

ENSOR HOLDINGS PLC

Annual Report and Accounts

for the year ended 31 March 2013

Stock Code ESR

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Welcome to Ensor Holdings PLC

The Ensor Group has a long history, with origins dating back to 1826. We were incorporated as a private company in 1880 and registered as a public company in 1981. The Group has been quoted on the London Stock Exchange since 1989 and has built a reputation as a solution provider with specialised distribution skills.

Our products and services are focused on the manufacturing and supply of specialist building materials, physical security products, packaging and waste recycling.

All our Group companies are stand-alone businesses located on their own sites, trading nationally and internationally.

CMS Tools Limited

Ellard Limited

Ensor Building Products Limited

Normanton, West Yorkshire
Marketing and distribution of tools and accessories to the roofing and construction industry

Manchester
Design, manufacture and distribution of electric drives for industrial, commercial and domestic doors and gates

Blackburn, Lancashire
Marketing and distribution of roofing, drainage and specialist building products

OSA Door Parts Limited

SRC Limited

Technocover Limited

Runcorn, Cheshire
Manufacture and distribution of industrial doors and door components for the trade

Stockport, Cheshire
Manufacture of rubber crumb for the sports and safety surfaces and automotive industries

Welshpool, Powys
Manufacture and installation of high-security steel access products for the utilities market

Wood's Packaging Limited

Ensor Xiamen

Castleford, West Yorkshire
Marketing and distribution of packaging materials and furniture protectors

Xiamen, China
Group logistical support in China

For further information about our businesses go to **pages 2 and 3**

For further information about our company go to **www.ensor.co.uk**

Financial Highlights

Revenue

£32.8m↑

(2012 £24.7m)

Operating Profit

£2.4m↑

(2012 £1.5m)

Earnings per Share

5.5p↑

(2012 3.6p)

Net Assets

£8.9m↑

(2012 £8.0m)

Operational Highlights

- Our 2012 acquisition, Technocover Limited, a manufacturer of physical security products for the utilities sector, has been in line with our forecast. The other companies have held their ground in difficult market conditions.
- The Ensor office in China continues to provide an important link to suppliers, maintaining the levels of supply and service demanded by the Group.
- Our efforts to manage the legacy pension fund resulted in the removal of over 60 per cent of deferred pensioner liabilities.
- Cashflow was positive notwithstanding the payments made in relation to this exercise.

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Group at a Glance

CMS Tools Limited www.cmstools.co.uk

CMS was established in the eighties to meet industry demands for high quality specialist roofing tools and accessories at affordable prices. Working with manufacturers, the Company has adapted and improved a wide range of products to suit the needs of the roofer, many of these available under the ROOFER brand name. Today, the Company offers virtually every specialist tool and accessory required by the professional roofing contractor, along with many more commonly used items. Therefore, in addition to commitment to the roofing industry, CMS also serves other trades that can use much of the product range.

Ellard Limited www.ellard.co.uk

Ellard is a market leader in the design, manufacture and distribution of a wide range of electric drives to suit all types of industrial, commercial and domestic shutter doors. In addition, the Company also offers a comprehensive range of gate automation packages. With outlets throughout the UK and Ireland the Company supplies directly to manufacturers and distributors. A 24 hour delivery service is available. The comprehensive stock portfolio is able to service the market efficiently from the Manchester base. With commitment to a programme of continuous product development, it is ensured that all products comply fully with current EU legislation and are at the forefront of innovation. A full design is available for bespoke applications where expertise and experience is needed to deliver a solution to the customer's specific requirements.

Ensor Building Products Limited www.ensorbuilding.com

As specialist importers and manufacturers, Ensor Building Products has over eight decades of expertise and skill when it comes to supplying drainage, building and roofing products to the trade. As well as distributing the length and breadth of the UK and Ireland, the area local to the Company is serviced by a purpose-built trade counter facility, just 200 metres from junction 5 off the M65. The Company specialises in several core products, including natural roofing slates, surface water channel drainage systems, Firestone Rubber-Cover EPDM roofing membranes, manhole covers, polythene films and dampcourses. In addition a comprehensive range of ancillary products is offered, designed to remove the nuisance factor for customers in having to procure goods from several different sources.

OSA Door Parts Limited www.osadoorparts.co.uk

OSA Door Parts is a trade supplier and manufacturer of industrial doors, particularly insulated sectional doors and steel hinged door sets to meet all building regulation requirements and fully compliant with European standards. OSA has a substantial market share in the UK and has been responsible for a number of high profile projects involving the supply of large numbers of doors and materials to other partner door companies for them to install and commission.

The nature of the business model at OSA means that new and exciting products and services are added to the portfolio at regular intervals. This provides a broad catalogue of choices for door industry clients and has allowed OSA to gain a reputation as the preferred supplier to the trade.

Technocover Limited www.technocover.co.uk

Technocover has been manufacturing innovative steel access products since 1993. The Company is a specialist designer, manufacturer and installer of accredited high quality steel security products, having gained a reputation as the UK's leading supplier of physical security access solutions for protection against infiltration and contamination. The Company engineers a unique range of security products to meet the latest asset security standards, many having been evaluated, tested and approved by the Loss Prevention Certification Board (LPCB). Technocover is an approved ISO 14001:2004 Environmental and ISO 9001:2008 Quality Accredited Company and has the widest range of LPCB-certified high-security galvanised steel access products. This gives customers the confidence that the goods and services provided are assured by third-party accreditation. Water, Energy, Telecom, Petrochemical, Rail, Transport, Military and Government establishments in the UK and overseas have sought the Company's expertise in providing security access products for asset protection.

Wood's Packaging Limited

www.woods-packaging.co.uk

Established in 1992 Wood's Packaging has steadily grown to be regarded as one of the UK's leading suppliers of packaging materials. First based in Castleford in 1993, continued growth has allowed Wood's Packaging to acquire a warehouse with a capacity of 6,500 square feet. Throughout this time the Company's reputation has grown due to quality and diversity of product range, competitive pricing, together with the personal service a small family-based company can offer. The team of dedicated and professional staff are always on hand to ensure they are able to offer a quality service in all aspects of the business from sales, marketing and administration through to warehousing and transport with the sole aim of meeting customer requirements.

SRC Limited

www.src.ltd.uk

SRC has been in the business of recycling and processing tyre-tread buffings for more than 20 years and produces a wide range of crumb and shred sizes. Widely recognised as the leading UK supplier of high quality recycled tyre rubber, SRC was the first UK company to obtain Quality Approval BS EN ISO 9002:1994 for the business of recycling and processing tyre tread buffings. The Company has an excellent reputation for leading standards of service, reliability and quality. SRC aims to supply quality products and the Company is committed to maintaining the high standards that have proved to be a benchmark for its industry.

Ensor Environmental

Ensor Waste Transfer Facility provides a delivery point for local recyclable waste collection vehicles, ensuring more time is spent by the local council resources in delivering their services than in travelling long distances to unload. The delivered material is then consolidated and transferred into much larger vehicles. This transfer results in a significant reduction in the number of vehicle-miles needed to move the waste, thereby reducing local traffic and the associated environmental impact.

Chairman's Statement

We have just completed what has been a more challenging year for the Group on a number of fronts. The economy of the construction sector, which directly affects us, was largely static during the year, making trading more difficult. We also continued the exciting integration of our recent acquisition, Technocover Limited, into the Group. I am pleased to say however that the year's outcome has been excellent and has continued the progress of previous years.

In January last year we acquired Technocover, a manufacturer of physical security products for the utilities sector. The Company required refinancing, the introduction of financial controls and production disciplines to meet the demands of a full order book. Senior management appointments have been made during the year and we are already seeing very promising returns from our investment. Profitability has been in line with our forecasts and cash has been generated to benefit the Group. There continues to be work needed to maximise our return from Technocover but we are pleased with progress to date.

Our other companies have made good contributions to the results. Our roofing tools business has responded well to remaining within the Group and has produced a good result for the year. Our door manufacturing and door motors businesses have performed very satisfactorily despite operating in difficult markets, including Ireland, and have introduced exciting new products and services for the future. Our packaging operation has had a year of good progress and is sourcing greater volumes from China, enhancing margins. The roofing and drainage building products business operates at the heart of the difficult construction sector. With the introduction, however, of innovative and technical new products, the business has had a satisfactory year.

The Ensor office in China continues to provide an important link to our main suppliers and has had a very busy year maintaining the levels of supply and service demanded by the Group.

As much of what we sell is sourced in Europe and the Far East, we must be constantly aware of the impact of exchange rates on our costs. Although we have been able to largely contain the effects of the weakened pound by forward buying of currency, we will be working hard this year to maintain our margins in a competitive market.

During the year we completed a successful enhanced transfer value exercise (ETV) with our deferred pension scheme members. This has significantly reduced our overall Group pension liabilities with over 60 per cent of the deferred members – by number and by value as at 31 March 2012 – taking up our enhanced offer to move their pension savings away from our scheme. This has been financed using pension fund assets and about £750,000 of cash from the Company.

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- **Operating profit:**
Up 66 per cent to
£2,427,000
 - **Earnings per share:**
Up 53 per cent to
5.5p per share
 - **Final dividend:** Up
52 per cent to
0.8p per share
-

Our subsidiary companies have generated positive cash flows on profitable trading with careful working capital control. Despite significant investment in Technocover, capital expenditure and the ETV exercise, our borrowings remain modest and gearing is a very acceptable 23 per cent.

Since the year end we have exchanged contracts to sell our land holding in Stockport. The sale, at a price which is a premium to the book value, is conditional upon planning permission being granted. The scheme is however supported by the Local Authority and completion of the sale is expected by the end of 2014. We continue to work to satisfy pre-planning formalities for our Brackley site, but recent changes to planning legislation are slowing progress.

We are proposing to pay a final dividend of 0.8p per share, making a total dividend paid and proposed of 1.2p per share for the year – a 50 per cent increase on last year. This is in keeping with our desire to maintain dividend growth, where prudent. The final dividend will be payable on 9 August 2013, to shareholders registered on 28 June 2013.

It has been said many times by wise heads that an organisation's success is based on the talents of the people it employs. This could not be truer than at Ensor. I thank and appreciate all our talented men and women who have worked to produce these very good results.

K A Harrison, TD
Chairman
14 June 2013

Five Year Record

for the years ended 31 March

	2013 £'000	Re-presented 2012 £'000	2011 £'000	2010 £'000	2009 £'000
Turnover	32,770	24,677	21,357	19,443	21,706
Operating profit	2,427	1,460	938	504	639
Finance costs	(295)	(164)	(125)	(248)	(139)
Normalised profit before tax from continuing operations	2,132	1,296	813	256	500
Exceptional items	-	(1,014)	-	-	-
Profit before tax from continuing operations	2,132	282	813	256	500
Income tax (expense)/credit	(474)	(210)	(203)	127	(47)
Discontinued operations	-	-	-	-	(2,732)
Profit/(loss) attributable to shareholders	1,658	72	610	383	(2,279)
Fixed assets	10,620	10,330	7,329	7,441	7,439
Net current assets	2,951	2,820	3,899	3,512	3,151
Non-current liabilities	(4,633)	(5,192)	(3,127)	(3,165)	(2,868)
Net assets representing shareholders' funds	8,938	7,958	8,101	7,788	7,722
Earnings per share – continuing operations before exceptional items	5 50p	3 60p	2 10p	1 30p	1 50p
Earnings per share – continuing operations	5 50p	0 30p	2 10p	1 30p	1 50p
Earnings per share – discontinued operations	0 00p	0 00p	0 00p	0 00p	(9 3p)
Interim dividends paid	0 40p	0 275p	0 175p	0 00p	0 00p
Final dividends proposed	0 80p	0 525p	0 350p	0 15p	0 00p
Dividends paid and proposed	1 20p	0 800p	0 525p	0 15p	0 00p
Net assets per share	29 5p	26 3p	27 5p	26 4p	26 2p
Pre-tax return on average net assets	25 2%	3 5%	10 2%	3 3%	5 1%
Proportion of borrowings to shareholders' funds	22 7%	34 1%	0 0%	13 2%	27 2%

The results for the year ended 31 March 2012 have been re-presented in respect of operations which had previously been recognised as discontinued and are no longer considered as such

Performance

Report of the Directors

The directors present their report and audited financial statements for the year ended 31 March 2013

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 12

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 pages 2 and 3

Business Review

Operating results

Ensor's acquisition of Technocover, in January 2012, has had a marked effect on the Group result for the year, as we have consolidated a full year's trading for the first time

Whilst increasing our focus towards Building and Security Products, the acquisition has also served to diversify the Group's activities into subtly different market areas – namely UK utilities. Nevertheless, the Group's activities remain significantly dependent upon the UK construction market, which continues to be challenging as restricted public spending and a general lack of confidence serve to hinder investment in both capital and refurbishment projects

On a like-for-like basis, excluding the businesses disposed of and acquired (being Lowland Ensor Doors and Technocover respectively), the Group results showed a maintained operating profit in 2012/13, in line with our expectations

Sales reduced by less than two per cent and remained reliable throughout the year. A significant element of the reduction was due to the continued focus on higher-margin sales, which ensured that the gross profit margin was improved from 24.2 per cent to 24.6 per cent, and the aggregate gross profit figure increased year-on-year. Margins have been maintained or improved across the Group.

This growth was mitigated by a modest increase in sales and administrative overheads.

The year-on-year movement in total Group sales and operating profit (before exceptional administrative expenses), reflects the consolidation of twelve months' results from Technocover.

Having experienced a period of distress prior to acquisition, the months following acquisition presented challenges at Technocover to address a backlog of work and to manage customer expectations, in particular. Nevertheless, the Company contributed continuously to Group operating profits.

Senior appointments were made to strengthen the finance and production facilities of the business, and essential capital and maintenance expenditure was undertaken to enable the company to develop.

There is still much to do at Technocover, but the business ended the year in a significantly more capable condition than it was at acquisition.

Group operating profit of £2,427,000 was £967,000 (66 per cent) higher than last year.

Discontinued activity and impairment of goodwill

The 2012 Annual Report and Accounts anticipated the disposal of CMS, which resulted in it being treated as a discontinued operation.

The sale of the business did not proceed and the 2012 results have been represented to include CMS within continuing operations.

The discontinued operations also included an impairment loss of £1,014,000 in respect of an impairment of the goodwill of CMS.

Under International Financial Reporting Standards previously recognised impairment losses cannot be reversed in subsequent years.

Finance costs

Finance costs 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 finance costs, from £165,000 to £295,000, principally reflects the full-year impact of finance costs associated with the acquisition of Technocover – its subsisting bank borrowings, Group bank borrowings assumed to acquire the business, and a notional charge on contingent consideration.

The majority of Technocover's finance costs are attributable to an enhanced collar arrangement, which was established in 2007. Whether the arrangement was mis-sold by the company's bank at the time, is under consideration as part of the Financial Conduct Authority's review of such arrangements and a separate claim lodged by the company.

Cash flow and financial position

Cash flow generated from operations of £2,133,000 (2012 (£795,000) absorbed) represents a strong performance, having been adversely affected by an increase in receivables, following particularly high sales at the year-end.

Two notable factors contribute heavily in arriving at the net cash flow for the year – loan repayments of £583,000 and payments of £778,000 in relation to pension fund liability management.

The loan repayments of £583,000 relate to a bank loan which was consolidated on the acquisition of Technocover and which featured a bullet repayment of £250,000, in 2013. The balance of the loan, of £1,075,000, is payable by instalments.

Consolidated Group borrowings stood at £2,101,000 at the year-end (2012: £2,713,000), representing gearing of 23 per cent (2012: 34 per cent).

Commencing in April 2012, the Company promoted enhanced transfer value offers to all deferred members of the Ensor Group Pension Fund. By making such offers, we intended to contain future risks by reducing the size of the scheme membership and hence reducing the unpredictability of future scheme costs and investment returns.

The exercise was completed during the year, and the offer was accepted by 116 out of 191 deferred members. The cost of enhancements and associated fees, totalling £778,000, was borne by the Company. Transfer values of £2,755,000 were met by the scheme itself, representing 62 per cent of the total transfer values attributable to deferred members.

The carrying value of the transferred liabilities was such that a loss of £81,000 was crystallised in the accounts. The deficit has been reduced from £3.2 million to £2.7 million, but more importantly, the scheme liabilities have reduced from £5.7 million to £3.0 million.

The Group's net assets have increased to £8.9 million (2012: £8.0 million), equivalent to 29p per share.

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 risks arising from holding financial instruments are discussed in more detail in note 22 to the financial statements.

Dividend

The directors propose to pay a final dividend of 0.8p per share in respect of the financial year ended 31 March 2013 (2012: 0.525p). Dividends of £280,000 were paid on ordinary shares during the year ended 31 March 2013 (2012: £187,000).

Dividends paid and proposed (note 9)

In respect of the year ended	2013	2012
Interim dividend paid	0.40p	0.275p
Final dividend proposed	0.80p	0.525p
	1.20p	0.800p

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 per cent 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 per cent 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 2013, the Company held 322,098 of its own shares (2012: 322,098).

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

M A Chadwick retires by rotation and offers himself for re-election.

Directors' indemnities

Indemnity insurance is in place for all serving directors.

Report of the Directors

continued

Directors' interests

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

	At 31 March 2013		At 1 April 2012	
	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	–	296,601	–
A E Coyne	353,716	–	353,716	–

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. On 11 April 2013, A E Coyne sold 200,000 shares and M A Chadwick sold 100,000 shares. Otherwise, there have been no changes in the above interests between 31 March 2013 and the date of this report.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' statement as to disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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 2013 were 55 days (2012 51 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

Mazars LLP resigned as auditors to the Group on 29 November 2012 and PKF (UK) LLP were appointed to fill the casual vacancy. On 28 March 2013 PKF (UK) LLP merged their business into BDO LLP and accordingly have signed their audit report in the name of the merged firm. A resolution to reappoint BDO LLP as auditors of the Company will be proposed at the Annual General Meeting.

This report was approved by the Board on 14 June 2013 and signed on its behalf

M A Chadwick
Secretary
14 June 2013



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 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 is 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.

Nominations 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 The UK Corporate Governance Code 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 UK Corporate Governance 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.

Directors and Advisers

Kenneth A Harrison (TD) Chairman

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 Chief Executive

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 A Chadwick (BSc, ACA) Finance Director and Company Secretary

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.

Anthony E Coyne Non-Executive Director and Deputy Chairman

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 M Harrison Non-Executive Director

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.

Registered Office and Executive Office

Ellard House
Dallimore Road
Manchester
M23 9NX

Registered Number 13944

Auditors

BDO LLP
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M3 3AT

Nominated Adviser

Westhouse Securities Limited
Heron Tower
110 Bishopsgate
London
EC2N 4AY

Broker

Westhouse Securities Limited,
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110 Bishopsgate
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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

Independent Auditor's Report

to the Members of Ensor Holdings PLC

We have audited the financial statements of Ensor Holdings PLC for the year ended 31 March 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Balance Sheet, the Company Statement of Total Recognised Gains and Losses, the Company Note of Historical Cost Profits and Losses 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) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 March 2013 and of the Group's profit for the year then ended,
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union,
- the parent company's 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 report of the directors 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.

BDO LLP.

Timothy Entwistle (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom
14 June 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement

for the year ended 31 March 2013

	Note	2013 £'000	Re-presented 2012 £'000
Continuing Operations			
Revenue	1	32,770	24,677
Cost of sales		(24,234)	(18,200)
Gross profit		8,536	6,477
Administrative expenses		(6,109)	(5,017)
Exceptional administrative expenses – impairment of goodwill	2	–	(1,014)
Total administrative expenses		(6,109)	(6,031)
Operating profit before exceptional administrative expenses		2,427	1,460
Exceptional administrative expenses – impairment of goodwill		–	(1,014)
Operating profit	1&3	2,427	446
Finance costs	6	(295)	(165)
Profit before tax		2,132	281
Income tax expense	7	(474)	(209)
Profit for the year attributable to equity shareholders of the parent company		1,658	72
Earnings per share – basic and fully diluted	8	5 5p	0 3p

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2013

	Note	2013 £'000	Re-presented 2012 £'000
Profit for the year		1,658	72
Other comprehensive income			
Actuarial loss	16	(436)	(286)
Income tax relating to components of other comprehensive income	19	38	28
Revaluation of land and buildings	10	–	140
Total comprehensive income attributable to equity shareholders of the parent company		1,260	(46)

The notes on pages 23 to 41 form part of these financial statements

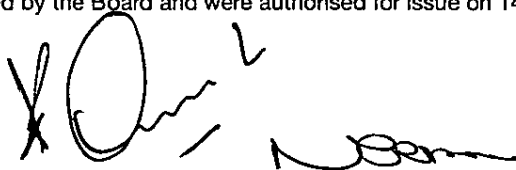
Consolidated Statement of Financial Position

at 31 March 2013

	Note	2013 £'000	2012 £'000
ASSETS			
Non-current assets			
Property, plant & equipment	10	6,901	6,753
Intangible assets	11	3,087	2,771
Deferred tax asset	19	632	806
Total non-current assets		10,620	10,330
Current assets			
Assets held for sale	12	–	138
Assets of disposal group classified as held for sale	13	–	1,031
Inventories	14	3,109	3,005
Trade and other receivables	15	8,001	6,508
Cash and cash equivalents		298	–
Total current assets		11,408	10,682
Total assets		22,028	21,012
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations	16	(2,749)	(3,223)
Borrowings	17	(810)	(1,007)
Other creditors	18	(974)	(897)
Deferred tax	19	(100)	(65)
Total non-current liabilities		(4,633)	(5,192)
Current liabilities			
Borrowings	17	(1,514)	(1,706)
Current income tax liabilities		(312)	(255)
Liabilities of disposal group classified as held for sale	13	–	(223)
Trade and other payables	21	(6,631)	(5,678)
Total current liabilities		(8,457)	(7,862)
Total liabilities		(13,090)	(13,054)
NET ASSETS		8,938	7,958
EQUITY			
Share capital	24	3,062	3,062
Share premium		522	557
Treasury shares		–	(79)
Revaluation reserve		140	140
Retained earnings		5,214	4,278
Total equity attributable to equity shareholders of the parent company		8,938	7,958

The financial statements were approved by the Board and were authorised for issue on 14 June 2013. They were signed on its behalf by

A R Harrison }
M A Chadwick } Directors



The notes on pages 23 to 41 form part of these financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 March 2013

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 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
Total comprehensive income for the year	–	–	–	140	(186)	(46)
Issue of shares	117	35	–	–	–	152
Purchase of treasury shares	–	–	(152)	–	–	(152)
Sale of treasury shares	–	52	73	–	(35)	90
Dividends paid	–	–	–	–	(187)	(187)
Total transactions recognised directly in equity	117	87	(79)	–	(222)	(97)
Balance as at 31 March 2012	3,062	557	(79)	140	4,278	7,958
Balance as at 1 April 2012	3,062	557	(79)	140	4,278	7,958
Profit for the year	–	–	–	–	1,658	1,658
Other comprehensive income						
Actuarial loss	–	–	–	–	(436)	(436)
Related deferred tax	–	–	–	–	38	38
Total comprehensive income for the year	–	–	–	–	1,260	1,260
Reclassification	–	(35)	79	–	(44)	–
Dividends paid	–	–	–	–	(280)	(280)
Total transactions recognised directly in equity	–	(35)	79	–	(324)	(280)
Balance at 31 March 2013	3,062	522	–	140	5,214	8,938

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 retained earnings in respect of treasury shares results from the Company's acquisition of its own shares, at cost

Revaluation reserve

The revaluation reserve represents the unrealised surplus arising on the revaluation of certain of the Group's freehold properties

Retained earnings

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

The notes on pages 23 to 41 form part of these financial statements

Consolidated Cash Flow Statement

for the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Net cash generated from/(used in) operations before pension exercise	25	2,133	(795)
Pension fund enhanced transfer value exercise	16	(778)	-
Net cash generated from/(used in) operations		1,355	(795)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		53	88
Proceeds from disposal of assets held for sale		150	-
Acquisition of property, plant and equipment		(569)	(293)
Net cash used in investing activities		(366)	(205)
Cash flows from financing activities			
Equity dividends paid		(280)	(187)
Issue of shares		-	152
Purchase of treasury shares		-	(152)
Proceeds from sale of own shares		-	90
Amounts repaid in respect of finance leases		(22)	(3)
Loan repayments		(583)	(92)
Net cash used in financing activities		(885)	(192)
Net increase/(decrease) in cash and cash equivalents		104	(1,192)
Opening cash and cash equivalents		(1,055)	137
Closing cash and cash equivalents		(951)	(1,055)

The notes on pages 23 to 41 form part of these financial statements

Financials

Accounting Policies

for the year ended 31 March 2013

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 pages 2 and 3.

Basis of preparation

The consolidated financial statements of Ensor Holdings PLC have been prepared in accordance with 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 2014 and certain extrapolations beyond this date, taking account of the current 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 acquisition 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 parent company'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

Finance 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.

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 cent per annum on cost or valuation
Plant and equipment	between 10 per cent and 33 per cent per annum
Vehicles	between 12.5 per cent and 33 per cent per annum

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 the re-measurement of 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.

Accounting Policies

continued

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. 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

Interest 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.

Derivatives are initially recognised at fair value on the contract date and are subsequently remeasured in future periods at fair value.

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 current tax and 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.

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.

Accounting Policies

continued

Goodwill (note 11)

The Group tests annually whether goodwill has suffered any impairment, in accordance with its accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations, which require the use of estimates of future cash-flows and the Group's cost of capital. These assumptions are detailed in note 11.

Assets held for sale (note 13)

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

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 2012, 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 12 (amendments) – Deferred Tax, Recovery of Underlying Assets	1 January 2012

New standards, amendments and interpretations not yet adopted

The following standards, amendments and interpretations are in issue, but are mandatory only for our accounting periods beginning on or after 1 April 2013. None of these have a material impact on the financial statements. The Group has not adopted them early.

	Effective dates (periods beginning on or after)
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 2013

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 2013 are shown in the following table

	Building & Security Products	Packaging	Other	Unallocated	Total
External revenue	29,835	2,216	719	–	32,770
Depreciation	480	23	32	–	535
Operating profit	2,114	278	35	–	2,427
Finance costs				(295)	(295)
Income tax expense				(474)	(474)
Profit for the year				(769)	1,658
Total assets	17,257	950	742	3,079	22,028
Total liabilities	(6,681)	(178)	(56)	(6,175)	(13,090)
Capital expenditure	605	16	–	18	639

Financials

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	Unallocated	Total
External revenue	2,850	18,793	21,643	2,199	835	–	24,677
Depreciation	54	199	253	19	37	–	309
Operating profit	189	952	1,141	255	64	–	1,460
Finance costs						(165)	(165)
Income tax expense						(209)	(209)
Impairment of goodwill						(1,014)	(1,014)
Profit for the year						(1,388)	72
Total assets	5,963	9,987	15,950	1,019	801	3,242	21,012
Total liabilities	(4,224)	(1,831)	(6,055)	(103)	(55)	(6,841)	(13,054)
Capital expenditure	49	137	186	3	9	95	293

Notes to the Financial Statements

continued

1 Segmental analysis continued

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 ten per cent of total Group turnover and has therefore not been separately disclosed.

Revenue from a single customer did not exceed more than ten per cent of turnover during the current or prior reporting periods.

2 Exceptional item – goodwill impairment charge

At 31 March 2012 there was an agreement in place for the sale of a subsidiary business, CMS Tools, to the management of that company. The sale was considered to be highly probable and so, in accordance with IFRS, the operation was treated as held for sale in the Statement of Financial Position at that date. The impairment review in respect of the goodwill in this business had resulted in an impairment charge of £1,014,000. The result of the operation, including the impairment of goodwill, was treated as a discontinued operation in the Income Statement for the year ended 31 March 2012.

Subsequently, the sale did not proceed and in accordance with IFRS, the operation is no longer treated as held for sale. The Income Statement for the year ended 31 March 2012 has been re-presented, with the result of the Company now included in continuing operations and the impairment charge has been included as an exceptional item.

Under International Financial Reporting Standards previously recognised impairment losses cannot be reversed in subsequent years.

3 Operating profit

	2013 £'000	Re-presented 2012 £'000
Operating profit is stated after charging/(crediting)		
Rent receivable	(163)	(159)
Depreciation of property, plant & equipment	535	309
Amortisation of intangible asset	34	–
Profit on disposal of property, plant & equipment	(14)	(38)
Profit on disposal of asset held for sale	(12)	–
Foreign exchange losses/(gains)	(29)	(2)
Operating lease charges – plant, machinery and vehicles	13	6
– land and buildings	228	186
Fees payable to the Company's auditors for the audit of the Company's annual accounts	11	11
Fees payable to the Company's auditors for other services		
– the audit of the Company's subsidiaries, pursuant to legislation	42	45
– tax services	14	14
– corporate finance services	–	10
Fees paid to another firm in relation to corporate finance services	4	–
Fees paid to another firm in respect of the audit of the Ensor Group Pension Fund	5	3
Fees paid to another audit firm in respect of the statutory audit of Technocover Limited for the eighteen months ended 29 February 2012	7	7

The Company's auditor has changed in the current year from Mazars LLP to BDO LLP.

4. Employees

	2013 No	2012 No
The average number (including directors) employed by the Group during the year was as follows		
Production	84	33
Distribution and operations	56	39
Sales and administration	112	83
	252	155

	2013 £'000	2012 £'000
Costs in respect of these employees		
Wages and salaries	7,015	4,085
Social security costs	664	423
Pension costs	177	128
	7,856	4,636

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

5. Directors' remuneration

	Salary, fees and bonuses £'000	Benefits in kind £'000	Pension contributions £'000	Total £'000
2013				
Executive				
K A Harrison	55	3	–	58
A R Harrison	128	21	20	169
M A Chadwick	137	17	34	188
Non-executive				
A E Coyne	32	3	–	35
C M Harrison	31	–	–	31
	383	44	54	481

	Salary, fees and bonuses £'000	Benefits in kind £'000	Pension contributions £'000	Total £'000
2012				
Executive				
K A Harrison	53	3	–	56
A R Harrison	123	19	14	156
M A Chadwick	125	14	32	171
Non-executive				
A E Coyne	35	3	–	38
C M Harrison	30	–	–	30
	366	39	46	451

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Notes to the Financial Statements

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5 Directors' remuneration continued

Aggregate directors' remuneration including social security costs and pension contributions was as follows

	2013 £'000	2012 £'000
Aggregate directors' remuneration	536	504

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

	2013 No	2012 No
Money purchase schemes	2	2

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

	At 1 April 2012	Exercised	At 31 March 2013	Exercise price	Gain on exercise £'000	Exercisable
A R Harrison	200,000	-	200,000	25 0p	-	18/12/07 – 17/12/16

6. Finance costs

	2013 £'000	Re-presented 2012 £'000
Bank overdraft and loans repayable within five years	192	64
Net return on pension scheme assets and liabilities (note 16)	70	101
Unwinding of discounts on provisions	33	-
	295	165

7. Taxation

	2013 £'000	Re-presented 2012 £'000
Recognised in the income statement		
Current income tax		
UK corporation tax on profits of the period	257	178
Adjustments to prior years	-	(1)
	257	177
Deferred income tax		
Origination and reversal of temporary differences	208	130
Capital allowances (in excess of/lower than depreciation)	9	(98)
	217	32
Income tax expense	474	209

	2013 £'000	Re-presented 2012 £'000
Reconciliation of effective tax rate		
Profit before tax	2,132	282
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	512	73
Effects of		
Expenses not deductible for tax purposes	54	58
Exceptional impairment charge not deductible for tax purposes	-	264
Deferred tax acquired with subsidiary company	-	(34)
Prior year adjustments	-	(5)
Relief against prior year losses	(89)	(113)
Small companies relief	(3)	(34)
	474	209

At 31 March 2013, the Group had capital losses available to carry forward of £1,507,000 (2012 £1,507,000) and trading losses of £118,000 (2012 £530,000). These losses may be carried forward indefinitely.

8 Earnings per share

	2013	Re-presented 2012
Basic and fully diluted		
Earnings before exceptional administrative expenses	5 5p	3 6p
Exceptional administrative expenses – impairment of goodwill	-	(3 3p)
Total earnings per share	5 5p	0 3p

The calculation of earnings per share for the period is based on the profit for the period divided by the weighted average number of ordinary shares in issue, being 30,295,976 (2012 29,888,168). The fully diluted loss per share is based upon the weighted average of 30,378,246 shares (2012 30,002,190). The dilution is due to subsisting share options.

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

	2013 No	2012 No
Weighted average number of shares in issue	30,295,976	29,888,168
Weighted average number of dilutive shares arising from subsisting share options	82,270	114,022
Weighted average number of shares for fully diluted calculation	30,378,246	30,002,190

9 Dividends paid

	2013 £'000	2012 £'000
Final ordinary dividend of 0 525p per share (2012 0 35p)	159	105
Interim ordinary dividend of 0 4p per share (2012 0 275p)	121	82
Dividends on equity shares	280	187

The directors propose a final dividend for the year ended 31 March 2013 of 0 8p per share (2012 0 525p).

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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	3,610	-	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 1 April 2012	5,018	542	2,028	633	8,221
Additions	59	-	264	316	639
Disposals	-	-	(29)	(251)	(280)
Transfer from assets of disposal group held for sale	-	-	70	71	141
Reclassification	7	-	-	-	7
Cost or valuation at 31 March 2013	5,084	542	2,333	769	8,728

	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 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 1 April 2012	3	-	1,219	246	1,468
Charge for the year	74	-	341	120	535
Disposals	-	-	(28)	(213)	(241)
Transfer from assets of disposal group held for sale	-	-	37	21	58
Reclassification	7	-	-	-	7
Depreciation at 31 March 2013	84	-	1,569	174	1,827

	Freehold land and buildings used in operations £'000	Other freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Net book value at 31 March 2013	5,000	542	764	595	6,901
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	586	–			586
At 2012 valuation	4,355	542			4,897
At cost	59	–			59
	5,000	542			5,542
At depreciated historical cost	2,461	140			2,601

The gross amount of freehold buildings on which depreciation is being provided is £2,766,000 (2012 £2,707,000) The accumulated revaluation surplus on the Group's properties is £140,000 (2012 £140,000)

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 ended 31 March 2012 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 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 £74,000 (2012 £61,000) was subject to finance leases The depreciation charge on these assets for the year was £8,000 (2012 £12,000)

Notes to the Financial Statements

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11. Intangible assets

Asset classification	Process Technology and Know-how Building and Security Products £'000	Goodwill Analysed below £'000	Total £'000
Operating segment			
Cost at 31 March 2011	–	2,438	2,438
Acquisition in year	500	1,197	1,697
Transfer to assets held for sale (note 13)	–	(350)	(350)
Cost at 31 March 2012	500	3,285	3,785
Transfer from assets held for sale	–	350	350
Cost at 31 March 2013	500	3,635	4,135
Amortisation at 31 March 2011	–	–	–
Impairment	–	1,014	1,014
Amortisation at 31 March 2012	–	1,014	1,014
Amortisation	34	–	34
Amortisation at 31 March 2013	34	1,014	1,048
Carrying value at 31 March 2013	466	2,621	3,087
Carrying value at 31 March 2012	500	2,271	2,771
Carrying value at 31 March 2011	–	2,438	2,438

The asset described as Process Technology and Know-how arose as part of the acquisition of Technocover Limited in January 2012 and is to be amortised over fifteen years. No further information has come to our attention in the twelve months since the date of acquisition which would cause a reassessment of the fair value of the asset.

Goodwill

The following cash generating units contain goodwill

Name of subsidiary Operating segment	Ellard Building and Security Products £'000	CMS Tools Building and Security Products £'000	Wood's Packaging £'000	Technocover Building and Security Products £'000	Total £'000
Carrying value at 31 March 2011	317	1,364	757	–	2,438
Acquisition in year	–	–	–	1,197	1,197
Impairment	–	(1,014)	–	–	(1,014)
Transfer to assets held for sale (note 13)	–	(350)	–	–	(350)
Carrying value at 31 March 2012	317	–	757	1,197	2,271
Transfer from assets held for sale (note 13)	–	350	–	–	350
Carrying value at 31 March 2013	317	350	757	1,197	2,621

The recoverable amounts of the cash-generating units (CGUs) 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 CGUs. Management have utilised a discount rate of 11 per cent (2012: 11 per cent).

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 per cent and 3 per cent per annum have been assumed by management (2012: between 1 per cent and 3 per cent). 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. Non-current assets held for sale

	2013 £'000	2012 £'000
Land & buildings		
At 1 April 2012	138	542
Transfer from property, plant and equipment	-	138
Transfer to property, plant and equipment	-	(542)
Disposal	(138)	-
At 31 March 2013	-	138

The asset held for sale in 2012 was the property occupied by a former subsidiary, Lowland Ensor Doors Limited, which was sold in the year. The property was sold to the purchaser of the business in June 2012. The asset had been included in the Building and Security Products operating segment.

13. Assets and liabilities of disposal group classified as held for sale

	2013 £'000	2012 £'000
Assets		
Property, plant and equipment	-	83
Inventories	-	216
Trade and other receivables	-	382
Intangibles	-	350
	-	1,031
Liabilities		
Trade and other payables	-	223

The disposal group held for sale was a subsidiary company, CMS Tools Limited. The disposal did not take place and the circumstances are described in more detail in note 2.

14. Inventories

	2013 £'000	2012 £'000
Inbound goods-in-transit	275	-
Raw materials and consumables	346	181
Work in progress and finished goods	360	346
Goods purchased for resale	2,128	2,478
	3,109	3,005

Notes to the Financial Statements

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14. Inventories continued

The carrying amount of inventories includes a write down provision of £150,000 (2012 £70,000)

	2013 £'000	2012 £'000
Cost of inventories recognised as an expense	16,944	14,854
Including		
Write-down of inventories to net realisable value	9	11

15 Trade and other receivables

	2013 £'000	2012 £'000
Trade receivables	7,931	6,287
Less provision for impairment of trade receivables	(229)	(219)
Net trade receivables	7,702	6,068
Derivative financial instruments	–	6
Other debtors	33	113
Prepayments and accrued income	266	321
	8,001	6,508

Further analysis of the impairment provision and of the credit risks associated with trade receivables is included in note 22

16. 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 £1,181,000 (2012 £403,000) were made during the year, £177,000 of which were in respect of the defined contribution schemes (2012 £128,000), £283,000 in respect of funding the defined benefit scheme deficit (2012 £275,000) and £721,000 in respect of the enhanced transfer value exercise described below.

The defined benefit scheme operated by the Group was last valued by the actuary at 31 March 2011 using the attained age method and the assumptions described below. As a result of that valuation the Scheme Actuary recommended contributions to the scheme from April 2011 to June 2019 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 per cent 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

During the year, the Group undertook an enhanced transfer value exercise for deferred members in order to reduce the scheme liabilities. The exercise had the effect of reducing the liabilities of the scheme by £3,452,000, based on the liabilities as calculated at 31 March 2012. In order to settle these liabilities, assets of £2,755,000 were transferred from the pension fund and the Company paid £721,000 in enhancements. The loss on settlements of £24,000 and associated professional costs of £57,000 have been charged to the income statement. The enhancements and professional costs together total £778,000 and this figure is shown as a separate line item in the Consolidated Cash Flow Statement as an operating cash flow. The effect of the exercise on the deficit is included in the tables below.

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

	2013 £'000	2012 £'000
Interest cost	354	495
Expected return on scheme assets	(284)	(394)
Total included in finance costs	70	101
Losses on curtailments and settlements	24	-
Professional fees thereon	57	-
Total included in administrative expenses	81	-

Actuarial loss recognised in the Consolidated Statement of Comprehensive Income

	2013 £'000	2012 £'000
Difference between expected and actual return on scheme assets and obligations	(436)	(286)
Actuarial loss recognised in the Consolidated Statement of Comprehensive Income	(436)	(286)

Reconciliation of the present value of the defined benefit obligations

	2013 £'000	2012 £'000
Opening defined benefit obligation	8,915	8,929
Interest cost	354	495
Actuarial losses/(gains) on obligation	261	(30)
Benefits paid	(3,097)	(479)
Settlement gains	(697)	-
Closing defined benefit obligation	5,736	8,915

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Notes to the Financial Statements

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16. Pensions continued

Reconciliation of the fair value of the scheme assets

	2013 £'000	2012 £'000
Opening fair value of scheme assets	5,692	5,818
Expected return	284	394
Employer contributions	283	275
Actuarial losses on scheme assets	(175)	(316)
Benefits paid	(3,097)	(479)
Closing fair value of scheme assets	2,987	5,692

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

	2013	2012
Inflation	2.15%	2.35%
Rate of discount	4.30%	4.80%
Increases in pension in respect of post-April 1997 service	2.15%	2.35%
Revaluation rate for deferred pensioners	2.10%	2.30%

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

	2013 Expected return	2013 Value £'000	2012 Expected return	2012 Value £'000
Equities	6.55%	1,566	6.85%	3,721
Bonds	2.80%	511	3.95%	484
Property	6.55%	907	6.85%	1,486
Cash	0.50%	3	0.50%	1
Total market value of scheme assets		2,987		5,692
Present value of the deferred benefit obligation		(5,736)		(8,915)
Deficit in the scheme		(2,749)		(3,223)
Actual return on plan assets		109		78

History of experience gains and losses

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Present value of the defined benefit obligation	(5,736)	(8,915)	(8,929)	(8,755)	(7,172)
Fair value of the scheme assets	2,987	5,692	5,818	5,590	4,422
Deficit in the scheme	(2,749)	(3,223)	(3,111)	(3,165)	(2,750)
Experience adjustments on scheme liabilities	25	(372)	-	(1,262)	(298)
Experience adjustments on scheme assets	(175)	(317)	(80)	975	(1,749)

The Group expects contributions of £292,000 to be paid for 2013/14

17. Borrowings

	2013 £'000	2012 £'000
Current liabilities		
Bank overdraft	1,249	1,055
Interest bearing loans	265	651
	1,514	1,706
Non-current liabilities		
Interest bearing loans	810	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 20), no items of property, plant and equipment have been pledged as security for borrowings.

18. Other creditors – non-current liabilities

	2013 £'000	2012 £'000
Amounts due in respect of finance leases (note 20)	55	11
Contingent consideration on acquisition of subsidiary	919	886
	974	897

On 16 January 2012, the Company acquired a 90 per cent interest in Technocover Limited, equating to a 90 per cent interest in the voting rights, in order to expand the Building and Security Products division and enhance profits. Under a separate put and call option agreement, the Company will acquire the remaining 10 per cent 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. The liability of £919,000 (2012: £886,000), being the present value of the anticipated consideration, has been recognised. 100 per cent 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 contingent consideration has been recognised as a liability, in accordance with IAS 32, "Financial Instruments: Presentation".

Notes to the Financial Statements

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19 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 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 1 April 2012	(89)	24	(65)	806
Credited/(charged) to Consolidated Income Statement	1	(36)	(35)	(212)
Credited to Consolidated Statement of Comprehensive Income	–	–	–	38
At 31 March 2013	(88)	(12)	(100)	632

The provision for the deferred tax liability relating to the revaluation of land and buildings has been 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

20. Obligations under finance leases

	2013 £'000	2012 £'000
Amounts due within one year	20	16
Amounts due between one and five years	55	11
	75	27

21. Trade and other payables

	2013 £'000	2012 £'000
Trade creditors	4,195	4,129
Other taxes and social security	972	768
Other creditors	251	58
Obligations under finance leases (note 20)	20	16
Consideration on acquisition payable by instalments	90	175
Accruals and deferred income	1,103	532
	6,631	5,678

22 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 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 20

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 2013 is 58 (2012: 59) 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 £229,000. 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:

	2013 £'000	2012 £'000
Balance at 1 April 2012	219	189
Impairment losses recognised	262	203
Unused amounts reversed	(104)	(91)
Amounts written off as uncollectable	(148)	(82)
Balance at 31 March 2013	229	219

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

	2013 £'000	2012 £'000
Not past due	6,339	3,810
1–30 days past due	1,197	1,949
31–60 days past due	125	284
61–90 days past due	17	25
91–120 days past due	24	–
Balance at 31 March 2013	7,702	6,068

Notes to the Financial Statements

continued

22. Financial instruments and risk profile continued

A maturity analysis of financial liabilities is as follows

	2013			2012		
	Due within 1 year £'000	1–5 years £'000	Total £'000	Due within 1 year £'000	1–5 years £'000	Total £'000
Bank overdraft	1,249	–	1,249	1,055	–	1,055
Borrowings	265	810	1,075	651	1,007	1,658
Finance lease liabilities	20	55	75	16	11	27
Other non-current creditors	–	919	919	–	886	886
Trade accounts	4,195	–	4,195	4,129	–	4,129
Other payables	1,444	–	1,444	765	–	765
	7,173	1,784	8,957	6,616	1,904	8,520

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 2013 the Group had net foreign currency monetary liabilities of £106,000 (2012 £13,000 liabilities) denominated in US Dollars and net foreign currency liabilities of £314,000 (2012 £265,000 liabilities) denominated in Euros

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\$500,000 and €577,000 (2012 US\$698,000 and €501,000). The average exchange rate of the US Dollar contracts is 1.52 (2012 1.58), and of the Euro contracts is 1.18 (2012 1.19).

The fair value of these derivatives are assets of £3,866 and a liability of £20,717 (2012 assets of £10,178 and £3,790 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 2.5 per cent and 3 per cent (2012 2 per cent and 3 per cent) above base rate, and the loan is at a rate of 3 per cent above base rate (2012 3 per cent above base rate). At 31 March 2013 borrowings comprised overdrafts of £1,249,000 (2012 £1,055,000) and bank loans of £1,075,000 (2012 £1,658,000).

Technocover Limited is committed to an enhanced collar agreement, whereby it pays interest on a theoretical loan account balance, by reference to an effective base rate of between 4.41 per cent and 5.98 per cent. At 31 March 2013 the theoretical loan balance was £1,535,000 (2012 £1,874,000) and the effective base rate was 5.98 per cent (2012 5.98 per cent). The agreement was effected in 2007 and is the subject of a mis-selling claim. In the meantime, the full interest cost is being written off as it arises.

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 per cent 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 2013 and net equity would have increased/decreased by £15,000 (2012 increased/decreased by £27,000).

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 per cent strengthening or weakening in sterling against all other currencies at the year end, with all other variables remaining constant. This analysis is provided for illustrative purposes only. Profit for the year ending 31 March 2013 and net equity would have increased/decreased by £39,000 (2012 increased/decreased by £25,000).

23 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. At 31 March 2013 borrowings were at a level of 22.7% of shareholders' funds (2012 34.1%).

24. Share capital

Ordinary share capital

	2013 £'000	2012 £'000		
Authorised				
37,500,000 10p Ordinary shares	3,750	3,750		
Allotted, issued and fully paid 10p Ordinary shares				
	2013 Number	2013 £'000	2012 Number	2012 £'000
At 1 April 2012	30,618,074	3,062	29,445,659	2,945
Issues in year	-	-	1,172,415	117
At 31 March 2013	30,618,074	3,062	30,618,074	3,062

Of the issued share capital, 322,098 shares are held in treasury at the year-end (2012 322,098).

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

Notes to the Financial Statements

continued

24 Share capital continued

Ordinary share options granted and subsisting at 31 March 2013 were as follows

	2013 Number of share options	2013 Weighted average exercise price	2012 Number of share options	2012 Weighted average exercise price
Outstanding and exercisable at the end of the year	200,000	25 0p	200,000	25 0p

The options outstanding at 31 March 2013 had a weighted average exercise price of 25 0p, and a weighted average remaining contractual life of 3.75 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.

25. Cash flow generated from operations

	2013 £'000	2012 £'000
Cash flows from operating activities		
Profit for the year attributable to equity shareholders	1,658	72
Impairment of goodwill of discontinued operation	–	1,014
Depreciation charge	535	309
Finance costs	295	165
Income tax expense	474	209
Profit on disposal of property, plant & equipment	(14)	(38)
Profit on disposal of asset held for sale	(12)	–
Amortisation of intangible asset	34	–
Charge in respect of enhanced transfer exercise	81	–
Operating cash flow before changes in working capital	3,051	1,731
Decrease/(increase) in inventories	112	(462)
(Increase)/decrease in receivables	(1,112)	268
Increase/(decrease) in payables	443	(2,064)
Cash generated from/(used in) operations	2,494	(527)
Interest paid	(191)	(164)
Income taxes paid	(170)	(104)
Net cash generated from/(used in) operations	2,133	(795)

26. Commitments

Capital commitments

At 31 March 2013 and 31 March 2012 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

	2013 £'000	2012 £'000
Land and Buildings		
Not later than one year	20	146
Later than one year and not later than five years	181	273
Later than five years	-	-
Other equipment		
Later than one year and not later than five years	46	-
	247	419

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 (2012 £92,000), 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 £80,000 (2012 £76,000), reviewed each March by the greater of the retail price index increase for the year to the preceding January and three per cent. 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

	2013 £'000	2012 £'000
Land and Buildings		
Not later than one year	48	46
Later than one year and not later than five years	-	-
Later than five years	821	994
Other equipment		
	-	-
	869	1,040

Financials

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 a current annual rental of £49,000, 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.

27 Related party transactions

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

The Group paid £198,000 (2012 £169,000) to a company controlled by the Chairman, K A Harrison, in respect of the leases described in note 26 above. There were no amounts outstanding (2012 £Nil) in relation to the leases at 31 March 2013.

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 £146,000 in this respect (2012 £162,000). There were no amounts outstanding (2012 £Nil) in relation to the leases at 31 March 2013.

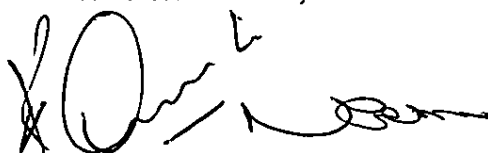
Company Balance Sheet

at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	28	4,105	4,300
Investments	29	8,800	7,668
		12,905	11,968
Current assets			
Debtors	30	481	469
Creditors amounts falling due within one year	31	(2,689)	(3,003)
Net current liabilities		(2,208)	(2,534)
Total assets less current liabilities		10,697	9,434
Creditors amounts falling due after more than one year	31	(925)	(897)
Provisions for liabilities and charges			
Pension liability	36	(2,117)	(2,417)
		7,655	6,120
Capital and reserves			
Called up share capital	34	3,062	3,062
Share premium account	35	522	557
Treasury shares	35	-	(78)
Revaluation reserve	35	1,039	1,039
Profit and loss account	35	3,032	1,540
Equity shareholders' funds		7,655	6,120

The financial statements were approved and authorised for issue by the Board on 14 June 2013 and signed on its behalf by

A R Harrison }
M A Chadwick } Directors



The notes on pages 44 to 49 form part of these financial statements

Statement of Total Recognised Gains and Losses

for the year ended 31 March 2013

	2013 £'000	2012 £'000
Profit for the financial year	2,213	671
Dividends paid	(280)	(187)
Actuarial loss on pension scheme	(436)	(286)
Movement on deferred tax relating to pension liability	38	28
Purchase of own shares	–	(35)
Total recognised gains and losses	1,535	191

Note of Historical Cost Profits and Losses

for the year ended 31 March 2013

	2013 £'000	2012 £'000
Reported profit on ordinary activities before taxation	2,383	671
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	18	19
Historical cost profit on ordinary activities before tax	2,401	690

Financials

Notes to the Company Balance Sheet

for the year ended 31 March 2013

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 per cent straight line
Plant & Machinery	– 10 per cent - 33 per cent straight line
Motor Vehicles	– 25 per cent 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 Company. 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 £2,213,000 (2012: £671,000).

28 Tangible fixed assets

	Freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation at 1 April 2012	4,205	72	105	4,382
Additions	–	–	17	17
Disposals	(138)	–	(14)	(152)
Cost or valuation at 31 March 2013	4,067	72	108	4,247
Depreciation at 1 April 2012	7	49	26	82
Charge for the year	37	11	25	73
Disposals	–	–	(13)	(13)
Depreciation at 31 March 2013	44	60	38	142
Net book value at 31 March 2013	4,023	12	70	4,105
Net book value at 31 March 2012	4,198	23	79	4,300

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	(400)
Net book value at 31 March 2013	1,060
Net book value at 31 March 2012	1,078

The gross amount of freehold buildings on which depreciation is being provided is £1,832,000 (2012 £1,957,000) The accumulated revaluation surplus on the Company's properties is £1,039,000 (2012 £1,039,000)

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 £8,000 (2012 £15,000) was subject to finance leases The depreciation charge on these assets for the year was £7,000 (2012 £7,000)

Notes to the Company Balance Sheet

continued

29 Investments

	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost at 1 April 2012	5,265	8,609	13,874
Net advances	-	1,132	1,132
Cost at 31 March 2013	5,265	9,741	15,006
Provision at 1 April 2012	1,211	4,995	6,206
Movement in year	542	(542)	-
Written off in the year	-	-	-
Provision at 31 March 2013	1,753	4,453	6,206
Balance at 31 March 2013	3,512	5,288	8,800
Balance at 31 March 2012	4,054	3,614	7,668

At 31 March 2013 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 per cent owned by the Company (see note 18). The principal trading subsidiaries are set out on pages 2 and 3.

The amounts written off in the year relate to revisions of opinion of the realisable value in the investment of certain subsidiary companies.

30 Debtors

	2013 £'000	2012 £'000
Trade debtors	53	31
Amounts owed by subsidiary undertakings	348	370
Prepayments and accrued income	59	46
Other debtors	12	15
Deferred tax	9	7
	481	469

31. Creditors amounts falling due within one year

	2013 £'000	2012 £'000
Bank overdraft (note 32)	2,232	2,396
Trade creditors	90	410
Other taxes and social security	17	16
Corporation tax	24	101
Other creditors	12	12
Accruals and deferred income	309	63
Obligations under finance leases	5	5
	2,689	3,003

Creditors amounts falling due after more than one year

	2013 £'000	2012 £'000
Contingent consideration on acquisition of subsidiary company	918	886
Obligations under finance leases	7	11
	925	897

32 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 2013 is an overdraft of £1,249,000 (2012: £1,055,000).

33 Deferred taxation

	2013 £'000	2012 £'000
Amounts provided		
Excess of depreciation over tax allowances	8	7
Other timing differences	1	-
Deferred tax debtor	9	7
At 1 April 2012	7	
Deferred tax credited to the profit and loss account	2	
At 31 March 2013	9	

Notes to the Company Balance Sheet

continued

34 Share capital

		2013 £'000	2012 £'000	
Authorised				
37,500,000 10p Ordinary shares		3,750	3,750	
Allotted, issued and fully paid 10p Ordinary shares				
	2013 Number	2013 £'000	2012 Number	2012 £'000
At 1 April 2012	30,618,074	3,062	29,445,659	2,945
Issues in year	–	–	1,172,415	117
At 31 March 2013	30,618,074	3,062	30,618,074	3,062

Of the issued share capital, 322,098 shares are held in treasury at the year-end (2012 322,098)

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

Ordinary share options granted and subsisting at 31 March 2013 were as follows

	2013 Number of share options	2013 Weighted average exercise price	2012 Number of share options	2012 Weighted average exercise price
Outstanding and exercisable at the end of the year	200,000	25.0p	200,000	25.0p

The options outstanding at 31 March 2013 had a weighted average exercise price of 25.0p, and a weighted average remaining contractual life of 3.75 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.

35. Reserves

	Share Premium £'000	Treasury Shares £'000	Revaluation Reserve £'000	Profit and Loss Account £'000
At 1 April 2012	557	(78)	1,039	1,540
Reclassification	(35)	78	–	(43)
Profit for the year	–	–	–	2,213
Other recognised gains/(losses) for the year	–	–	–	(398)
Dividends paid	–	–	–	(280)
At 31 March 2013	522	–	1,039	3,032

36 Pensions

	2013 £'000	2012 £'000
Deficit in pension fund	2,749	3,223
Related deferred tax asset	(632)	(806)
Net liability	2,117	2,417

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 16. The related deferred tax asset is detailed in note 19.

37 Commitments

Capital commitments

At 31 March 2013 and 31 March 2012 the Company had no commitments for capital expenditure contracted but not provided for in the financial statements.

Leasing commitments

At 31 March 2013 the Company had annual commitments under operating leases as follows:

	Land and buildings		Other	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Expiring within one year	3	-	-	-
Expiring between two and five years	-	3	-	-
Expiring after more than five years	-	-	-	-
	3	3	-	-

Financials

Guarantees

The Company has guaranteed the bank overdrafts of certain subsidiary undertakings. The net amount so guaranteed is £Nil (2012: £Nil). The Company is also a member of a VAT group, together with certain of the subsidiaries, and has guaranteed the total liability of the VAT Group at 31 March 2013 of £273,000 (2012: £539,000).

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of Ensor Holdings PLC will be held at Ellard House, Dallimore Road, Manchester M23 9NX on 22 July 2013, at 10 00 a m for the following purposes -

Ordinary Business

- 1 To receive and adopt the Reports of the Directors and Independent Auditors and the Financial Statements of the Company for the year ended 31 March 2013
- 2 To declare a final dividend for the year
- 3 To re-elect M A Chadwick as a director
- 4 To re-appoint the Independent Auditors, and to authorise the Directors to fix their remuneration

Special Business

- 5 To consider and, if thought fit, pass the following resolution as an Ordinary Resolution
 - a That for the purposes of Sections 549 and 551 of the Companies Act 2006 the directors be and hereby are generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities within the terms of the restrictions and provisions following, namely
 - i this authority shall (unless previously revoked, varied or renewed) expire on 22 July 2018
 - ii this authority shall be limited to the allotment of relevant securities comprised within the margin of the Company's authorised but unissued share capital at the date of the passing of this resolution
 - b That for the purpose of paragraph a) of this resolution
 - i the said authority shall allow and enable the directors to make an offer or agreement before the expiry of that authority which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired,
 - ii words or expressions defined in or for the purposes of Part 17 of the Companies Act 2006 shall bear the same meaning in this resolution
 - c That to the extent that it has not previously been exercised, the authority conferred upon the directors in accordance with Section 80 of the Companies Act 1985 by virtue of the resolution duly passed at the Annual General Meeting of the Company held on 5 August 2008 be and hereby is revoked
- 6 To consider and, if thought fit, pass the following resolution as a Special Resolution
That subject to and conditional upon the passing of Resolution 5
 - a the directors be and hereby are empowered pursuant to Sections 570 to 573 of the Companies Act 2006 to allot equity securities as if sub-section (1) of Section 561 of the Companies Act 2006 did not apply to any such allotment provided that
 - i the power hereby granted shall be limited
 - a to the allotment of equity securities in connection with or pursuant to an offer by way of rights to the holders of ordinary shares in the Company and other persons entitled to participate therein, in the proportion (as nearly as may be) to such holders' holding of such ordinary shares (or, as appropriate, to the numbers of shares which such other persons are for these purposes deemed to hold) subject only to such exclusions or other arrangements as the directors may feel necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body in any territory, and
 - b to the allotment (otherwise than pursuant to sub-paragraph (i)(a) of this proviso) of equity securities up to an aggregate nominal amount of £153,090,
 - ii the power hereby granted shall expire on 22 July 2018
 - b the said power shall enable and allow the directors to make an offer or agreement before the expiry of that power which would or might require equity securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired and words and expressions defined in or for the purposes of Part 17 of the Companies Act 2006 shall bear the same meaning in this resolution, to the extent that it has not previously been exercised, the authority conferred upon the directors in accordance with Section 95 of the Companies Act 1985 by virtue of the resolution duly passed at the Annual General Meeting of the Company held on 5 August 2008 be and hereby is revoked
- 7 To consider and, if thought fit, pass the following resolution as a Special Resolution
That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693 (4) of the Companies Act 2006) of ordinary shares of 10p each provided that
 - i the maximum number of ordinary shares hereby authorised to be acquired is 4,592,711 representing approximately 15 per cent of the total share capital of the Company in issue,
 - ii the minimum price which may be paid for any such shares is 10p,

- iii the maximum price which may be paid for any such shares is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share in the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased,
- iv the authority hereby conferred shall expire on the date 18 months from the date of this Annual General Meeting or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2014,
- v the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of such contract

By order of the Board

M A Chadwick
Secretary
14 June 2013

Ellard House
Dallimore Road
Manchester
M23 9NX

Notes to the Notice of Annual General Meeting

Entitlement to attend and vote

- 1 Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting

Appointment of proxies

- 2 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form
- 3 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them
- 4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390
- 5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting

Appointment of proxy using hard copy proxy form

- 6 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be

- completed and signed,
- sent or delivered to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232,
- alternatively, the completed proxy form can be scanned and emailed to proxies@shareregistrars.uk.com,
- and received by Share Registrars Limited no later than two working days prior to the Meeting

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form

Appointment of proxy by joint members

- 7 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior)

Notice of Annual General Meeting

continued

Changing proxy instructions

- 8 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions, any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

- 9 In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Share Registrars Limited no later than two working days prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

- 10 As at 14 June 2013, the Company's issued share capital comprised 30,618,074 ordinary shares of 10p each including 622,098 ordinary shares held in treasury. Each ordinary share carries the right to one vote at an Annual General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 14 June 2013 is 29,995,976.

Communications with the Company

- 11 Except as provided above, members who have general queries about the Meeting should telephone Marcus Chadwick on 0161 945 5953 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting, or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

There will be available for inspection at the Registered Office of the Company during normal business hours of any week day (Saturdays excepted) from the date of this Notice until the date of the Meeting and at the place of the Meeting for fifteen minutes prior to and during the Meeting -

- a The Register of Directors' Interests kept by the Company under Section 809 of the Companies Act 2006,
- b Copies of all Service Contracts for periods in excess of one year between the directors and the Company.

ENSOR HOLDINGS PLC

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