
Rental income is recognised on a straight-line basis over the term of the lease

Leased assets
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group All other leases are classified as operating leases

Lease payments in respect of assets held under operating leases are charged directly to the income statement Payments made to acquire operating leases are treated as prepayments and charged to income during the period of the lease

Taxation
Income tax expense represents the sum of the current tax and the deferred tax

Current tax is based upon the profit for the year The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements The Group's liability for deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date, or at the rates that are expected to apply when the related deferred income tax asset is realised or deferred tax liability is settled

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised

Deferred tax assets and liabilities are not discounted Deferred tax assets and liabilities may be set off against each other provided there is a legal right to do so and it is the directors' intention to do so

Pensions
The Group operates a number of defined contribution schemes for which the amount charged to income in respect of pension costs and other post-retirement benefits is the amount of the contributions payable in the year Differences between contributions payable and paid are accrued or prepaid

The defined benefit scheme previously operated by the Group closed on 31 March 2006 The interest cost and the expected return on assets are shown as a net amount within other finance costs or credits Actuarial gains and losses are recognised in full as they arise, outside the income statement, as a credit or charge to retained earnings

Share based payments
The Group issues equity-settled share-based payments to certain employees These equity-settled share-based payments are measured at fair value at the date of the grant Where material, the fair value as determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest

Fair value is measured by use of recognised options valuation models

Use of estimates and judgements
The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses during the period Management evaluates its estimates on an ongoing basis using historical experience and other factors that are considered to be relevant Actual results may differ from these estimates The Group's most sensitive estimates are discussed below

Land and buildings (note 10)
The Group's land and buildings are valued periodically by an independent valuer During the periods between valuations, the directors use judgement to consider whether these assets are stated at fair value in the accounting records

Goodwill (note 11)
The directors use judgement to confirm that the carrying value of goodwill is not subject to any impairment in value, based on estimates of future cash flows

Assets held for sale (note13)
Assets held for sale are included in the balance sheet at the directors' best estimate of the sales value, less costs to complete

Opening balance sheet of Technocover Limited (note 12)
The freehold property was brought into the Group accounts at a valuation, which was performed by an independent valuer Plant and equipment was stated at the directors' best estimate of fair value All other assets and liabilities were recorded at book value

Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors and Chief Executive Officer, who makes strategic decisions for the Group

New standards, amendments and interpretations adopted in the year

The following standards, amendments and interpretations that are applicable for accounting periods beginning on 1 April 2011, and which are relevant to the group operations, have been adopted during the year None of these have a material impact on the group financial statements

	Effective dates (periods beginning on or after)
IAS 24 – Related Party Transactions (revised) – affects the definition of a related party	1 January 2011
Improvements to IFRSs, issued May 2010 – additional disclosures surrounding financial instruments and presentation of financial statements	1 January 2011

New standards, amendments and interpretations not yet adopted

The following standards, amendments and interpretations are in issue, but are mandatory only for accounting periods beginning after 1 April 2011 The group has not adopted them early

	Effective dates (periods beginning on or after)
IAS 12 (amendments) – Deferred Tax, Recovery of Underlying Assets	1 January 2012
IAS 1 (amendments) – Presentation of Items of Other Comprehensive Income	1 January 2013
IFRS 7 (amendments) – Disclosures, Offsetting Financial Assets and Liabilities	1 January 2013
IFRS 10 – Consolidated Financial Statements	1 January 2013
IFRS 11 – Joint Arrangements	1 January 2013
IFRS 12 – Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 – Fair Value Measurement	1 January 2013
IAS 19 – Employee Benefits (Revised June 2011)	1 January 2013
IAS 27 (revised) – Separate Financial Statements	1 January 2013
IAS 28 (revised) – Investments in Associates and Joint Ventures	1 January 2013
IAS 32 (amendments) - Offsetting Financial Assets and Liabilities	1 January 2014
IFRS 9 – Financial Instruments	1 January 2015
IFRS 9 and IFRS 7 (amendments) – Mandatory Effective Date and Transition Disclosures	1 January 2015

Notes to the Financial Statements

for the year ended 31 March 2012

1 **Segmental analysis**

For management purposes, the Group's business activities are organised into business units based on their products and services and have three primary operating segments as follows

- Building and Security Products – manufacture, marketing, supply and distribution of building materials, security access products and access control equipment,
- Packaging – marketing and distribution of packaging materials,
- Other – manufacture of rubber crumb and waste recycling

These segments are the basis on which information is reported to the Group Board The segment result is the measure used for the purposes of resource allocation and assessment and represents the operating profit of each segment before exceptional operating costs, amortisation and impairment charges, other gains and losses, net finance costs and taxation

Details of the types of products and services from which each segment derives its revenues are given above

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies

The Group's revenues and results by reportable segment for the year ended 31 March 2012 are shown in the following table

	Acquisition of Technocover	Other Building & Security Products	Total Building & Security Products	Packaging	Other	Toal Continuing	Discontinued	Unallocated	Total
External revenue	2,850	16,970	19,820	2,199	835	22,854	1,823	-	24,677
Depreciation	54	171	225	19	37	281	28	-	309
Operating profit	189	780	969	255	64	1,288	172	-	1,460
Financial costs						(170)	5	-	(165)
Income tax expense						(204)	(5)	-	(209)
Loss on discontinuance						-	(1,014)	-	(1,014)
Profit for the year						914	(842)	-	72
Total assets	5,963	9,612	15,575	1,019	801	17,395	375	3,242	21,012
Total liabilities	(4,224)	(1,598)	(5,822)	(103)	(55)	(5,980)	(233)	(6,841)	(13,054)
Capital expenditure	49	108	157	3	9	169	29	95	293

The Group's revenues and results by reportable segment for the year ended 31 March 2011 are shown in the following table

	Acquisitions	Other Building & Security Products	Total Building & Security Products	Packaging	Other	Toal Continuing	Discontinued	Unallocated	Total
External revenue	-	16,509	16,509	2,046	824	19,379	1,978	-	21,357
Depreciation	-	174	174	14	28	216	21	27	264
Operating profit	-	498	498	421	27	766	172	-	938
Financial costs						(142)	17	-	(125)
Income tax expense						(191)	(12)	-	(203)
Profit for the year						433	177	-	610
Total assets	-	10,671	10,671	1,261	827	12,759	-	2,235	14,994
Total liabilities	-	(2,925)	(2,925)	(361)	(84)	(3,370)	-	(3,523)	(6,839)
Capital expenditure	-	204	204	60	55	319	-	-	319

Income and expenditure arising directly from a reporting segment are identified to that segment Income and expenditure arising from central operations which relate to the Group as a whole or cannot reasonably be allocated between segments are apportioned on the basis of the individual segments' earnings

Head office costs are apportioned to the segments on the basis of earnings

The Group operates almost exclusively in one geographical segment, being the United Kingdom Turnover to customers located outside the United Kingdom accounted for less than 10% of total Group turnover and has therefore not been separately disclosed

Revenue from a single customer did not exceed more than 10% of turnover during the current or prior reporting periods

2 Discontinued operation

The business and assets of CMS Tools Limited are to be sold to management following negotiations during the months leading up to the balance sheet date and the operation has been classified as discontinued The prior year income statement has been restated to reflect the discontinued operation

The results of the discontinued operation were as follows

	2012 £'000	2011 £'000
Revenue	1,823	1,978
Expenses	(1,651)	(1,806)
Operating profit	172	172
Financial income	5	17
Income tax expense	(5)	(12)
Profit after tax	172	177
Impairment of goodwill	(1,014)	-
(Loss)/profit after tax for the year	(842)	177

Cash flows from discontinued operations

	2012 £'000	2011 £'000
Operating	280	(361)
Investing	(29)	(53)
Total cashflow	251	(414)

On 31 January 2012, the business and assets of Lowland Ensor Doors Limited were sold as a going concern The business has not been classified as a discontinued operation because it is not considered to have been a separate major business line

3. Operating profit

	2012 £'000	2011 £'000
Operating profit is stated after charging/(crediting)		
Rent receivable	(159)	(171)
Depreciation of property, plant & equipment	309	264
Profit on disposal of property, plant & equipment	(38)	(4)
Foreign exchange losses/(gains)	(2)	(9)
Cost of inventories recognised as an expense during the period	14,843	13,858
Write down of inventory recognised as an expense	11	61
Operating lease charges - plant, machinery and vehicles	6	7
- land and buildings	186	184
Fees payable to the company's auditor for the audit of the company's annual accounts	11	7
Fees payable to the company's auditor for other services		
- the audit of the company's subsidiaries, pursuant to legislation	45	31
- tax services	14	6
- corporate finance services	10	-
Fees in respect of the audit of the Ensor Group Pension Fund	3	2
Fees paid to another audit firm in respect of the statutory audit of Technocover Limited for the eighteen months ended 29 February 2012	7	-

4. Employees

The average number (including directors) employed by the Group during the year was as follows	2012 No	2011 No
Production	33	18
Distribution and operations	39	32
Sales and administration	83	64
	155	114

Costs in respect of these employees	2012 £'000	2011 £'000
Wages and salaries	4,085	3,209
Social security costs	423	322
Pension costs	128	100
	4,636	3,631

The key management personnel are considered to be the company directors, the remuneration of whom is detailed in note 5 below

5. Directors' remuneration

2012	Salary and fees £'000	Benefits in kind £'000	Pension contributions £'000	Total £'000
Executive				
K A Harrison	53	3	-	**56**
A R Harrison	96	19	14	**129**
M A Chadwick	100	14	32	**146**
Non-executive				
A E Coyne	35	3	-	**38**
C M Harrison	30	-	-	**30**
	314	39	46	**399**

2011	Salary and fees £'000	Benefits in kind £'000	Pension contributions £'000	Total £'000
Executive				
K A Harrison	51	3	-	**54**
A R Harrison	96	17	-	**113**
M A Chadwick	92	15	31	**138**
Non-executive				
A E Coyne	40	3	-	**43**
C M Harrison	29	-	-	**29**
	308	38	31	**377**

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No.	2011 No
Money purchase schemes	2	1

Notes to the Financial Statements

Continued

The number of share options held by the directors was as follows

	At 1 April 2011	Exercised	At 31 March 2012	Exercise price	Gain on exercise £'000	Exercisable
M A Chadwick	482,759	(482,759)	-	13 0p	48	07/08/02 – 06/08/11
A E Coyne	689,656	(689,656)	-	13 0p	79	07/08/02 – 06/08/11
A R Harrison	200,000	-	**200,000**	25 0p	-	18/12/07 – 17/12/16
Total	1,372,415	(1,172,415)	**200,000**			

6 Financial costs

	2012 £'000	2011 £'000
Bank overdraft and loans repayable within 5 years	**69**	82
Net return on pension scheme assets and liabilities (note 17)	**101**	60
	170	142

7 Taxation

	2012 £'000	2011 £'000
Recognised in the income statement		
Current income tax		
UK corporation tax on profits of the period	**169**	170
Adjustments to prior years	**(3)**	-
	166	170
Deferred income tax		
Origination and reversal of temporary differences	**130**	(5)
Capital allowances (in excess of)/lower than depreciation	**(92)**	26
	38	21
Income tax expense	**204**	191

Reconciliation of effective tax rate

	2012 £'000	2011 £'000
Profit before tax	**1,118**	814
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	**291**	228
Effects of		
Expenses deductible for tax purposes not chargeable to income	**(28)**	(18)
Prior year adjustments	**(3)**	-
Relief against prior year losses	**(41)**	(12)
Small companies relief	**(15)**	(7)
	204	191

At 31 March 2012, the Group had capital losses available to carry forward of £1,507,000 (2011 £1,522,000) and trading losses of £530,000 (2011 £691,000) These losses may be carried forward indefinitely

8. Earnings per share

The calculation of earnings per share for continuing operations is based upon the profit after taxation of £914,000 (2011 £433,000) divided by the weighted average number of ordinary shares in issue during the year as disclosed in the table below The earnings per share from continuing operations on a basic and fully diluted basis was 3.1p (2011 1 5p)

The calculation of loss per share for the discontinued operation is based upon the loss after taxation of £842,000 (2011 £177,000 profit) divided by the weighted average number of ordinary shares in issue during the year as disclosed in the table below The loss per share from the discontinued operation on a basic and fully diluted basis was 2 8p (2011 earnings per share 0 6 p)

The weighted average number of shares for the basic and fully diluted earnings per share calculation can be reconciled as follows

	2012 No	2011 No
Weighted-average number of shares in issue	**29,888,168**	29,445,659
Weighted-average number of dilutive shares arising from subsisting share options	**114,022**	219,534
Weighted-average number of shares for fully diluted calculation	**30,002,190**	29,665,193

9 Dividends paid

	2012 £'000	2011 £'000
Final ordinary dividend of 0 35p per share (2011 0 15p)	**105**	32
Interim ordinary dividend of 0 275p per share (2011 0 175p)	**82**	51
Dividends on equity shares	**187**	83

The directors propose a final dividend for the year ended 31 March 2012 of 0 525p per share (2011 0 35p)

10. Property, plant and equipment

	Freehold land and buildings used in operations £'000	Other freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation at 1 April 2011	3,575	-	1,541	547	5,663
Additions	74	-	156	89	319
Disposals	-	-	(152)	(94)	(246)
Revaluation	(39)	-	-	-	(39)
Cost or valuation at 1 April 2011	3,610	-	1,545	542	5,697
Additions	-	-	121	172	293
Acquisition at fair value	1,500	-	502	243	2,245
Revaluation	53	-	-	-	53
Disposals	-	-	(70)	(253)	(323)
Discontinued operation	-	-	(70)	(71)	(141)
Transfer (to)/from current assets - assets held for sale	(145)	542	-	-	397
Cost or valuation at 31 March 2012	**5,018**	**542**	**2,028**	**633**	**8,221**

Property, plant and equipment (cont)

	Freehold land and buildings used in operations £'000	Other freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Depreciation at 1 April 2010	35	-	1,170	341	1,546
Charge for the year	36	-	129	99	264
Disposals	-	-	(140)	(73)	(213)
Revaluation	(13)	-	-	-	(13)
Depreciation at 1 April 2011	58	-	1,159	367	1,584
Charge for the year	39	-	158	112	309
Disposals	-	-	(61)	(212)	(273)
Discontinued operation	-	-	(37)	(21)	(58)
Transfer (to)/from current assets – assets held for sale	(7)	-	-	-	(7)
Revaluation	(87)	-	-	-	(87)
Depreciation at 31 March 2012	3	-	1,219	246	1,468
Net book value at 31 March 2012	5,015	542	809	387	6,753
Net book value at 31 March 2011	3,552	-	386	175	4,113
At 2011 valuation	593	-			593
At 2012 valuation	4,422	542			4,964
	5,015	542			5,557
At depreciated historical cost	**2,435**	**144**			**2, 579**

The gross amount of freehold buildings on which depreciation is being provided is £2,707,000 (2011 £1,795,000) The accumulated revaluation surplus on the Group's properties is £140,000 (2011 £Nil,000)

The Group's property at Normanton, West Yorkshire, was revalued at 31 March 2011 on the basis of its Market Value as defined by The Royal Institution of Chartered Surveyors, by A R Argyle, Chartered Surveyors, as an Independent Valuer in accordance with the Appraisal and Valuation Standards of The Royal Institution of Chartered Surveyors resulting in the carrying value of this particular property being reduced by £26,000 to a carrying value of £600,000 The reduction was charged to the revaluation reserve

In March 2012, the Group's properties at Woodville, Stockport and Blackburn were valued by A R Argyle on the same basis As a result of this review, the carrying values were revised upwards by £140,000

The property which came into the Group's portfolio as part of the acquisition of a subsidiary in the year (see note 12) was revalued at the date of acquisition on the basis of its Market Value as defined by The Royal Institution of Chartered Surveyors The valuations were carried out by Salloway Property Consultants as an Independent Valuer in accordance with the Appraisal and Valuation Standards of The Royal Institution of Chartered Surveyors The property was brought into the Group at its fair value and has been depreciated subsequently

The Group's property at Brackley, Northamptonshire, is being actively marketed and residential planning permission is being sought which will make the property more marketable It is expected that planning permission will be achieved within one year of the balance sheet date and, following this, the property will be marketed to residential building contractors It is held as a separate asset category because it is not used in the business of the Group It was valued at £550,000 at 31 March 2012 by Kirkby and Diamond property consultants on a basis consistent with the relevant RICS Practice Standard As the difference between this and the carrying value is negligible, the carrying value has not been adjusted

Plant and machinery having a net book value of £61,000 (2011 £22,000) was subject to finance leases The depreciation charge on these assets for the year was £12,000 (2011 £4,000)

11. Intangible assets

Process technology and know-how

The following cash generating units contain process technology and know-how

Name of subsidiary	Technocover
Operating segment	Building and Security Products £'000
Carrying value at 31 March 2010 and at 31 March 2011	-
Acquisition in year (note 12)	500
Carrying value at 31 March 2012	500

The asset arose as part of the acquisition of Technocover Limited and is to be amortised over fifteen years

Goodwill

The following cash generating units contain goodwill

Name of subsidiary	Ellard	CMS Tools	Wood's Packaging	Technocover	Total
Operating segment	Building and Security Products £'000	Building and Security Products £'000	Packaging £'000	Building and Security Products £'000	£'000
Carrying value at 31 March 2010 and at 31 March 2011	317	1,364	757	-	2,438
Acquisition in year (note 12)	-	-	-	1,197	1,197
Impairment (note 2)	-	(1,014)	-	-	(1,014)
Transfer to assets held for sale (note 14)	-	(350)	-	-	(350)
Carrying value at 31 March 2012	**317**	**-**	**757**	**1,197**	**2,271**

The recoverable amounts of the cash-generating units (CGU's) are determined from value in use calculations The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU's Management have utilised a discount rate of 11% (2011 11%)

The growth rates are based on industry growth forecasts Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market Growth rates of between 1% and 3% per annum have been assumed by management (2011 3%). The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for ten years based on these estimated growth rates These rates do not exceed the average long-term growth rate for the relevant markets

The fair value of each of the Group's cash generating units significantly exceeds the respective carrying value of the goodwill

12. Acquisition

On 16 January 2012, the Company acquired a 90% interest in Technocover Limited, equating to a 90% interest in the voting rights, in order to expand the Building and Security Products division and enhance profits No consideration was payable at this time, but a liability to the existing shareholders of the company of £220,000 was recognised This consideration is payable in instalments between the date of acquisition and March 2014 Under a separate put and call option agreement, the Company will acquire the remaining 10% at a date between 13 October 2013 and 1 October 2016 The consideration payable will depend upon profits generated by the company in the intervening period, but the Directors anticipate that the liability for the deferred consideration will be £1,000,000 and will be payable on 1 October 2015 A liability of £886,000, being the present value of the anticipated consideration, has been recognised 100% of the net assets and profits of Technocover Limited have been included in the consolidated financial statements of the Group, and the full amount of deferred consideration has been recognised as a liability, in accordance with IAS 32, "Financial Instruments Presentation"

The fair values of the assets acquired are shown in the following table

	Book value £'000	Adjustment £'000	Fair value £'000
Freehold property	1,465	35	1,500
Plant, machinery and motor vehicles	825	(79)	746
Inventories	569	(200)	369
Trade and other receivables	2,027	-	2,027
Cash at bank	62	-	62
Trade and other payables	(2,644)	-	(2,644)
Bank loan	(1,750)	-	(1,750)
Other borrowings	(756)	-	(756)
Deferred tax	(156)	11	(145)
Net liabilities	(358)	(233)	(591)
Process technology and know-how (note 11)			500
Goodwill (note 11)			1,197
Consideration			**1,106**
Consideration payable by instalments, at present value			220
Deferred consideration, at present value			886
			1,106

The fair value adjustments contain some provisional elements which will be finalised in the 2013 accounts

Since the acquisition date, Technocover Limited has contributed £2,850,000 to group revenues and £220,000 to group profit before tax, excluding acquisition costs of £77,000, which have been included in administration costs in the Income Statement

The pro-forma consolidated results of the group, as if the acquisition of Technocover Limited had been made at the beginning of the period, would include revenue of £31,925,000 (compared to Group reported revenue of £24,677,000) and profit after taxation of £1,164,000 (compared to Group reported profit after taxation of £914,000) In preparing pro-forma results, revenue and costs have been included as if the business were acquired on 1 April 2011 The information is not indicative of the results of the combined Group that would have occurred had the acquisition actually been made at the beginning of the period, or indicative of the future results of the combined Group

Acquisition costs of £77,000 have been included in administration costs in the income statement

13 Non-current assets held for sale

	2012 £'000	2011 £'000
Land & buildings		
At 1 April	542	542
Transfer from property, plant and equipment	138	-
Transfer to property, plant and equipment	(542)	-
At 31 March	138	542

The asset held for sale is the property occupied by a former subsidiary, Lowland Ensor Doors Limited, which was sold in the year (see note 2) The property is to be sold to the purchaser of the business within four months of the balance sheet date The asset is included in the Building and Security Products operating segment

The asset held for sale in 2011 was a property previously occupied by a former trading subsidiary of the group, which has been actively marketed, but without the benefit of a planning permission for residential development Residential planning permission is still being sought to make the property more attractive to potential purchasers, but the directors believe that an imminent sale is now unlikely

14 Assets and liabilities of disposal group classified as held for sale

	2012 £'000	2011 £'000
Assets		
Property, plant and equipment	83	-
Inventories	216	-
Trade and other receivable	382	-
Intangibles	350	-
	1,031	-
Liabilities		
Trade and other payables	223	-

15 Inventories

	2012 £'000	2011 £'000
Raw materials and consumables	181	43
Work in progress and finished goods	346	54
Goods purchased for resale	2,478	2,293
	3,005	2,390

The carrying amount of inventories includes a write down provision of £70,000 (2011 £85,000)

16 Trade and other receivables

	2012 £'000	2011 £'000
Trade receivables	6,287	4,540
Less provision for impairment of trade receivables	(219)	(189)
Net trade receivables	6,068	4,351
Derivative financial instruments	6	15
Other debtors	113	40
Prepayments and accrued income	321	188
Deferred tax	-	2
	6,508	4,596

Further analysis of the impairment provision and of the credit risks associated with trade receivables are included in note 23

17. Pensions

The Group operates both defined benefit and defined contribution schemes The defined benefit scheme was closed to new members with effect from 1 April 2002 and ceased accrual of benefits with effect from 31 March 2006

Employer contributions of £403,000 (2011 £294,000) were made during the year, £128,000 of which were in respect of the defined contribution schemes (2011 £100,000) and £275,000 in respect of the defined benefit scheme (2011 £194,000)

The defined benefit scheme operated by the Group was last valued by the actuary at 31 March 2011 using the attained age method and using the assumptions described below As a result of that valuation the Scheme Actuary recommended contributions to the scheme from April 2011 to March 2020 starting at £275,000 per annum and rising to £341,000 per annum

The actuarial valuation showed that the market value of the scheme's assets, which are held in trusts separate from the assets of the group, was £5,818,000 at the date of valuation and that the actuarial value of these assets represented 68% of the benefits that had accrued to members The assets are invested in listed and other investments and are invested and managed independently of the finances of the Group

Assumptions incorporated into the valuation are as follows

Discount rate pre-retirement (20 Year gilt yield plus 2 0%)	6 4%
Discount rate post-retirement (15 Year gilt yield plus 0 5%)	4 7%
CPI inflation (Bank of England 25 Year RPI spot rate less 0 7%)	3 0%
Pension increases in deferment	3 0%
Pension increases in payment	Post 97 2 9%, Post 88 GMPs 2 25%, otherwise Nil
Mortality pre-retirement	A00
Mortality post-retirement	S1PA (year of birth) with CMI2010 improvements trending to a long-term rate of improvement of 1% p a Uplifted by 110%

The mortality rates given by the above assumptions are

	Age 65 now	Age 65 in 20 years
Male	86 3	87 7
Female	88 4	90 0

The Group reports its pension costs in accordance with IAS 19, "Employee Benefits" Information in the following paragraphs has been provided by the Scheme Actuary

Total expense recognised in the Consolidated Income Statement

	2012 £'000	2011 £'000
Interest cost	**495**	490
Expected return on scheme assets	**(394)**	(430)
Total included in finance costs	**101**	60
Actuarial loss recognised in the Statement of Comprehensive Income		
Difference between expected and actual return on scheme assets liabilities	**(286)**	(80)
Actuarial loss recognised in the Statement of Comprehensive Income	**(286)**	(80)

Reconciliation of the present value of the defined benefit obligations

	2012 £'000	2011 £'000
Opening defined benefit obligation	**8,929**	8,755
Interest cost	**495**	490
Actuarial (gains) / losses on obligation	**(30)**	-
Benefits paid	**(479)**	(316)
Closing defined benefit obligation	**8,915**	8,929

Reconciliation of the fair value of the scheme assets

	2012 £'000	2011 £'000
Opening fair value of scheme assets	**5,818**	5,590
Expected return	**394**	430
Employer contributions	**275**	194
Actuarial losses on scheme assets	**(316)**	(80)
Benefits paid	**(479)**	(316)
Closing fair value of scheme assets	**5,692**	5,818

The assets of the Fund have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions

	2012	2011
Inflation	**2.35%**	3 50%
Rate of discount	**4.80%**	5 70%
Increases in pension in respect of post-April 1997 service	**2.35%**	3 50%
Revaluation rate for deferred pensioners	**2.35%**	3 50%

The assets of the Fund and expected long-term rates of return were as follows

	2012 Expected return	2012 Value £'000	2011 Expected return	2011 Value £'000
Equities	**6.85%**	**3,721**	7 10%	3,780
Bonds	**3.95%**	**484**	4 10%	615
Property	**6 85%**	**1,486**	7 10%	1,421
Cash	**0 50%**	**1**	0 50%	2
Total market value of scheme assets		**5,692**		5,818
Present value of the deferred benefit obligation		**(8,915)**		(8,929)
Deficit in the scheme		**(3,223)**		(3,111)
Actual return on plan assets		**78**		350

History of experience gains and losses·

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Present value of the defined benefit obligation	**(8,915)**	(8,929)	(8,755)	(7,172)	(6,724)
Fair value of the scheme assets	**5,692**	5,818	5,590	4,422	5,907
Deficit in the scheme	**(3,223)**	(3,111)	(3,165)	(2,750)	(817)
Experience adjustments on scheme liabilities	**(372)**	-	(1,262)	(298)	799
Experience adjustments on scheme assets	**(317)**	(80)	975	(1,749)	(281)

The Group expects contributions of £283,000 to be paid for 2012/13

18. Borrowings

	2012 £'000	2011 £'000
Current liabilities		
Bank overdraft	**1,055**	-
Interest bearing loans	**651**	-
	1,706	-
Non-current liabilities		
Interest bearing loans	**1,007**	-

The Group's banking facilities are secured by multilateral, joint and several unlimited guarantees given by the Company and its subsidiary undertakings The guarantees are supported by fixed charges over certain freehold properties and book debts and by floating charges over other assets The Group has aggregate overdraft facilities of £3,500,000

Other than these assets, and assets held under finance leases (see note 21), no items of property, plant and equipment have been pledged as security for borrowings

19 Other creditors – non-current liabilities

	2012 £'000	2011 £'000
Amounts due in respect of finance leases (note 21)	**11**	16
Deferred consideration on acquisition of subsidiary (note 12)	**886**	-
	897	16

20 Deferred taxation

	Accelerated tax depreciation £'000	Other temporary differences £'000	Total non-current deferred tax asset/ (liability) £'000	Non-current deferred tax asset on retirement benefit plan £'000
At 1 April 2010	67	(44)	23	886
Credited/(charged) to Consolidated Income Statement	(26)	5	(21)	-
Credited to Consolidated Statement of Comprehensive Income	-	-	-	(108)
At 1 April 2011	41	(39)	2	778
Acquisition of subsidiary company	-	(34)	(34)	-
Credited/(charged) to Consolidated Income Statement	(130)	97	(33)	-
Credited to Consolidated Statement of Comprehensive Income	-	-	-	28
At 31 March 2012	**(89)**	**24**	**(65)**	**806**

There is no provision for the deferred tax liability relating to the revaluation of land and buildings because it is set against the deferred tax asset associated with brought forward capital losses, since the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity

21 Obligations under finance leases

	2012 £'000	2011 £'000
Amounts due within one year	**16**	4
Amounts due between one and five years	**11**	16
	27	20

22. Trade and other payables

	2012 £'000	2011 £'000
Trade creditors	**4,129**	2,442
Other taxes and social security	**768**	503
Other creditors	**58**	20
Obligations under finance leases (note 21)	**16**	4
Consideration on acquisition payable by instalments (note 12)	**175**	-
Accruals and deferred income	**532**	615
	5,678	3,584

23. Financial instruments and risk profile

All financial instruments are categorised as loans and receivables with the exception of forward contracts, which are held at fair value through profit and loss Full details of forward contracts held at the period-end are provided in the foreign currency risk management narrative below The directors consider that there is no material difference between the carrying value of all financial assets and financial liabilities and their respective fair values The financial liabilities identified below have an expected maturity within 3 months

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 Instruments included in level 2 comprise derivatives used for hedging purposes The group does not hold any instruments that are included at level 1 or level 3

Details of significant accounting policies and methods of valuation adopted by the Group in respect of each class of financial asset and financial liability are disclosed in the Statement of Accounting Policies on page 19

The Group manages financial risks relating to the companies within the Group through a centralised Treasury function which monitors the risks through monthly meetings and reports and acts accordingly The principal risks to which the Group is exposed are credit risk, currency risk, interest rate risk and liquidity risk The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge the exposures where necessary The Group does not enter into derivative financial instruments for speculative purposes

Credit risk
Credit risk is the risk that a counter-party will cause a financial loss to the Group by failing to discharge its obligation to the Group, and arises predominantly from trade receivables The maximum exposure to credit risk for receivables and other financial assets is represented by their carrying amount, net of impairment provisions

Credit risk is managed on a Group basis by setting procedures for minimising risk External credit checks are obtained for new customers, existing receivables are reviewed regularly by local management and at Board level, strong relationships are maintained with key customers and procedures are in place to deal with amounts that become overdue

The average credit period given on sale of goods for 2012 is 59 (2011 61) days The Group reserves the right to charge interest on overdue debts at varying rates

Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by local management and reviewed by Group management based on prior experience and their assessment of the current economic environment

The Group has recognised a provision for bad and doubtful debts, which at the balance sheet date amounted to £219,000 Management consider that these balances are impaired based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience and sales documentation

The Group does not hold any collateral as security In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date The directors believe that there is no further credit provision required in excess of the allowance for doubtful debts The Group does not have a significant concentration of credit risk, as its customer base is large and unrelated

The movement on the provision account during the period is as follows

	2012	2011
	£'000	£'000
Balance at 1 April 2011	**189**	173
Impairment losses recognised	**112**	102
Amounts written off as uncollectable	**(82)**	(86)
Balance at 31 March 2012	**219**	189

The ageing of trade receivables, net of impairment provisions, at the balance sheet date, was as follows

	2012	2011
	£'000	£'000
Not past due	**3,810**	2,915
1-30 days past due	**1,949**	1,198
31-60 days past due	**284**	194
61-90 days past due	**25**	33
91-120 days past due	**-**	11
Balance at 31 March 2012	**6,068**	4,351

A maturity analysis of financial liabilities is as follows

	2012			2011		
	Due within 1 year £'000	1-5 years £'000	Total £'000	Due within 1 year £'000	1-5 years £'000	Total £'000
Bank overdraft	1,055	-	1,055	-	-	-
Borrowings	651	1,007	1,658	-	-	-
Finance lease liabilities	16	11	27	4	16	20
Other non-current creditors	-	886	886	-	-	-
Trade accounts	4,129	-	4, 129	2,442	-	2,442
Other payables	1,549	-	1,549	1,138	-	1,138
	7,400	1,904	9,304	3,584	16	3,600

Foreign currency risk management

The Group acquires goods for sale from overseas which, when not denominated in Sterling, are paid for principally in US Dollars and Euros

At 31 March 2012 the Group had net foreign currency monetary liabilities of £13,000 (2011 £258,000 assets) denominated in US Dollars and net foreign currency liabilities of £265,000 (2011 £2,000) denominated in Euros After taking into account the effect of forward foreign exchange contracts, the Group had no currency exposures

The Group has entered into forward foreign exchange contracts (all of which are less than twelve months in duration) to buy US dollars and Euros to hedge the exchange rate risk arising from these balances and anticipated future purchases At the balance sheet date, the total notional value of contracts to which the Group was committed was US$1,698,000 and €501,000 (2011 US$924,000 and €347,000) The average exchange rate of the US Dollar contracts is 1 58 (2011 1 62), and of the Euro contracts is 1 19 (2011 1 17)

The fair value of these derivatives are assets of £10,178 and a liability of £3,790 (2011 assets of £5,000 and £10,000 respectively) These contracts have not been designated as hedges and accordingly the fair value of the movement has been reflected in the income statement

Interest rate risk

The Group finances its operations through a combination of retained profits and bank loans and overdrafts, on which the Group has an exposure to interest rate risk, as the overdrafts are at an interest rate of 2% and 3% (2011 2%) above base rate, and the loan is a rate of 3% above base rate (2011 not applicable) At 31 March 2012 borrowings comprised overdrafts of £1,055,000 (2011 £Nil) and bank loans of £1,658,000 (2011 £Nil)

Liquidity risk

Liquidity risk is the risk that companies within the Group will encounter difficulty in meeting obligations associated with financial liabilities To counter this risk, the Group operates with a high level of interest cover and at low levels of net debt relative to its net asset value In addition, it benefits from strong cash flow from its normal trading activities

Sensitivity analysis

A requirement of IFRS 7, "Financial Instruments Disclosures", is that the Group is required to disclose the effects on income and equity of specific changes in the economic environment, assuming that all other variables remain constant The standard does not allow for the calculations to take into account the normal commercial decisions that would be made in reaction to these changes, for example, alternative sourcing of products or finance and changes to pricing structures Therefore the figures in the following two paragraphs are the hypothetical results of the specified changes, taken in isolation, without consideration for any action by management to moderate the effects, and should be read in this context

Interest risk sensitivity analysis

The Group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of a 1% change in the base rate, with all other variables remaining constant This analysis is provided for illustrative purposes only Profit for the year ending 31 March 2012 and net equity would have increased/decreased by £27,000 (2011 increased/decreased by £5,000)

Currency risk sensitivity analysis
The Group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of a 10% strengthening or weakening in sterling against all other currencies, with all other variables remaining constant This analysis is provided for illustrative purposes only Profit for the year ending 31 March 2012 and net equity would have increased/decreased by £25,000 (2011 increased/decreased by £25,000)

24. Capital Management

The Group aims to manage its overall capital so as to ensure that companies within the Group continue to operate as going concerns and to maintain sufficient financial flexibility to undertake planned investments, whilst providing an adequate return to shareholders The Group also aims to optimise its capital structure in order to reduce the cost of capital and support the Group's operations The Group's capital structure represents the equity attributable to the shareholders of the Company together with borrowings, cash and cash equivalents The Group's capital structure is constantly reviewed to ensure that an appropriate level of gearing is being used

25 Share capital

Ordinary share capital	2012 £'000	2011 £'000
Authorised		
37,500,000 Ordinary 10p shares	3,750	3,750

Allotted, issued and fully paid
10p Ordinary Shares

	2012 Number	**2012 £'000**	2011 Number	2011 £'000
At 1 April 2011	**29,445,659**	**2,945**	29,445,659	2,945
Issues in year	**1,172,415**	**117**	-	-
At 31 March 2012	**30,618,074**	**3,062**	29,445,659	2,945

Each ordinary share attracts one vote, other than those shares held in treasury (see below) which do not have voting rights, and there are no restrictions attached to ordinary shares as to dividends or other distributions

622,098 10p ordinary shares with an aggregate nominal value of £62,210 were purchased during the year, of which 300,000 were sold during the year and 322,098 remain in treasury at the year end Distributable reserves have been reduced by £35,000, being the premium associated with the shares that were sold

Ordinary share options granted and subsisting at 31 March 2012 were as follows

	2012 Number of share options	2012 Weighted average exercise price	2011 Number of share options	2011 Weighted average exercise price
Outstanding and exercisable at the end of the year	200,000	25 0p	1,372,415	14 7p

The options outstanding at 31 March 2012 had a weighted average exercise price of 25 0p, and a weighted average remaining contractual life of 4 75 years No adjustment has been made to the reserves for the cost of granting the remaining 200,000 options under IFRS 2 "Share-Based Payments" because the materiality of the transaction is insufficient to warrant adjustment

26. Cash flow generated from operations

	2012 £'000	2011 £'000
Cash flows from operating activities		
Profit for the year attributable to equity shareholders	72	610
Depreciation charge	309	264
Financial costs	165	125
Income tax expense/(credit)	209	203
Profit on disposal of property, plant & equipment	(38)	(4)
Impairment of goodwill of discontinued operation	1,014	-
Operating cash flow before changes in working capital	1,731	1,198
(Increase)/decrease in inventories	(462)	61
Decrease/(increase) in receivables	268	(435)
(Decrease)/increase in payables	(2,064)	665
Cash generated from operations	(527)	1,489
Interest paid	(164)	(171)
Income taxes paid	(104)	(6)
Net cash (absorbed by)/generated from operations	(795)	1,312

27. Commitments

Capital commitments
At 31 March 2012 and 31 March 2011 the Group had no commitments for capital expenditure contracted but not provided for in the financial statements

Leasing commitments

Group as lessee
At 31 March, the total of future minimum lease payments under non-cancellable operating leases was as follows

	2012 £'000	2011 £'000
Land and Buildings		
Not later than one year	146	125
Later than one year and not later than five years	273	402
Later than five years	-	-
Other equipment		
Not later than one year	-	6
	419	533

The Group has a commitment under an operating lease for a property occupied by OSA Door Parts Limited at a current annual rent of £92,000 (2011 £84,000), reviewed every three years by the retail price index increase over the preceding three years The lease term expires on 31 March 2015

The Group also has a commitment under an operating lease for a property occupied by Ellard Limited at a current annual rent of £76,000 (2011 £76,000), reviewed each March by the greater of the retail price index increase for the year to the preceding January and 3% The lease term expires on 31 March 2021 but Ellard Limited can terminate the lease at three months' notice

Group as lessor

At 31 March, the total of future minimum lease payments under non-cancellable operating leases was as follows

	2012 £'000	2011 £'000
Land and Buildings		
Not later than one year	46	6
Later than one year and not later than five years	-	-
Later than five years	994	1,080
Other equipment	-	-
	1,040	1,086

The Group has granted several leases to third parties for parts of the Group's property at Woodville, Derbyshire Two of the leases are subject to commitments and the others are tenancies at will, with no future commitment

Of the leases that involve commitments, one is for five years from 16 May 2011 at an annual rental of £46,000, increasing annually by the retail price index and terminable by either party on twelve months' notice The other is for 25 years from 30 October 1998 The current annual rental is £86,400 and this increases every five years by five years' retail price index to the preceding July

28. Related party transactions

During the year, transactions between the Group and related parties arose as follows

The Group paid £169,000 (2011 £156,000) to a company controlled by the Chairman, K A Harrison, in respect of the leases described in note 27 above There were no amounts outstanding (2011 £Nil) in relation to the leases at 31 March 2012

Other than as disclosed above, no director had a material interest in any contract to which the Group was a party

The Company leased properties to subsidiary companies for use in their businesses, receiving a total of £162,000 in this respect (2011 £165,000) There were no amounts outstanding (2011 £Nil) in relation to the leases at 31 March 2012

Company balance sheet

Company number 00013944

at 31 March 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	29	4,300	4,154
Investments	30	7,668	4,911
		11,968	9,065
Current assets			
Debtors	32	469	277
Creditors amounts falling due within one year	33	(3,003)	(1,331)
Net current liabilities		(2,534)	(1,054)
Total assets less current liabilities		9,434	8,011
Creditors amounts falling due after more than one year	33	(897)	(16)
Provisions for liabilities and charges			
Pension liability	38	(2,417)	(2,333)
		6,120	5,662
Capital and reserves			
Called up share capital	36	3,062	2,945
Share premium account	37	557	470
Treasury shares	37	(78)	-
Revaluation reserve	37	1,039	899
Profit and loss account	37	1,540	1,348
Equity shareholders' funds		6,120	5,662

The financial statements were approved and authorised for issue by the Board on 15 June 2012 and signed on its behalf by

A R Harrison
M A Chadwick } *Directors*

Statement of Total Recognised Gains and Losses

for the year ended 31 March 2012

	2012 £'000	2011 £'000
Profit for the financial year	**671**	1,143
Dividends paid	**(187)**	(83)
Actuarial loss on pension scheme	**(286)**	(80)
Movement on deferred tax relating to pension liability	**28**	(108)
Purchase of own shares	**(35)**	-
Total recognised gains and losses	**191**	872

Note of Historical Cost Profits and Losses

for the year ended 31 March 2012

	2012 £'000	2011 £'000
Reported profit on ordinary activities before taxation	**671**	1,143
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**19**	17
Historical cost profit on ordinary activities before tax	**690**	1,160

Notes to the Company Balance Sheet

for the year ended 31 March 2012

ACCOUNTING POLICIES

Basis of accounting
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards under UK GAAP, and are presented as required by the Companies Act 2006

Tangible fixed assets
Land and buildings are carried at valuation Revaluations are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period Where properties are revalued the requirements of the UK GAAP will be met by a full valuation at least every five years and an interim valuation in year 3 Interim valuations in years 1, 2 and 4 should be carried out where it is likely that there has been a material change in value

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold buildings	-	2% straight line
Plant & Machinery	-	10% - 33% straight line
Motor Vehicles	-	25% straight line

Freehold land is not depreciated

Leases
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group All other leases are classified as operating leases.

Lease payments in respect of assets held under operating leases are charged directly to the income statement Payments made to acquire operating leases are treated as prepayments and charged to income during the period of the lease

Deferred taxation
Deferred tax is recognised on all timing differences where the transaction or events that give the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date The company has not adopted a policy of discounting deferred tax assets or liabilities

Pensions
The Company operates a defined contribution scheme, for which the amount charged to the profit and loss account is the amount of contributions payable in the year

The defined benefit scheme previously operated by the Company closed on 31 March 2006 The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits Actuarial gains and losses are recognised in full as they arise, outside the income statement, as a credit or charge to retained earnings

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Result of the Company
The company has elected to take exemption under section 408 of the Companies Act 2006 to not present the parent company profit and loss account The company profit for the year is £671,000 (2011 £1,143,000)

Notes to the Company Balance Sheet

Continued

29. Tangible fixed assets

	Freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation at 1 April 2011	4,152	71	71	4,294
Additions	-	3	92	95
Disposals	-	(2)	(58)	(60)
Revaluation	53	-	-	53
Cost or valuation at 31 March 2012	**4,205**	**72**	**105**	**4,382**
Depreciation at 1 April 2011	58	40	42	140
Charge for the year	36	11	19	66
Disposals	-	(2)	(35)	(37)
Revaluation	(87)	-	-	(87)
Depreciation at 31 March 2012	**7**	**49**	**26**	**82**
Net book value at 31 March 2012	**4,198**	**23**	**79**	**4,300**
Net book value at 31 March 2011	4,094	31	29	4,154

The comparable amounts of land and buildings included above at valuation determined according to the historical cost accounting rules are as follows

	£'000
Cost	1,460
Accumulated Depreciation	(382)
Net Book Value at 31 March 2012	1,078
Net Book Value at 31 March 2011	1,097

The gross amount of freehold buildings on which depreciation is being provided is £1,957,000 (2011 £2,095,000) The accumulated revaluation surplus on the Company's properties is £1,039,000 (2011 £899,000)

The Company's property at Normanton, West Yorkshire, was revalued at 31 March 2011 on the basis of its Market Value as defined by The Royal Institution of Chartered Surveyors, by A R Argyle, Chartered Surveyors, as an Independent Valuer in accordance with the Appraisal and Valuation Standards of The Royal Institution of Chartered Surveyors resulting in the carrying value of this particular property being reduced by £26,000 to a carrying value of £600,000 The reduction was charged to the revaluation reserve

In March 2012, the Company's properties at Woodville, Stockport and Blackburn were valued by A R Argyle on the same basis As a result of this review, the carrying values were revised upwards by £140,000

The Company's property at Brackley was valued at £550,000 at 31 March 2012 by Kirkby and Diamond property consultants on a basis consistent with the relevant RICS Practice Standard As the difference between this and the carrying value is negligible, the carrying value has not been adjusted

Plant and machinery having a net book value of £15,000 (2011 £22,000) was subject to finance leases The depreciation charge on these assets for the year was £7,000 (2011 £4,000)

30. Investments

	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost at 1 April 2011	4,347	6,694	11,041
Acquisition (see note 31)	963	-	963
Written off in the year	(45)	-	(45)
Net advances	-	1,915	1,915
Cost at 31 March 2012	5,265	8,609	13,874
Provision at 1 April 2011	1,135	4,995	6,130
Movement in year	121	-	121
Written off in the year	(45)	-	(45)
Provision at 31 March 2012	1,211	4,995	6,206
Balance at 31 March 2012	4,054	3,614	7,668
Balance at 31 March 2011	3,212	1,699	4,911

At 31 March 2012 the Company was the beneficial owner of the entire issued share capital and controlled all the votes of its subsidiaries, with the exception of Technocover Limited, which is 90% owned by the Company (see note 12) The principal trading subsidiaries are set out on page 2

The amounts written off in the year relate to investments in dormant subsidiaries which were struck off during the year

31 Acquisition

On 16 January 2012, the Company acquired a 90% interest in Technocover Limited The details of the transaction are included in note 12 to the group accounts

32 Debtors

	2012 £'000	2011 £'000
Trade debtors	**31**	26
Amounts owed by subsidiary undertakings	**370**	193
Prepayments and accrued income	**46**	49
Other debtors	**15**	-
Deferred tax	**7**	9
	469	277

Notes to the Company Balance Sheet

Continued

33. Creditors amounts falling due within one year

	2012 £'000	2011 £'000
Bank overdraft (note 34)	2,396	822
Trade creditors	410	101
Other taxes and social security	16	13
Corporation tax	101	129
Other creditors	12	9
Accruals and deferred income	63	253
Obligations under finance leases	5	4
	3,003	1,331

Creditors· amounts falling due after more than one year

	2012 £'000	2011 £'000
Deferred consideration on acquisition of subsidiary company	886	-
Obligations under finance leases	11	16
	897	16

34. Bank overdrafts and loans

The Group's banking facilities are secured by multilateral, joint and several unlimited guarantees given by the Company and its subsidiary undertakings The guarantees are supported by fixed charges over certain freehold properties and book debts and by floating charges over other assets

The overdraft position of the Parent Company exceeds that of the Group due to the distribution of cash and overdraft balances across the Group The net position of the group at 31 March 2012 is an overdraft of £1,055,000 (2011 cash-positive position of £137,000)

35 Deferred taxation

	2012 £'000	2011 £'000
Amounts provided		
Excess of depreciation over tax allowances	7	9
Other timing differences	-	-
Deferred tax debtor	7	9
At 1 April 2011	9	
Deferred tax charged to the profit and loss account	(2)	
At 31 March 2012	7	

36 Share capital

	2012 £'000	2011 £'000
Authorised		
37,500,000 Ordinary 10p shares	**3,750**	3,750

Allotted, issued and fully paid
10p Ordinary Shares

	2012 Number	2012 £'000	2011 Number	2011 £'000
At 1 April 2011	29,445,659	2,945	29,445,659	2,945
Issues in year	1,172,415	117	-	-
At 31 March 2012	30,618,074	3,062	29,445,659	2,945

622,098 10p ordinary shares with an aggregate nominal value of £62,210 were purchased during the year, of which 300,000 were sold during the year and 322,098 remain in treasury at the year end Distributable reserves have been reduced by £35,000, being the premium associated with the shares that were sold

Ordinary share options granted and subsisting at 31 March 2012 were as follows

	2012 Number of share options	2012 Weighted average exercise price	2011 Number of share options	2011 Weighted average exercise price
Outstanding and exercisable at the end of the year	200,000	25 0p	1,372,415	14 7p

The options outstanding at 31 March 2012 had a weighted average exercise price of 25 0p, and a weighted average remaining contractual life of 4 75 years No adjustment has been made to the reserves for the cost of granting the remaining 200,000 options under FRS 20 "Share-Based Payments" because the materiality of the transaction is insufficient to warrant adjustment

37. Reserves

	Share Premium £'000	Treasury shares £'000	Revalution Reserve £'000	Profit and Loss Account £'000
At 1 April 2011	470	-	899	1,348
Profit for the year	-	-	-	671
Other recognised gains/(losses) for the year	87	(78)	-	(292)
Revaluation	-	-	140	-
Dividends paid	-	-	-	(187)
At 31 March 2012	**557**	**(78)**	**1,039**	**1,540**

38 Pensions

The Company operates both defined benefit and defined contribution schemes The defined benefit scheme was closed to new members with effect from 1 April 2002 and ceased accrual of benefits with effect from 31 March 2006

Full details of the actuarial assumptions, market value and assets and liabilities of the scheme are detailed in note 17

Notes to the Company Balance Sheet

Continued

39 Commitments

Capital commitments

At 31 March 2012 and 31 March 2011 the Company had no commitments for capital expenditure contracted but not provided for in the financial statements

Leasing commitments

At 31 March 2012 the Company had annual commitments under operating leases as follows

	Land and buildings		Other	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Expiring within one year	-	-	-	-
Expiring between two and five years	3	-	-	-
Expiring after more than five years	-	3	-	-
	3	3	-	-

Guarantees

The Company has guaranteed the bank overdrafts of certain subsidiary undertakings The net amount so guaranteed is £Nil (2011 £Nil) The Company is also a member of a VAT group and has guaranteed the total liability of the Group at 31 March 2012 of £539,000 (2011 £424,000)