NEILL TOOLS LIMITED

Report and Financial Statements

30 September 2013

Registered No. 609353

DIRECTORS
I Archer
P J Dyson
H W Lim
James Neill Holdings Limited

SECRETARY
J M Dallman

AUDITOR
BDO LLP
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STRATEGIC REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS
The principal activity of the company throughout the year has been the procurement and sale of hacksaw blades, other engineers' cutting tools, pliers and other hand tools.

Up until 28 September 2012, the company also manufactured, designed and sold the Robert Sorby range of high quality woodturning, wood carving and woodworking tools. On that date, the company sold the assets and trade of its Robert Sorby division to Robert Sorby Limited, a fellow subsidiary undertaking, for approximately £4,733,000 representing the net book value of assets transferred.

The directors believe that the key risks facing the company include, without limitation:

- consumer and retail demand deteriorating amid a general economic slow down;
- current sales prices and product mixes not being maintained;
- the loss of key customers resulting in reduced revenues or significant bad debts;
- raw material, factored product, and utility prices increasing above current levels; and
- unfavourable exchange movements.

In managing the business the directors have established controls to enable them to respond to and mitigate the impact of such risks.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade and inter-company debtors and trade and inter-company creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risk
The company finances its operations through a mixture of retained profits, external trade accounts, inter-company accounts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities.

Liquidity risk
The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily, this is achieved through utilisation of a pooled banking arrangement within the UK subsidiaries of Spear & Jackson Limited and Bowers Group Limited, as well as the utilisation of short-term money market deposits. Short term flexibility is achieved by overdraft facilities.

Currency risk
The company is exposed to transaction and translation foreign exchange risk. Transaction exposures are hedged, when known.

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 30 September 2013.

RESULTS AND DIVIDEND

The operating loss for the year was £1,207,000 (2012 – profit of £961,000) after charging exceptional items of £226,000 (2012 - £nil). After charging interest and crediting taxation, the loss for the year was £1,041,000 (2012 – profit of £1,140,000). The directors do not recommend the payment of a dividend (2012 - £1,000,000 (£100.00 per ordinary share).

ULTIMATE PARENT UNDERTAKING

Neill Tools Limited is a wholly owned subsidiary undertaking of James Neill Holdings Limited. James Neill Holdings Limited is a wholly owned subsidiary of Spear & Jackson Limited.

The entire issued share capital of Spear & Jackson Limited is held by Spear & Jackson Group Limited, a company registered in the United Kingdom. The entire issued share capital of Spear & Jackson Group Limited is held by Pantene Global Holdings Limited ("PGH"), a company registered in Hong Kong.

Up until 30 May 2014, PGH was a subsidiary undertaking of United Pacific Industries Limited ("UPI"), the ultimate parent undertaking. UPI is a company incorporated in Bermuda and listed on the Hong Kong Stock Exchange. On that date, UPI sold its entire equity interest in PGH to Kings Victory Limited ("KVL"), a company incorporated in the British Virgin Islands ("BVI") with limited liability. KVL is a wholly owned subsidiary of Lion City Group, a privately-owned company incorporated in the BVI with limited liability. On 12 June 2014, Lion City Group changed its name to SNH Global Holdings Limited.

DIRECTORS

The directors of the company who served during the year and up to the date of signing this report were:

I Archer
P J Dyson
H W Lim (resigned 20 December 2012, re-appointed 5 February 2014)
James Neill Holdings Limited

G A Deacon (appointed 2 October 2013, resigned 17 April 2014)
M B Franckel (resigned 31 January 2014)
L J Wells (resigned 28 February 2013)

ADMINISTRATIVE ORGANISATION

Neill Tools Limited acts on behalf of Spear & Jackson UK Limited for the purpose of invoicing customers, collecting debts and paying creditors and expenses.

DIRECTORS' STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITOR

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 auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

AUDITOR

BDO LLP have expressed their willingness to continue in office and a resolution will be proposed to re-appoint them at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

J M Dallman
Secretary
24 June 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NEILL TOOLS LIMITED

We have audited the financial statements of Neill Tools Limited for the year ended 30 September 2013 which comprise the profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member 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 member, 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 Financial Reporting Council's (FRC'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 FRC'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 company's affairs as at 30 September 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic reports and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NEILL TOOLS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Paul Davies (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom
25 June 2014

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

PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2013

	Notes	*2013* *£000*	*2012* *£000*
TURNOVER – continuing		9,598	9,996
TURNOVER - discontinued		-	2,466
	3	9,598	12,462
NET OPERATING COSTS	4	(10,805)	(13,423)
OPERATING (LOSS) – continuing	4	(1,207)	(1,082)
OPERATING PROFIT - discontinued	4	-	121
Income from shares in group undertakings	7	-	2,000
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(1,207)	1,039
Interest receivable		38	19
Interest payable	8	(110)	(97)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,279)	961
Taxation on (loss)/profit on ordinary activities	9	238	179
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	19	(1,041)	1,140

The accompanying accounting policies and notes form an integral part of this profit and loss account.

There are no recognised losses or gains other than the profit for the financial year as set out above.

BALANCE SHEET
at 30 September 2013

	Notes	*2013* *£000*	*2012* *£000*
FIXED ASSETS			
Tangible assets	11	21	27
Investments	12	1,921	1,921
		1,942	1,948
CURRENT ASSETS			
Stock	13	1,939	2,010
Debtors	14	13,564	12,432
Cash at bank and in hand		7	6
		15,510	14,448
CREDITORS: amounts falling due within one year	15	17,914	15,817
NET CURRENT LIABILITIES		(2,404)	(1,369)
TOTAL ASSETS LESS CURRENT LIABILITIES		(462)	579
NET LIABILITIES		(462)	579
CAPITAL AND RESERVES			
Called up share capital (£100)	18	-	-
Profit and loss account	19	(462)	579
SHAREHOLDER'S FUNDS DEFICIT	20	(462)	579

The accompanying accounting policies and notes form an integral part of this balance sheet.

The financial statements of Neill Tools Limited, registered number 609353, were approved by the board of directors and authorised for issue on 24 June 2014. They were signed on its behalf by:

P J Dyson

Director

NOTES TO THE FINANCIAL STATEMENTS
at 30 September 2013

1 FUNDAMENTAL ACCOUNTING CONCEPT

The accounts are prepared on the going concern basis as the company's immediate parent undertaking has agreed that it will continue to provide financial support to this company to enable it to meet its liabilities as they fall due.

2 ACCOUNTING POLICIES

Basis of Preparation
The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

At 30 September 2013, the company was a 100% subsidiary of United Pacific Industries Limited ("UPI"), a company incorporated in Bermuda and listed on the Hong Kong stock exchange. UPI prepares its financial statements in accordance with Hong Kong International Financial Reporting Standards ("HK IFRS"). The requirements of HK IFRS are equivalent to those of international financial reporting standards and, as such, the company is entitled to the exemption from the requirement to prepare consolidated financial statements provided under Section 401 of the Companies Act 2006. These accounts therefore contain information about Neill Tools Limited as an individual company, and not about its group.

On 28 September 2012, the company sold the assets and trade of its Robert Sorby division to Robert Sorby Limited, a fellow subsidiary undertaking. As a result, the operations of the Robert Sorby division (the manufacture, design and sale of high-quality, speciality woodturning, wood carving and woodworking tools) have been classified as discontinued in the prior year (note 3).

Depreciation
Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value of each asset, over its expected useful life, as follows:
Plant and machinery - over 1 to 15 years

Impairment
Fixed assets are subject to review for impairment in accordance with Financial Reporting Standard ("FRS") 11 "Impairment of Fixed Assets and Goodwill". Any impairment is recognised in the profit and loss account in the year in which it occurs.

Investments in subsidiary undertakings
Investments in subsidiary undertakings are stated at cost of acquisition less amounts written off.

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials and consumables	-	purchase cost on a first-in first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving, or defective items where appropriate.

2 **ACCOUNTING POLICES (Continued)**

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves.

Leasing commitments
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred taxation
In accordance with FRS 19, provision for deferred taxation is made in full on all timing differences that have originated, but not reversed, at the balance sheet date. Deferred tax assets are regarded as recoverable, and therefore recognised, only when it is regarded as more likely than not that there will be sufficient future taxable profits from which the reversal of the underlying timing differences can be deducted.

Deferred taxation is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred taxation is measured on a non-discounted basis.

Advance corporation tax, which is expected to be recoverable in the future, is deducted from the deferred taxation balance.

Pensions
The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. In addition, certain senior employees are members of a defined benefit scheme administered by a fellow subsidiary undertaking of the company, James Neill Holdings Limited. The amount charged to the profit and loss account represents employer contributions paid in the year unless actuarial estimates for the provision of pension benefits in the year less an allowance for interest on the scheme prepayment is materially different.

Financial instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Cash flow statement
The directors have taken advantage of the exemption in FRS 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that, at 30 September 2013, the company was wholly owned and its ultimate Hong Kong parent published a consolidated cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS
at 30 September 2013

3 TURNOVER

Turnover, stated net of value added tax, represents amounts derived from the provision of hacksaw blades, other engineers' cutting tools, pliers and other hand tools.

Discontinued operations comprise the operations of the Robert Sorby division (manufacture, design and sale of high-quality, specialty woodturning, wood carving and woodworking tools) which were sold to a fellow subsidiary undertaking, Robert Sorby Limited on 28 September 2012.

An analysis of turnover by geographical market is given below:

	2013 Total £000	*2012 Continuing £000*	*2012 Discontinued £000*	*2012 Total £000*
United Kingdom	2,308	2,453	994	3,447
Other EC Countries	530	510	416	926
Africa	783	1,087	6	1,093
Australasia	260	304	66	370
North and South America	730	982	921	1,903
Middle East and Asia	4,987	4,660	63	4,723
	9,598	9,996	2,466	12,462

NOTES TO THE FINANCIAL STATEMENTS
at 30 September 2013

4 OPERATING LOSS

(a) Operating loss before exceptional items comprises:

	2013 Total £000	*2012 Continuing £000*	*2012 Discontinued £000*	*2012 Total £000*
Turnover	9,598	9,996	2,466	12,462
Other operating income	286	356	-	356
	9,884	10,352	2,466	12,818
Raw materials and consumables	6,539	6,582	377	6,959
Change in stocks of finished goods and work in progress	119	(122)	468	346
Staff costs (note 6)	2,778	3,176	829	4,005
Depreciation	18	19	10	29
Fees payable to the company's auditor:				
- audit services	20	21	2	23
- non-audit services	5	5	-	5
Operating lease rentals:				
- plant and machinery	102	121	29	150
- land and buildings	235	235	30	265
Other external charges	8	47	83	130
Other operating charges	1,041	1,350	517	1,867
	10,865	11,434	2,345	13,779
Operating loss before exceptional items	(981)	(1,082)	121	(961)

(b) Exceptional items charged to operating (loss)/profit:

Company reorganisation costs	226	-	-	-
Exceptional items	(226)	-	-	-
Total operating loss	(1,207)	(1,082)	121	(961)

Net operating costs are analysed as:

Other external charges	6,742	6,533	989	7,522
Staff costs	2,778	3,176	829	4,005
Depreciation	18	19	10	29
Other operating charges	1,041	1,350	517	1,867
Exceptional items	226	-	-	-
	10,805	11,078	2,345	13,423

5 DIRECTORS' REMUNERATION

	2013	*2012*
	£000	*£000*
Emoluments	261	358

The emoluments of the highest paid director were:

Highest paid director	172	106

Accrued pension benefits of the highest paid director under the defined benefit pension scheme were £1,000 (2012 - £1,000).

	2013	*2012*
	No.	*No.*
Members of a defined benefit pension scheme	2	2

6 STAFF COSTS

	2013	*2012*
	£000	*£000*
Wages and salaries	2,199	3,134
Social security costs	194	281
Other pension costs	385	590
	2,778	4,005

The average number of employees (including directors) during the year was as follows:

	2013	*2012*
	No.	*No.*
Manufacturing and distribution	24	29
Office and management	59	64
	83	93

7 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2013	*2012*
	£000	*£000*
Dividends receivable	-	2,000

NOTES TO THE FINANCIAL STATEMENTS
at 30 September 2013

8 INTEREST PAYABLE

	2013	*2012*
	£000	*£000*
Bank interest	110	97

9 TAXATION

The taxation credit arising on the loss on ordinary activities comprises the following:

	2013	*2012*
	£000	*£000*
Current taxation:		
Group relief receivable in respect of the year	364	370
	364	370
Deferred taxation:		
Origination and reversal of timing differences	(53)	(118)
Adjustment in respect of prior periods	(20)	(40)
Effect of change in taxation rate	(53)	(33)
	(126)	(191)
	238	179

The effective rate of current taxation assessed on the (loss)/profit for the year differs from the standard rate of corporation tax in the UK. The differences are as follows:

	2013	*2012*
	£000	*£000*
Tax on (loss)/profit on ordinary activities before taxation at the UK statutory rate of 23% (2012 - 25%)	(294)	240
Permanently disallowed items	4	5
Group relief surrendered for which no payment will be received	-	2
Excess of capital allowances over qualifying depreciation	(57)	(88)
Release of general provisions	(20)	(32)
Non-taxable income	-	(500)
Other timing differences	3	3
Current taxation credit as reported	(364)	(370)

10 DIVIDENDS ON EQUITY SHARES

Amounts recognised as distributions to equity holders in the period:

	2013	*2012*
	£000	*£000*
Final dividend for the year ended 30 September 2013 of £nil (2012: £100) per ordinary share	-	1,000

On 28 September 2012, the Company paid a dividend of £1,000,000 (£100 per ordinary share) to its immediate parent undertaking, James Neill Holdings Limited.

11 TANGIBLE FIXED ASSETS

	Plant, Machinery and Equipment
	£000
Cost	
At 1 October 2012	653
Additions	12
At 30 September 2013	665
Depreciation	
At 1 October 2011	626
Charge for the year	18
At 30 September 2012	644
Net book value	
At 30 September 2013	21
At 30 September 2012	27

12 INVESTMENTS

	£000
Cost	
At 1 October 2012 and 30 September 2013	1,921

In August 2010, the company formed Eclipse Tools Manufacturing Company Limited, ("ETM") a company registered in China in which Neill Tools Limited has a 100% equity interest. The total registered capital of ETM is US$3,000,000. At 30 September 2012, the company had contributed the full US$3,000,000, £1,921,000 (2011 – US$3,000,000, £1,921,000). The principal activity of ETM is the manufacture of hacksaw blades.

13 STOCKS

	2013 £000	2012 £000
Raw materials and consumables	75	90
Finished goods	1,864	1,920
	1,939	2,010

14 DEBTORS

	2013 £000	2012 £000
Amounts falling due within one year:		
Trade debtors	4,164	4,277
Amounts due from group undertakings	1,026	584
Amounts due from subsidiary undertakings	1,618	1,611
Amounts due from fellow subsidiary undertakings	6,470	5,498
Deferred taxation assets (note 16)	62	91
Other debtors	31	81
	13,371	12,142
Deferred taxation assets (note 16)	193	290
	13,564	12,432

15 CREDITORS: amounts falling due within one year

	2013	*2012*
	£000	*£000*
Bank overdrafts	2,844	3,292
Bank borrowings	1,403	961
Trade creditors	1,701	1,638
Amounts owed to parent undertaking	5,704	3,780
Amounts owed to fellow subsidiary undertakings	4,157	4,541
Other taxes and social security	673	636
Accruals and deferred income	1,432	969
	17,914	15,817

Bank borrowings of £1,403,000 (2012 - £961,000) comprise amounts drawn down on a confidential invoice discounting facility secured by certain of the company's trade receivables. Refer to note 22 for further details.

16 DEFERRED TAXATION

Deferred taxation is included in the balance sheet as follows:

	2013	*2012*
	£000	*£000*
Debtors receivable within one year (note 14)	62	91
Debtors receivable after one year (note 14)	193	290
	255	381

The following is the movement on the deferred taxation asset during the current and prior year:

	Depreciation in advance of capital allowances	*Other timing differences relating to provisions*	*Total*
	£000	*£000*	*£000*
At 1 October 2011	540	32	572
Taxation charge in the year (note 9)	(201)	10	(191)
At 30 September 2012	339	42	381
Taxation charge in the year (note 9)	(103)	(23)	(126)
At 30 September 2013	236	19	255

16 DEFERRED TAXATION (continued)

The Company has £2,507,000 trading losses available for utilisation in future periods (2012 - £2,507,000). Mastercraft Tools Limited and James Neill (One) Limited, whose trades were transferred to the Company on 1 October 1991, have taxation losses amounting in total to approximately £6,162,000 (2012 - £6,162,000) which are available for offset against future taxable profits arising in their respective trades. None of these losses have been recognised in the accounts, as there is insufficient evidence that the deferred taxation assets will be recoverable within the meaning of FRS 19 "Deferred Taxation".

Additionally, the Company has advance corporation tax of £2,724,000 (2012 - £2,724,000) available for offset against future taxation liabilities for which no recognition has been made in these financial statements.

17 SALE OF ASSETS AND TRADE

On 28 September 2012, the company sold the assets and trade of the Robert Sorby division to Robert Sorby Limited, a fellow subsidiary undertaking for approximately £4,733,000, representing the net book value of the assets transferred. The consideration was satisfied by way of inter-company trading account.

The analysis of the assets and liabilities acquired is as follows:

	£000	*£000*
Fixed assets	22	
Stocks	809	
Trade debtors	339	
Amounts due from fellow subsidiary undertakings	2,447	
Other debtors	17	
Cash at bank and in hand	1,338	
Trade creditors	(214)	
Other taxes and social security	(11)	
Accruals and deferred income	(14)	
		4,733
Sales consideration		(4,733)
Net result on sale		-

18 SHARE CAPITAL

			Allotted, called up and fully paid	
	2013	*2012*	*2013*	*2012*
	No.	*No.*	*£000*	*£000*
Ordinary shares of £1 each	100	100	-	-

19 RESERVES

	Profit and Loss account £000
At 1 October 2012	579
Loss for the financial year	(1,041)
At 30 September 2013	(462)

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013 £000	*2012 £000*
(Loss)/profit for the financial year	(1,041)	1,140
Dividends paid (note 10)	-	(1,000)
Capital reduction:		
Share capital	-	(25,597)
Profit and loss account	-	25,597
Shareholder's funds at 1 October 2012	579	439
Shareholder's funds at 30 September 2013	(462)	579

On 20 September 2012, the Company undertook a capital reduction whereby 25,596,753 Ordinary Shares of £1 each were cancelled.

21 OTHER FINANCIAL COMMITMENTS

At 30 September 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	Plant, Machinery and Motor Vehicles	
	2013 £000	*2012 £000*
Operating leases which expire:		
Within one year	26	31
In two to five years	45	93
	71	124

22 CONTINGENT LIABILITIES

Bank facilities
The bank overdrafts and bank borrowings of Neill Tools Limited, together with those of Bowers Group Limited and Spear & Jackson Limited and their UK subsidiary undertakings ("the group") have been secured by a mortgage debenture with the HSBC Bank plc, incorporating a fixed first charge on certain of the group's freehold land and buildings, a charge on certain trade receivables of the UK trading subsidiaries and a fixed and floating charge over the group's remaining undertakings and assets.

The group's UK bank borrowings with the HSBC Bank plc form a pooled fund. As part of this arrangement, the company has entered into a cross guarantee with the HSBC Bank plc to guarantee any bank overdrafts and bank borrowings of other undertakings within the group. At 30 September 2013 the extent of this guarantee was £25,206,000 (2012 - £24,477,000). The net pooled borrowings position at 30 September 2013 was £924,000 (2012 - £542,000).

23 ULTIMATE PARENT UNDERTAKING

Up until 30 May 2014, the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is United Pacific Industries Limited ("UPI"), a company registered in Bermuda and listed on the Hong Kong Stock Exchange.

On that date, UPI sold the entire issued share capital of Pantene Global Holdings Limited to Kings Victory Limited ("KVL"), a company incorporated in the British Virgin Islands ("BVI") with limited liability. KVL is a wholly owned subsidiary of Lion City Group, a privately-owned company incorporated in the BVI. On 12 June 2014, Lion City Group changed its name to SNH Global Holdings Limited.

24 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8, "Related Party Disclosures", not to disclose transactions with other wholly owned subsidiaries of the group headed by United Pacific Industries Limited.

25 DERIVATIVES

The fair value of derivatives held by the company at the year end, not recognised in the financial statements is set out below:

	2013	*2012*
	£000	*£000*
Forward exchange contracts – (liability)	-	(92)

26 PENSIONS

The company is a member of a group pension plan ("the Plan") operated by James Neill Holdings Limited ("JNH"). The Plan is a defined benefit scheme based on final salaries, the assets of which are held in trustee administered funds separate from those of the group. The Plan is not open to new members.

The company is unable to identify its share of the underlying assets and the liabilities of the Plan on a consistent and reasonable basis for the purpose of FRS 17, 'Retirement Benefits', as it participates in the Plan with other group companies. Each participating employer is exposed to actuarial risks associated with the current and former employees of the other employers who are members of the scheme. As the company's share of the underlying assets and liabilities of the Plan cannot be reliably identified, the pension cost to the company under FRS 17 is therefore shown as the contributions paid to the scheme by the company in the year.

The latest formal actuarial valuation of the Plan was carried out at 5 April 2013 by JLT, the actuarial advisors to the Plan. Negotiations are continuing between the company and the Trustees of the Plan to agree the valuation. The draft 2013 valuation has been updated to 30 September 2013, by KPMG LLP, the company's actuarial advisors, for the purposes of these financial statements.

The annual contributions for the year ended 30 September 2013 amounted to £1.5 million (2012 - £1.0 million).

In accordance with the current Schedule of Contributions, from 1 April 2013, the annual rate of contributions will be £2.1 million and this will increase each year at a rate of 4.2% for the remainder of the recovery period, currently estimated to be 17 years. These contributions are based on the triennial valuation at 5 April 2010. The latest triennial valuation at 5 April 2013 is still to be finalised but shows an increased deficit which will require the agreement of a revised contribution schedule incorporating increased annual pension contributions.

The revised schedule will be also be subject to UK pension regulatory approval, and may be liable to revision and amendments in future periods dependent on fluctuations, both favourable and adverse, in the actuarially determined value of the Plan investments and liabilities and the financial strengths and cash flow requirements of the Plan's sponsoring employers.

Additionally, a second legal charge has been executed in favour of the Plan, representing 50% of the value of the Spear & Jackson group's freehold land and buildings at Atlas Way, Sheffield.

Furthermore, in connection with the renegotiation of the employer's contribution scheme relating to the annual payments to be made by the participating employers of the Plan, guarantees have been provided by Spear & Jackson Limited and Bowers Group Limited to secure certain obligations ("the guaranteed obligations") relating to the Plan in the event of a contribution default by any of the participating companies or in certain other circumstances.

The guaranteed obligations means all present and future obligations (actual or contingent) of each participating employer to make payments to the Plan up to a maximum amount equal to the lowest non-negative amount which, when added to the assets of the Plan, would result in the Plan being at least 105% funded on the date on which any liability under the guarantee crystallised based on an actuarial valuation of the Plan carried out on that date.

The pension charge attributable to the annual contributions payable by the Company to the Plan amounted to £375,000 (2012 - £590,000).

26 PENSIONS (continued)

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

	At 30 September 2013	*At 30 September 2012*
	%	%
Discount rate for assessing plan liabilities	4.60	4.30
Rate of increase in salaries	0.00	0.00
Rate of increases in inflation-linked deferred pensions	3.40	2.40
Rate of increase for pensions in payment		
- Pre 88 GMPs	0.00	0.00
- Post 88 GMPs	2.20	1.60
- Excess Over GMP (Fixed 5% increases)	5.00	5.00
- Excess over GMP (increase in line with LPI)	3.30	2.40
RPI Inflation Rate Assumption	3.40	2.40
CPI Inflation Rate Assumption	2.40	1.70
Number of years a current pensioner is expected to live beyond 65:		
- Men	19.2	18.4
- Women	21.6	20.7
Number of years a current pensioner is expected to live beyond 70:		
- Men	14.2	13.4
- Women	16.6	15.7

Following changes to the applicable legislation, inflationary increases applied to the value of deferred members' pension liabilities have been calculated using CPI rather than RPI.

	Long-term rate of return expected at 30 September 2013	*Long-term rate of return expected at 30 September 2012*
	%	%
Equities	7.85	6.95
Bonds	4.60	4.30
Property	4.60	4.30
Absolute credit fund	6.85	5.95
Cash	0.50	0.50
Insurance policies	4.60	4.30

The expected return on assets assumption has been derived by considering the appropriate return for each of the main asset classes. The yields assumed on bond type investments are based on published redemption yields at the balance sheet date. The assumed return on equities reflects an assumed allowance for the out-performance of these asset classes over UK Government bonds in the long-term. The rates of return are shown net of investment manager expenses.

NOTES TO THE FINANCIAL STATEMENTS
at 30 September 2013

26 PENSIONS (continued)

The fair value of the assets held by the Plan as at 30 September 2013 and 2012, together with the liabilities at those dates calculated on the above bases, are as follows:

	Fair Value at 30 September 2013 *£000*	*Fair Value at 30 September 2012* *£000*
Total market value of Plan assets	109,058	103,896
Present value of Plan liabilities	(122,694)	(121,405)
Deficit in the Plan	(13,636)	(17,509)
Related deferred tax asset	2,727	4,027
Net pension liability	(10,909)	(13,482)