Registered No. 609353

NEILL TOOLS LIMITED

Report and Financial Statements

30 September 2014

Registered No. 609353

DIRECTORS
I Archer
H W Lim
A Shone
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.

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, asset-backed lending facilities and a term-loan within Spear & Jackson Group Limited and its UK subsidiary undertakings.

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 2014.

RESULTS AND DIVIDEND
The operating loss for the year was £561,000 (2013 – loss of £1,207,000) after charging exceptional items of £nil (2013 - £226,000). After charging interest and crediting taxation, the loss for the year was £540,000 (2013 – loss of £1,041,000). The directors do not recommend the payment of a dividend (2013 - £nil).

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, the ultimate parent undertaking was United Pacific Industries Limited ("UPI"), 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
H W Lim (appointed 5 February 2014)
A Shone (appointed 31 March 2015)
James Neill Holdings Limited

G A Deacon (appointed 2 October 2013, resigned 17 April 2014)
P J Dyson (resigned 31 March 2015)
M B Franckel (resigned 31 January 2014)

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 2015

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 2014 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 2014 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 report 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

29 June 2015

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 2014

	Notes	*2014* *£000*	*2013* *£000*
TURNOVER	3	7,682	9,598
NET OPERATING COSTS	4	(8,243)	(10,805)
OPERATING LOSS	4	(561)	(1,207)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(561)	(1,207)
Interest receivable		32	38
Interest payable	7	(101)	(110)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(630)	(1,279)
Taxation on loss on ordinary activities	8	90	238
LOSS FOR THE FINANCIAL YEAR	16	(540)	(1,041)

All the above activities relate to continuing operations.

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 loss for the financial year as set out above.

BALANCE SHEET
at 30 September 2014

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Tangible assets	9	12	21
Investments	10	1,921	1,921
		1,933	1,942
CURRENT ASSETS			
Stock	11	1,613	1,939
Debtors	12	14,261	13,564
Cash at bank and in hand		2	7
		15,876	15,510
CREDITORS: *amounts falling due within one year*	13	18,811	17,914
NET CURRENT LIABILITIES		(2,935)	(2,404)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,002)	(462)
NET LIABILITIES		(1,002)	(462)
CAPITAL AND RESERVES			
Called up share capital (£100)	15	-	-
Profit and loss account	16	(1,002)	(462)
SHAREHOLDER'S FUNDS DEFICIT	17	(1,002)	(462)

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 2015. They were signed on its behalf by:

Alaina Shone

A Shone

Director

NOTES TO THE FINANCIAL STATEMENTS
at 30 September 2014

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.

As at 30 September 2014, the company was a 100% subsidiary of Spear & Jackson Group Limited, a company incorporated in the United Kingdom. Spear & Jackson Group Limited prepares its financial statements in accordance with International Financial Reporting Standards and, as such, the company is entitled to the exemption from the requirement to prepare consolidated financial statements provided under the 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.

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 2014, the company was wholly owned and its ultimate United Kingdom parent published a consolidated cash flow statement.

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.

An analysis of turnover by geographical market is given below:

	2014	*2013*
	£000	*£000*
United Kingdom	2,609	2,308
Other EC Countries	546	530
Africa	732	783
Australasia	173	260
North and South America	590	730
Middle East and Asia	3,032	4,987
	7,682	9,598

4 OPERATING LOSS

(a) Operating loss before exceptional items comprises:

	2014	*2013*
	£000	*£000*
Turnover	7,682	9,598
Other operating income	218	286
	7,900	9,884
Raw materials and consumables	4,941	6,539
Change in stocks of finished goods and work in progress	301	119
Staff costs (note 6)	2,457	2,778
Depreciation	21	18
Fees payable to the company's auditor: - audit services	17	20
- non-audit services	4	5
Operating lease rentals: - plant and machinery	79	102
- land and buildings	182	235
Other external charges	1	8
Other operating charges	458	1,041
	8,461	10,865
Operating loss before exceptional items	(561)	(981)

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

Company reorganisation costs	-	226
Exceptional items	-	(226)
Total operating loss	(561)	(1,207)

4 OPERATING LOSS (continued)

Net operating costs are analysed as:

	2014 £000	2013 £000
Other external charges	5,307	6,742
Staff costs	2,457	2,778
Depreciation	21	18
Other operating charges	458	1,041
Exceptional items	-	226
	8,243	10,805

5 DIRECTORS' REMUNERATION

	2014 £000	2013 £000
Emoluments (excluding pension contributions)	108	261
Company contributions to defined contribution pension scheme	2	-
	110	261

	2014 No.	2013 No.
Members of a defined benefit pension scheme	1	2

The amount payable to the highest paid director was £67,000 (2013 - £172,000). Accrued pension benefits of the highest paid director under the defined benefit pension scheme were £1,000 (2013 - £1,000).

On 28 March 2014 certain directors transferred their contracts of employment from the company to Spear & Jackson Limited, a parent undertaking (note 20). Emoluments of £39,000 have been included within the staff costs of Spear & Jackson Limited in relation to these individuals. Of this, £39,000 relates to the highest paid director.

6 STAFF COSTS

	2014 £000	2013 £000
Wages and salaries	1,705	2,199
Social security costs	142	194
Other pension costs	610	385
	2,457	2,778

6 STAFF COSTS (continued)

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

	2014	*2013*
	No.	*No.*
Manufacturing and distribution	16	24
Office and management	27	59
	43	83

7 INTEREST PAYABLE

	2014	*2013*
	£000	*£000*
Bank interest	101	110

8 TAXATION

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

	2014	*2013*
	£000	*£000*
Current taxation:		
Group relief receivable in respect of the year	123	364
	123	364
Deferred taxation:		
Origination and reversal of timing differences	(39)	(53)
Adjustment in respect of prior periods	6	(20)
Effect of change in taxation rate	-	(53)
	(33)	(126)
	90	238

8 TAXATION (continued)

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

	2014	*2013*
	£000	*£000*
Tax on loss on ordinary activities before taxation at the UK statutory rate of 22% (2013 - 23%)	(139)	(294)
Permanently disallowed items	2	4
Group relief surrendered for which no payment will be received	56	-
Excess of capital allowances over qualifying depreciation	(46)	(57)
Release of general provisions	-	(20)
Other timing differences	4	3
Current taxation credit as reported	123	(364)

9 TANGIBLE FIXED ASSETS

	Plant, Machinery and Equipment
	£000
Cost	
At 1 October 2013	665
Additions	12
At 30 September 2014	677
Depreciation	
At 1 October 2013	644
Charge for the year	21
At 30 September 2014	665
Net book value	
At 30 September 2014	12
At 30 September 2013	21

NOTES TO THE FINANCIAL STATEMENTS
at 30 September 2014

10 INVESTMENTS

	£000
Cost	
At 1 October 2013 and 30 September 2014	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 2014, the company had contributed the full US$3,000,000, £1,921,000 (2013 – US$3,000,000, £1,921,000). The principal activity of ETM is the manufacture of hacksaw blades.

11 STOCKS

	2014 £000	2013 £000
Raw materials and consumables	77	75
Finished goods	1,536	1,864
	1,613	1,939

12 DEBTORS

	2014 £000	2013 £000
Amounts falling due within one year:		
Trade debtors	4,746	4,164
Amounts due from group undertakings	450	1,026
Amounts due from subsidiary undertakings	1,429	1,618
Amounts due from fellow subsidiary undertakings	6,319	6,470
Amounts due from parent undertakings	1,036	-
Deferred taxation assets (note 14)	49	62
Other debtors	59	31
	14,088	13,371
Deferred taxation assets (note 14)	173	193
	14,261	13,564

13 CREDITORS: amounts falling due within one year

	2014	*2013*
	£000	*£000*
Bank overdrafts	2,126	2,844
Bank borrowings	4,850	1,403
Trade creditors	1,796	1,701
Amounts owed to parent undertaking	4,659	5,704
Amounts owed to fellow subsidiary undertakings	3,314	4,157
Other taxes and social security	771	673
Accruals and deferred income	1,295	1,432
	18,811	17,914

Bank borrowings of £4,850,000 (2013 - £1,403,000) comprise amounts drawn down under asset-backed lending facilities secured by certain of the company's trade receivables and inventory. Refer to note 19 for further details.

14 DEFERRED TAXATION

Deferred taxation is included in the balance sheet as follows:

	2014	*2013*
	£000	*£000*
Debtors receivable within one year (note 12)	49	62
Debtors receivable after one year (note 12)	173	193
	222	255

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 2012	339	42	381
Taxation charge in the year (note 8)	(103)	(23)	(126)
At 30 September 2013	236	19	255
Taxation charge in the year (note 8)	(30)	(3)	(33)
At 30 September 2014	206	16	222

14 DEFERRED TAXATION (continued)

The Company has £2,507,000 trading losses available for utilisation in future periods (2013 - £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 (2013 - £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 (2013 - £2,724,000) available for offset against future taxation liabilities for which no recognition has been made in these financial statements.

15 SHARE CAPITAL

			Allotted, called up and fully paid	
	2014	*2013*	*2014*	*2013*
	No.	*No.*	*£000*	*£000*
Ordinary shares of £1 each	100	100	-	-

16 RESERVES

	Profit and Loss account
	£000
At 1 October 2013	(462)
Loss for the financial year	(540)
At 30 September 2014	(1,002)

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014	*2013*
	£000	*£000*
(Loss) for the financial year	(540)	(1,041)
Shareholder's funds at 1 October	(462)	579
Shareholder's funds at 30 September	(1,002)	(462)

18 OTHER FINANCIAL COMMITMENTS

At 30 September 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	Plant, Machinery and Motor Vehicles	
	2014	*2013*
	£000	*£000*
Operating leases which expire:		
Within one year	5	26
In two to five years	35	45
	40	71

19 CONTINGENT LIABILITIES

Pledge of assets

At the reporting date, the banking facilities of the UK subsidiaries of Spear & Jackson Group Limited (the "UK Group") with the HSBC Bank plc comprise asset-backed lending facilities (confidential invoice discounting and inventory borrowing line) and a term loan.

The asset-backed lending facilities are secured on certain trade receivables and inventories in the UK trading operations of the UK Group.

The term loan was a new facility negotiated in May 2014. The amount drawn down on that term loan at 30 September 2014 is £1,933,000 and is secured by fixed and floating charges on the assets and undertakings of the UK Group and its trading subsidiaries, by a first fixed charge on the Group's freehold properties in the United Kingdom and certain cross-guarantees from UK and non-UK subsidiaries of the SNH Global Holdings group of companies.

Additionally, the UK Group's net cash balances with the HSBC form a pooled fund. As part of this arrangement, the company has entered into a cross guarantee to guarantee any bank borrowings within that pooled fund. At 30 September 2014 the extent of this guarantee was £36,457,000 (2013 - £28,200,000). The net pooled cash position at 30 September 2014 was £109,000.

Prior to May 2014, in addition to asset-backed lending facilities, the UK Group also had an overdraft facility secured by fixed and floating charges on the assets and undertakings of the UK Group. The net pooled borrowings position at 30 September 2013 was £924,000.

Refer to note 22 in respect of the security and guarantees that are in place in relation to the James Neill Pension Plan.

Other

The Company is, from time to time, subject to legal proceedings and claims arising from the conduct of its business operations, including litigation related to personal injury claims, customer contract matters, employment claims and environmental matters.

While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities, including lawsuits, the directors of the Company believe that the aggregate amount of such liabilities, if any, in excess of amounts accrued, will not have a material adverse effect on the consolidated financial position or results of operations of the Company.

20 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of James Neill Holdings Limited, a wholly owned subsidiary undertaking 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, a company registered in Hong Kong and up until 30th May 2014, 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 30th May 2014, UPI sold its entire equity interest in Pantene Global Holdings Limited to Kings Victory Limited, a company incorporated in the British Virgin Islands with limited liability. Kings Victory Limited is a wholly owned subsidiary of SNH Global Holdings Limited, a privately-owned company incorporated in the British Virgin Islands with limited liability.

For the year ended 30th September 2014, the parent undertaking of the largest and smallest group of undertakings, for which group accounts are drawn up, which are publically available, and of which the Company is a member, is Spear & Jackson Group Limited.

21 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 Spear & Jackson Group Limited.

22 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 Spear & Jackson Group Limited, the Company's ultimate United Kingdom parent, and its subsidiaries ("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 30 April 2013 by JLT, the actuarial advisors to the Plan at that date. This 2013 valuation has been updated to 30 September 2014, by KPMG LLP, the Group's actuarial advisors, for the purposes of these financial statements.

The annual contributions for the year ended 30 September 2014 amounted to £2.3 million (2013 - £1.5 million).

Following the finalisation of the 2013 actuarial valuation, a long-term funding plan was agreed between the Plan and the Group which provided for a fixed annual contribution of £2.8 million which commenced from 1 June 2014 and extends to 31 May 2034.

22 PENSIONS (continued)

This contribution is based on the recovery of a deficit of £54.1 million as indicated by the triennial valuation at 5 April 2013 adjusted for post-valuation movements in assets and liabilities up to 30 April 2014. In addition to recovering the deficit, the annual fixed contributions also cover the funding of the annual ongoing accrual and the annual Pension Protection Fund Levy which will be borne directly by the Plan.

This revised contribution schedule is currently subject to UK Pension Regulatory approval.

In addition to cash contributions made to the Plan, a second legal charge has been executed in favour of the Plan representing 50% of the value of the Group's freehold land and buildings at Atlas Way, Sheffield, England.

Furthermore, in connection with the renegotiation of the employer's contribution schedule, guarantees have been provided by Spear & Jackson Limited and Bowers Group Limited, UK subsidiaries of the Group, to secure certain obligations ("the guaranteed obligations") relative to the Plan in the event of a contribution default by any of the participating companies or in certain other circumstances.

The guaranteed obligations represent all present and future obligations (actual or contingent) of each participating employer to make payments to the Plan up to a maximum amount that is 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.

In addition, as a consequence of the additional bank leverage resulting from the acquisition of the Spear & Jackson Group of companies by SNH Global Holdings Limited, the resultant detriment to the strength of the employer covenant provided to the Plan has been mitigated by the provision of guarantees by Bowers Metrology Limited ("Bowers") and Pantene Industrial Co., Limited ("Pantene"), fellow subsidiary undertakings of the Company. These guarantees total £6.1 million of which £3.4 million has been provided by Bowers and £2.7 million by Pantene.

The Pantene guarantee reduces on a £ for £ basis in line with the reduction in UK borrowings between 30 April 2014 (as adjusted by the additional debt assumed at 30 May 2014) and each annual anniversary thereon. The guarantee is removed when those adjusted UK bank borrowings have been reduced by £2.7 million. The Bowers guarantee is discharged on the earlier of a payment of £3.4 million being made directly to the Plan, in addition to the annual fixed contribution, sourced by external shareholder funding or the date on which UK borrowings are equal to or lower than the unadjusted UK bank borrowings at 30 April 2014.

While the Pantene guarantee remains in place, Pantene has provided a negative pledge whereby it will not do or cause anything to be done which materially impairs its ability to undertake its obligations under the guarantee.

The pension charge attributable to the annual contributions payable by the Company to the Plan amounted to £607,000 (2013 - £375,000).

22 PENSIONS (continued)

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

	At 30 September 2014	*At 30 September 2013*
	%	%
Discount rate for assessing plan liabilities	4.05	4.60
Rate of increase in salaries	0.00	0.00
Rate of increases in inflation-linked deferred pensions	3.20	3.40
Rate of increase for pensions in payment		
- Pre 88 GMPs	0.00	0.00
- Post 88 GMPs	2.00	2.20
- Excess Over GMP (Fixed 5% increases)	5.00	5.00
- Excess over GMP (increase in line with LPI)	3.20	3.30
RPI Inflation Rate Assumption	3.20	3.40
CPI Inflation Rate Assumption	2.20	2.40
Number of years a current pensioner is expected to live beyond 65:		
- Men	21.5	19.2
- Women	23.7	21.6
Number of years a current pensioner is expected to live beyond 70:		
- Men	16.5	14.2
- Women	18.7	16.6

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 2014	*Long-term rate of return expected at 30 September 2013*
	%	%
Equities	7.10	7.85
Bonds	4.05	4.60
Property	4.05	4.60
Absolute credit fund	6.10	6.85
Cash	0.50	0.50
Insurance policies	4.05	4.60

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.

22 PENSIONS (continued)

The fair value of the assets held by the Plan as at 30 September 2014 and 2013, together with the liabilities at those dates calculated on the above bases, are as follows:

	Fair Value at 30 September 2014 £000	*Fair Value at 30 September 2013 £000*
Total market value of Plan assets	110,804	109,058
Present value of Plan liabilities	(143,682)	(122,694)
Deficit in the Plan	(32,878)	(13,636)
Related deferred tax asset	6,576	2,272
Net pension liability	(26,302)	(10,909)