

ALS Inspection UK Limited

**Directors' report and financial
statements**

Year ended 31 March 2014

Registered number 1218386

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Strategic Report

Principal activities

The Company's registered head office is in Knowsley, United Kingdom where it employs 103 people. The Company's principal activities are the inspection and analysis of metals, minerals and ores.

Business model

As part of the Australian stock exchange listed ALS Limited group of companies, ALS Inspection UK Limited is positioned in the Inspection Division within the larger Minerals Division. The Inspection Division inspects, weighs, samples, analyses and reports on the quantity and quality of commodities to produce findings that can be used for final commercial settlement purposes.

ALS Inspection UK Limited provides accurate, global Inspection & Analysis services for metals, minerals, ores, precious metals, ferro alloys and solid fuels. Teams of surveyors are strategically located in major ports, smelters, refineries, steelworks and warehouses around the world to undertake precise inspection and sampling of commodities. Samples are dispatched to Hub labs such as that in the UK with analytical results being used for commercial exchange purposes between buyer and seller.

ALS Inspection UK Limited boasts one of the foremost umpire and party analysis laboratories in the world. All sampling and sample preparation operations are undertaken to the highest of international standards and our laboratory is ISO 17025:2005 accredited.

Business review and results

Inspection Group

The Inspection Group continued the positive momentum created in the year ended 31st March 2013. Whilst the previous financial period could be looked upon as a "consolidation" post ALS acquisition of Stewart Group, the year ended 31 March 2014 was one of growth, increasing profitability and geographic expansion.

Despite very competitive market conditions the Inspection Group returned a significantly improved financial performance for the year ended 31 March 2014. Inspection Group revenue and EBIT increased by 12% and 140% respectively compared to the previous financial year. The Group recorded a strong divisional Return on Sales of 20% (2013: 9%).

Robust profit margins prevailed across the majority of the Inspection Group businesses as a result of excellent cost base management combined together with focused and targeted business development activity.

ALS Inspection UK

The UK operation continued as the standout performer in the Group. This operation acts as the technical, analytical and administrative hub for the Inspection Group. The UK Management team has been further strengthened throughout the year with a focus on creating a strong growth platform.

The UK hub laboratory continues to operate as a world class facility and performed extremely well, processing record sample numbers underpinned by a combination of a strong technical performance, competitive TAT and proactive, targeted business development activity.

A formal Joint Venture Agreement (JVA) was executed with the Chinese government in November 2012. The Chinese business obtained the required business and inspection licenses during the year ended 31 March 2014 and became operational near the end of 2013; profitability being reached 4 months later. Business is concentrated in North and Central China. An extremely experienced and motivated operational team has been assembled within the largest market for inspection services.

Strategic Report *(continued)*

Key performance indicators

The Company's KPI's are, in addition to financial performance, measured by the following parameters:

- Sample throughput (numbers) in each laboratory
- Sample Turn Around Times (in all laboratory activities)
- Number of re-tests (accuracy)
- Commodity tonnages inspected
- Number of shipments attended

Principal risks and uncertainties

There remains a degree of uncertainty over world economic conditions and especially over general market liquidity. The Directors continue to monitor the position closely.

Future developments

The year ending 31 March 2015 will see a continuation of the momentum generated in FY 2013/14. Focus will firmly remain upon strong cost base management combined with focused and targeted business development activity.

Greater attention will be directed to developing regions of the world which demonstrate stronger economic performance and activity (e.g. China, South America and Africa).

The focus will be on geographic expansion into specific targeted countries. The Chinese business will receive further investment to enable expansion of the fledgling network into southern and central China. The business will continue to focus on core commodities and services.

The UK laboratory will continue to receive further investment in order to consistently provide competitive TAT whilst processing growing sample volumes.

By order of the board



C Walker
Director

Caddick Road
Knowsley Business Park
Prescot
Merseyside
L34 9HP

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

Results and Dividends

The profit for the year, after taxation, amounted to £3,405,248 (2013: £4,550,459). The directors have not paid an interim dividend during the year (2013: £nil). The directors do not recommend the payment of a final dividend (2013: £nil).

Directors

The directors who held office during the period were as follows:

G Kilmister
C Walker

All directors benefitted from qualifying third party directors and officers liability insurance in place during the period and at the date of this report.

Environment

The Company recognises the importance of its environmental responsibilities and operates in accordance with Company policies. Initiatives designed to minimise the Company's impact on the environment include the safe disposal of waste arising from operations, in particular that of laboratory waste.

Employees

The Company is committed to providing staff and management training designed to encourage the necessary attitudes and skills to foster good communication and consultation at all levels with a view to informing and involving staff in the progress of the Company and its future. Communication with all employees is conducted through the regular dissemination of relevant information, announcements and meetings with management.

The Company is committed to all aspects of staff training. This is achieved through on the job training and through other local and national training and development initiatives.

Employment of disabled persons

The Company operates an equal rights policy across all its subsidiaries.

Political and charitable contributions

The Company did not make any political donations or incur any political expenditure in the period. The Company made £nil in charitable donations in the period (2013: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



C Walker
Director

Caddick Road
Knowsley Business Park
Prescot
Merseyside
L34 9HP

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

8 Princes Parade
Liverpool
L3 1QH

Independent auditor's report to the members of ALS Inspection UK Limited

We have audited the financial statements of ALS Inspection UK Limited for the year ended 31 March 2014, set out on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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 company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of ALS Inspection UK 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.



Hywel Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

Date *29 November 2014*

Profit and loss account
for the year ended 31 March 2014

	Note	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Turnover	2	13,512,836	12,984,074
Cost of sales		(6,121,800)	(6,018,962)
Gross profit		7,391,036	6,965,112
Administrative expenses		(3,274,174)	(3,367,172)
Operating profit	3	4,116,862	3,597,940
Income from shares in group undertakings	6	369,294	-823,778
Profit on ordinary activities before interest and taxation		4,486,156	4,421,718
Interest receivable and similar income	7	4,781	2,094
Interest payable and similar charges	8	(2,253)	(28)
Profit on ordinary activities before taxation		4,488,684	4,423,784
Tax on profit on ordinary activities	9	(1,083,436)	126,675
Profit for the financial period	18	3,405,248	4,550,459

There were no recognised gains or losses other than the profit for the period as set out above, therefore no separate statement of gains and losses has been prepared.

All turnover and operating profits in both financial periods are derived from continuing operations.

The notes on pages 11 to 20 form part of the financial statements.

Balance sheet
at 31 March 2014

	Note	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Fixed assets			
Tangible assets	10	1,304,347	1,262,820
Investments	11	3,440,786	3,111,990
		<u>4,745,133</u>	<u>4,374,810</u>
Current assets			
Stocks	12	166,758	212,578
Debtors (including £85,276,832 (2013: £81,439,472) due in more than one year)	13	87,759,892	87,889,579
Cash at bank and in hand		158,495	446,648
		<u>88,085,145</u>	<u>88,548,805</u>
Creditors: amounts falling due within one year	14	<u>(10,864,550)</u>	<u>(10,652,768)</u>
Net current assets		<u>77,220,595</u>	<u>77,896,037</u>
Total assets less current liabilities		<u>81,965,728</u>	<u>82,270,847</u>
Creditors: amounts falling due after more than one year	15	<u>(10,954,430)</u>	<u>(14,670,195)</u>
Provisions for liabilities and charges	16	<u>(7,698)</u>	<u>(2,300)</u>
Net assets		<u>71,003,600</u>	<u>67,598,352</u>
Capital and reserves			
Called up share capital	17	150,000	150,000
Profit and loss account	18	70,853,600	67,448,352
Shareholders' funds		<u>71,003,600</u>	<u>67,598,352</u>

These financial statements were approved by the board of directors on signed on its behalf by:

27 November 2014 and were



C Walker
Director

Registered Number 1218386

The notes on pages 11 to 20 form part of the financial statements.

Reconciliation of movements in shareholders' funds
for the year ended 31 March 2014

	<i>Note</i>	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Profit for the financial period	<i>18</i>	3,405,248	4,550,459
Dividends on shares classified in shareholders' funds	<i>18</i>	-	-
Net increase to shareholders' funds		3,405,248	4,550,459
Opening shareholders' funds		67,598,352	63,047,893
Closing shareholders' funds		71,003,600	67,598,352

The notes on pages 11 to 20 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of ALS Limited, within which this Company is included, can be obtained from the address included in Note 21.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Stewart Holdings Management Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons: The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 2.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold property	1% - 10% straight line
Plant and machinery	10% straight line
Motor vehicles	25% straight line
Fixtures, fittings and computer equipment	20% - 33% straight line

No depreciation is charged on freehold and long leasehold land.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. For work in progress, goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to this scheme in respect of the accounting period.

Turnover

Turnover represents the value of services rendered excluding value added tax. Revenue from services rendered is recognised based on the stage of completion.

2 Turnover

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Sales by geographic area		
Europe	6,535,383	6,175,802
Rest of the world	6,977,453	6,808,272
	<u>13,512,836</u>	<u>12,984,074</u>

The turnover and profit before taxation are attributable to the one principal activity of the company.

Notes (continued)

3 Notes to the profit and loss account

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Amounts receivable by the auditors and their associates in respect of:		
-Audit of these financial statements	37,750	40,900
-Other services relating to taxation	7,885	12,000
Depreciation of fixed assets:		
-owned	178,849	159,018
Operating lease rentals	30,619	36,117
Loss/(gain) on foreign currencies	192,736	(68,706)
Loss on disposal of fixed assets	-	1,013
	<u> </u>	<u> </u>

4 Remuneration of Directors

The directors did not receive any emoluments during the current or prior financial period in respect of their services to ALS Inspection UK Limited.

5 Staff numbers and costs

The average number of persons employed by the Company during the period, analysed by category, was as follows:

	Year ended 31 March 2014 No	Year ended 31 March 2013 No
Operations	88	90
Administration	23	22
	<u> </u>	<u> </u>
	111	112
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Wages and salaries	2,740,204	2,736,313
Social Security costs	288,816	309,696
Other pension costs	154,877	138,931
Other Costs	40,015	50,028
	<u> </u>	<u> </u>
	3,223,912	3,234,968
	<u> </u>	<u> </u>

Notes (continued)

6 Income from Shares in Group Undertakings

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Dividends received from group companies	369,294	823,778

7 Interest Receivable and Similar Income

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Interest Receivable from group undertakings	1,650	2,094
Other interest	3,131	-
	<u>4,781</u>	<u>2,094</u>

8 Interest payable and similar charges

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Other interest	2,253	28

9 Taxation

Analysis of charge in period

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
<i>UK corporation tax</i>		
Current tax on income for the period	785,731	11,107
Adjustments in respect of prior periods	288,675	(103,477)
	<u>1,074,406</u>	<u>(92,370)</u>
<i>Double taxation relief</i>	(47,711)	(66,027)
	<u>(47,711)</u>	<u>(66,027)</u>
<i>Foreign tax</i>		
Current tax on income for the period	51,343	68,820
	<u>51,343</u>	<u>68,820</u>
Total current tax	<u>1,078,038</u>	<u>(89,577)</u>
<i>Deferred tax (see note 16)</i>		
Origination and reversal of timing differences	10,538	(36,704)
Adjustments in respect of prior periods	(5,140)	(394)
	<u>5,397</u>	<u>(37,098)</u>
Tax on profit on ordinary activities	<u>1,083,436</u>	<u>(126,675)</u>

Notes (continued)

9 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2013: lower) than the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below.

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,488,684	4,423,784
Current tax at 23 % (2013: 24%)	1,032,397	1,061,708
<i>Effects of:</i>		
Non taxable income/expenses not deductible for tax purposes	(66,894)	(176,957)
Difference between capital allowances and depreciation	(9,064)	(34,034)
Adjustment to tax charge in respect of previous periods	288,675	(103,477)
Foreign tax paid	3,633	(66,027)
Group relief not paid for	(170,709)	(770,790)
Total current tax charge (see above)	1,078,038	(89,577)

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2014) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2014 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2015 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge accordingly.

Notes (continued)

10 Tangible fixed assets

	Freehold Land and buildings	Plant and Machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At beginning of period	834,264	2,497,101	966,066	10,700	4,308,131
Additions	32,430	176,223	9,473	2,250	220,376
At end of period	866,694	2,673,324	975,539	12,950	4,528,507
Depreciation					
At beginning of period	236,493	1,862,830	939,523	6,465	3,045,311
Charge for the period	41,136	114,176	20,722	2,815	178,849
At end of period	277,629	1,977,006	960,245	9,280	3,224,160
Net book value					
At end of period	589,065	696,318	15,294	3,670	1,304,347
At beginning of period	597,771	634,271	26,543	4,235	1,262,820

Notes (continued)

11 Fixed asset investments

	Shares in group undertakings £
Cost and net book value	
At beginning of period	3,111,990
Additions	328,796
Disposals	-
At end of period	3,440,786

During the period share capital was acquired in ALS Inspection China Limited, a 50% joint venture.

The principal companies in which the company's interest at the period end is more than 20% are as follows:

Subsidiaries	Country of incorporation	Shareholders	Percentage held of ordinary shares
The key subsidiaries of the company are:			
OMAC Laboratories Limited	Republic of Ireland	ALS Inspection UK Limited	100%
Beldutch Holdings BV	Holland	ALS Inspection UK Limited	100%
Stewart Assay and Environmental Laboratories-LLC	Kyrgyzstan	ALS Inspection UK Limited	63.5%
Stewart Mongolia LLC	Mongolia	ALS Inspection UK Limited	70%
Alex Stewart Group Employee Share Scheme Limited	United Kingdom	ALS Inspection UK Limited	100%
ALS Inspection Netherlands BV	Holland	Beldutch Holdings BV	100%
ALS Inspection Deutschland GMBH	Germany	Beldutch Holdings BV	100%
ALS Inspection Belgium NV	Belgium	Beldutch Holdings BV	100%
Stewart Inspections and Analysis (Pty) Limited	South Africa	Stewart Group Assayers Limited	100%
Alex Stewart De Mexico SA DE CV	Mexico	ALS Inspection UK Limited	100%
Stewart Group Assayers Limited	United Kingdom	ALS Inspection UK Limited	100%
Kazakhstan Analytical Laboratories LLC	Kazakhstan	ALS Inspection UK Limited	100%
Alex Stewart Tes Bretby BV	Holland	Stewart Group Assayers Limited	100%
Joint Ventures			
Stewart Geo Chemical and Assay LLC	Russia	ALS Inspection UK Limited	50%
ALS Inspection China Limited	China	ALS Inspection UK Limited	50%

The principal activity of all companies above is assaying, inspection and the provision of geo-analytical services to the mining and exploration industry.

Notes (continued)

12 Stocks

	2014 £	2013 £
Raw materials and consumables	166,758	212,578

13 Debtors: amounts falling due within one year

	2014 £	2013 £
Trade debtors	1,563,817	2,141,485
Amounts owed by group undertakings	85,791,486	85,036,963
Prepayments and accrued income	371,076	250,713
Corporation tax	-	441,720
Other taxation and social security	33,513	18,698
	87,759,892	87,889,579

Amounts owed by group undertakings include intercompany debtors of £85,276,832 (2013: £ 81,439,472) due after more than one year.

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	9,000,000	9,000,000
Trade creditors	1,092,712	1,159,753
Amounts owed to group undertakings	89,984	34,661
Other taxation and social security	371,733	66,595
Accruals and deferred income	310,121	391,759
	10,864,550	10,652,768

The £9,000,000 bank loan is part of a group facility. There is no security over the assets of the company.

15 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Amounts owed to group undertakings	10,954,430	14,670,195

Notes (continued)

15 Creditors: amounts falling due after more than one year (continued)

Analysis of debt

	2014 £	2013 £
In more than one year, but not more than two years	10,954,430	14,670,195

There is no security over the company attached to this debt.

16 Provisions for liabilities and charges

	Deferred taxation £
At beginning of period	2,300
Adjustments in respect of prior periods	(5,140)
Current period movement	10,538
At end of period	7,698

The elements of deferred taxation are as follows:

	2014 £	2013 £
Difference between capital allowances and depreciation	7,698	2,300

17 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
Equity: 150,000 ordinary shares of £1 each	150,000	150,000

18 Reserves

	Profit and loss account £
At beginning of period	67,448,352
Profit for the period	3,405,248
At end of period	70,853,600

Notes (continued)

19 Commitments

There were capital commitments at the end of the financial period for which no provision has been made of £28,250 (2013: £46,606).

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2014	Other 2014	Land and Buildings 2013	Other 2013
Which expire:	£	£	£	£
Within one year	-	15,518	-	1,861
In the second to fifth years inclusive	-	11,079	-	26,448
Over five years	19,000	-	19,000	-
	<u>19,000</u>	<u>26,597</u>	<u>19,000</u>	<u>28,309</u>

20 Pension costs

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £154,877 (2013: £138,931).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

21 Immediate and ultimate parent company

The immediate parent company is Stewart Holdings Management Limited, a company incorporated in the United Kingdom.

The company's ultimate parent and controlling party is ALS Limited, a company incorporated in Australia.

The largest and smallest group in which the results of the Company are consolidated is that headed by ALS Limited. The consolidated financial statements of this group for the year ended 31 March 2014 can be accessed from the company's website at www.alsglobal.com.