

William Cook Holdings Limited

**Directors' report and financial
statements**

Registered number 3283010

For the period ended 30 March 2013



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Directors and advisers

Board of Directors

Andrew Cook CBE

Kevin Grayley

Mrs Angela Knight CBE (Non-Executive)

Company Secretary

Michael Hodgson FCA

Registered Office

Parkway Avenue

Sheffield

S9 4UL

Auditor

KPMG LLP

1 The Embankment

Neville Street

Leeds

LS1 4DW

Bankers

The Royal Bank of Scotland plc

3rd Floor

2 Whitehall Quay

Leeds

LS1 4HR

Directors' report

The directors submit their report and the audited accounts for the period ended 30 March 2013

Principal activity

The Group's principal activity during the period was the manufacture of engineering components and assemblies primarily comprising steel castings. The parent company continues to act as a holding company.

Business review

Whilst the current periods trading results include William Cook Stanhope Limited for the whole period, the prior periods trading results include the contribution of William Cook Stanhope Limited from 1 November 2011 to 31 March 2012.

Operating performance during the period has been generally satisfactory, particularly in view of the continuing high cost of raw materials and energy. In this difficult environment the directors are pleased to report increased activity and profits on the prior year.

Group turnover increased from £72,855,000 in the period ended 31 March 2012 to £83,662,000 in the period to 30 March 2013.

Gross profit was £23,313,000 in 2013 against £17,101,000 in 2012, an increase of 36.3%. The gross profit margin in the current year was 27.9% compared with 23.5% achieved in the prior year, reflecting improvements in efficiency derived from the high levels of capital investment in plant and machinery in recent years.

Operating expenses were £8,562,000 in the current period, compared with £7,771,000 in 2012, an increase of 10.2%. The increase reflects the general economic climate.

Profit before taxation of £14,225,000 was generated compared with the prior period equivalent of £8,995,000.

Cash flow from operating activities was £16,815,000 in the period ended 30 March 2013 compared with £11,280,000 in the prior period. This reflects the increasing levels of activity.

Balance sheet

The directors are pleased to present financial statements showing consolidated shareholders' funds of £54,862,000 as at 30 March 2013 compared to £44,847,000 as at 31 March 2012.

Principal risks

The most significant risks to the Group's profitability are:

- Increased costs of raw materials and energy
- Increased statutory regulation, e.g. health and safety, environment
- Reduced demand from the Group's main markets

The board has strategies to manage these risks and remains confident of the continued success of the companies within the Group.

Directors' report *(continued)*

Financial risk management policies and objectives

Exposure to credit, interest rate and currency risk arises in the normal course of the Group's business. The Group manages financial risk within its general risk management philosophy and framework.

No significant financial instruments were traded by the Group in the period *(2012: none)*

Credit risk

For financial assets arising from ordinary operations the Group has credit management policies in place and the exposure to credit risk is monitored on an ongoing basis. Investments of surplus cash balances are allowed only on short term deposits.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet and the related risk for trade debtors is spread over many customers.

Interest rate risk

The Group's debt comprises both fixed and variable rate loans, and fixed rate shareholder loan stock. The Group uses interest rate swaps to manage interest rates wherever there is a perceived foreseeable long term cash benefit available. No swaps were used during the period *(2012: none)*

Currency risk

The Group maintains a policy utilising forward foreign exchange contracts when considered appropriate to eliminate currency risk.

Financial assets

The Group's financial assets as at 30 March 2013 included interest bearing cash balances of £18,490,000 *(2012: £9,442,000)*

There was no difference between the carrying value and the fair value of financial assets as at the period end *(2012: no difference)*

Financial liabilities

The Group's financial liabilities as at 30 March 2013 comprised other loans of £4,095,000 *(2012: £5,000,000)* and shareholder loan stock of £3,450,000 *(2012: £3,585,000)*. Bank loans outstanding at the period end were £2,750,000 *(2012: £3,750,000)*

There was no difference between the carrying value and the fair value of financial liabilities as at the period end *(2012: no difference)*

Key Performance Indicators (KPIs)

Group management monitors the performance of the operations compared to budget and forecast.

KPIs monitored on a daily basis are:

- Production volume and value
- Sales volume and value
- Plant availability (production downtime)
- Quality (scrap rate)
- Order intake

Directors' report *(continued)*

Key Performance Indicators (KPIs) *(continued)*

KPIs monitored monthly/weekly are the above plus

- Profit and cash generation
- Man hours per tonne
- Labour cost per tonne
- Overtime and absenteeism rates
- Health and safety rate (accidents per 100,000 hours)
- Delivery performance
- Forward order outlook

Future prospects

The directors are confident about the long-term prospects for the Group, which is well established and focused on a number of specialist markets, where quality and service have an intrinsic value and significant added value is also provided

Careful investment continues to be made where necessary to support or improve the Group's operating efficiency

At the year end the global recession is continuing and another challenging year is envisaged for 2014. Notwithstanding this, the quality of the Group's products and the service it provides, together with the strength of relationships with customers, are anticipated to produce another satisfactory performance. Results to the date of signing this report are in line with expectations.

Dividends

Interim dividends paid in respect of the current period total £361,347 as set out below

Class of share		Dividend per share	Total dividend £
D	(19 April 2012)	£1 50	150,000
C2	(30 July 2012)	£1 50	211,347
			<hr/>
			361,347
			<hr/>

The directors recommend that final dividends of £1,421,585 and £300,000 be paid on the C1 ordinary shares and D ordinary shares respectively.

The total distribution of dividends for the period ended 30 March 2013 will be £2,082,932.

Directors

Mr A J Cook has held office during the whole of the period from 1 April 2012 to the date of this report.

Changes in directors holding office are as follows:

Mrs A A Knight and Mr K J Grayley were appointed as directors after 30 March 2013 but prior to the date of this report.

Mr T C Smith ceased to be a director after 30 March 2013 but prior to the date of this report.

Mr A J Cook holds 37,624,720 (2012 37,624,720) ordinary shares in the company at the end of the period, including those shares held by his family trusts and pension scheme. Mr K J Grayley holds 100,000 ordinary shares at the end of the period (2012 100,000).

None of the directors had any interest in the shares of other Group companies.

Directors' report *(continued)*

Employees

It is the policy of the Group to employ disabled persons wherever circumstances permit and provide normal opportunities for their training, promotion and career development. The Group's policy includes, where practicable, the continued employment of those who may become disabled during their employment.

The Group considers it is important that employees are kept informed on all aspects of its affairs as far as the needs of communication and financial confidentiality will allow.

Payments to suppliers

For all trade creditors it is the Group's policy to agree the terms of payment at the start of business with that supplier. The Group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

Political and charitable donations

During the period, the Group made political donations of £79,600 (2012 £51,420) and charitable donations amounting to £31,603 (2012 £13,799).

Directors' indemnity provisions

The directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

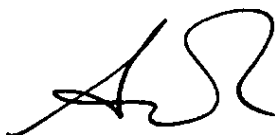
Disclosure of information to auditor

The directors who hold 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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditor of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board



Andrew Cook
Director

Parkway Avenue
Sheffield
S9 4UL

18 December 2013

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

The directors are responsible for preparing 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 they have elected to prepare the group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 group and parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.



1 The Embankment
Neville Street
Leeds
LS1 4DW

Independent auditor's report to the members of William Cook Holdings Limited

We have audited the financial statements of William Cook Holdings Limited for the period ended 30 March 2013 set out on pages 9 to 29. 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 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 March 2013 and of the group's profit for the period 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

Independent auditor's report to the members of William Cook Holdings Limited
(continued)

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

Matters on which we are required to report by exception

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

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



Andrew Sills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

19 December 2013

Consolidated profit and loss account
for the period ended 30 March 2013

	<i>Notes</i>	2013 £000	2012 £000
Group turnover	2		
Continuing operations		83,662	62,237
Acquisitions		-	10,618
		<hr/>	<hr/>
		83,662	72,855
Cost of sales		(60,349)	(55,754)
		<hr/>	<hr/>
Gross profit		23,313	17,101
Net operating expenses			
Normal	3	(8,424)	(7,018)
Exceptional	3	(138)	(753)
		<hr/>	<hr/>
		(8,562)	(7,771)
		<hr/>	<hr/>
Group operating profit			
Continuing operations		14,751	8,731
Acquisitions		-	599
Share of operating result in joint venture	12	-	-
		<hr/>	<hr/>
		14,751	9,330
		<hr/>	<hr/>
Profit on disposal of fixed assets		-	11
		<hr/>	<hr/>
Profit on ordinary activities before interest		14,751	9,341
Net interest and similar charges (payable)/ receivable			
Group	5	(526)	(346)
Joint Venture	12	-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		14,225	8,995
		<hr/>	<hr/>
Taxation	7	(3,849)	(2,820)
		<hr/>	<hr/>
Profit for the financial period		10,376	6,175
		<hr/>	<hr/>

There is no material difference between the reported result and the historical cost result. A statement of total recognised gains and losses is shown on page 12.

All results are from continuing operations.

Notes on pages 13-29 form part of the financial statements

Balance sheets

at 30 March 2013

	Note	Group		Company	
		2013 £000	2012 £000	2013 £000	2012 £000
Fixed assets					
Intangible assets	10	8,070	8,557	-	-
Tangible assets	11	30,835	31,403	532	457
Investment in joint venture					
Share of gross assets		6	6	-	-
Share of gross liabilities		(2,691)	(2,691)	-	-
Investment in subsidiaries and other investments	12	(2,685)	(2,685)	-	-
	12	47	47	31,650	31,650
		(2,638)	(2,638)	31,650	31,650
		36,267	37,322	32,182	32,107
Current assets					
Stocks	13	7,114	7,136	-	-
Debtors	14	19,696	22,031	25,718	25,343
Cash at bank and in hand		18,490	9,442	8,570	4,752
		45,300	38,609	34,288	30,095
Creditors amounts falling due within one year	15	(21,346)	(23,760)	(5,255)	(5,227)
Net current assets		23,954	14,849	29,033	24,868
Total assets less current liabilities		60,221	52,171	61,215	56,975
Creditors , amounts falling due after more than one year	15	(4,895)	(6,845)	(3,145)	(4,095)
Provisions for liabilities and charges	16	(464)	(479)	-	-
Net assets		54,862	44,847	58,070	52,880
Capital and reserves					
Called up share capital	17	377	377	377	377
Share premium account	18	15,591	15,591	15,591	15,591
Capital redemption reserve	18	1,404	1,404	1,404	1,404
Profit and loss account	18	37,490	27,475	40,698	35,508
Shareholders' funds		54,862	44,847	58,070	52,880

These financial statements were approved by the board of directors on 18 December 2013 and were signed on its behalf by



Andrew Cook
Director

Notes on pages 13-29 form part of the financial statements

Consolidated cash flow statement
for the period ended 30 March 2013

	<i>Note</i>	2013	2012
		£000	£000
Cash flow from operating activities	23	16,815	11,280
Returns on investments and servicing of finance			
Interest received		76	68
Interest paid			
On bank loans and overdrafts		(130)	(53)
On shareholder loan stock		(316)	(134)
On other loans		(247)	(1)
Franked investment income		2	2
Net cash outflow from returns on investments and servicing of financing		(615)	(118)
Taxation paid		(3,280)	(1,800)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,471)	(5,505)
Sales of tangible fixed assets		-	44
		(1,471)	(5,461)
Acquisitions			
Cost of acquiring subsidiary		-	(12,269)
Cash acquired at acquisition		-	706
Repayment of loan on acquisition of subsidiary		-	(2,074)
		-	(13,637)
Equity dividends paid		(361)	(548)
Net cash inflow (outflow) before financing		11,088	(10,284)
Financing (Being repayments of debt and capital)			
Repayment of borrowings		(2,040)	(1,350)
Increase in borrowings – new loans		-	10,000
Increase in borrowings – shareholder loan stock		-	2,000
Net cash (outflow) inflow from financing		(2,040)	10,650
Increase in cash		9,048	366
Reconciliation of net cash flow to movement in net debt			
Increase in cash		9,048	366
Cash flow from change in debt		2,040	(10,650)
Change in net debt resulting from cash flows	24	11,088	(10,284)
Net (debt) funds at 31 March 2012	24	(2,893)	7,391
Net funds (debt) at 30 March 2013		8,195	(2,893)

Notes on pages 13-29 form part of the financial statements

Consolidated statement of total recognised gains and losses
for the period ended 30 March 2013

	2013 £000	2012 £000
Profit for the financial period		
Group	10,376	6,175
	<hr/>	<hr/>
Actuarial loss recognised in the pension scheme	10,376 -	6,175 (63)
	<hr/>	<hr/>
Total recognised gains and losses relating to the financial period	10,376	6,112
	<hr/>	<hr/>

Reconciliation of movements in shareholders' funds

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Profit for the financial period	10,376	6,175	5,551	2,326
Ordinary share dividends	(361)	(548)	(361)	(548)
	<hr/>	<hr/>	<hr/>	<hr/>
	10,015	5,627	5,190	1,778
Net recognised losses in respect of FRS 17	-	(63)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase in shareholder's funds	10,015	5,564	5,190	1,778
Opening shareholder's funds	44,847	39,283	52,880	51,102
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholder's funds	54,862	44,847	58,070	52,880
	<hr/>	<hr/>	<hr/>	<hr/>

Notes on pages 13-29 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, except as noted below

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards

Consolidation and goodwill

The consolidated financial statements incorporate the financial statements of the company and all its subsidiary undertakings ("subsidiaries"). All financial statements are made up to 30 March 2013. At the date of acquisition of a business other than by merger, fair values are attributed to the net assets acquired. Until 28 March 1998 the Group eliminated goodwill from the accounts by immediate write off against reserves. Goodwill is capitalised and written off to the profit and loss account over a period appropriate to each investment but no more than 20 years in accordance with FRS 10 'Goodwill and intangible assets'. In applying this standard, the Group does not intend to capitalise retrospectively previously written off goodwill.

The Group's share of the profits less losses of joint ventures and associates is included in the consolidated profit and loss account and its interest in their net assets is included in investments in the consolidated balance sheet. A joint venture is an undertaking in which the Group has a long term interest and over which it exercises joint control. An associate is an undertaking in which the Group has a long term interest and over which it exercises significant influence.

On the disposal or closure of any business acquired, the profit and loss account includes a charge in respect of the goodwill previously written off against reserves on the acquisition of the business.

Turnover

Turnover is the net invoiced value of goods sold and services rendered outside the Group excluding value added tax.

Government grants

Government grants in respect of capital expenditure are recognised over the expected useful economic lives of the related assets. Any amounts not recognised immediately in the profit and loss account are included in the balance sheet as deferred income.

Tangible fixed assets depreciation

Tangible fixed assets are fully depreciated, on cost less residual value, on a straight line basis, over their estimated useful lives as follows:

Leasehold land and buildings	-	by equal instalments over the life of the lease
Freehold buildings	-	2.5% per annum
Plant and equipment	-	10% per annum
Motor vehicles	-	25% per annum

Heritage assets are held at market value. Individual items are periodically valued by an external valuer with any surplus or deficit being reported in the Consolidated Statement of Total Recognised Gains and Losses. These assets (paintings) are deemed to have indeterminate lives and a high residual value, consequently no depreciation is charged.

Amortisation of intangible fixed assets

Intangible fixed assets are amortised by equal annual instalments over their estimated useful lives as follows:

Yacht berth licence	-	4%
Manufacturing License	-	33%

Notes (continued)

1 Accounting policies (continued)

Investment properties and land

In accordance with SSAP 19, investment properties and land are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. If deficits are considered permanent these are written off to the profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties where the unexpired term of the lease is more than 20 years. These properties are maintained in a state of good repair and, accordingly, the directors consider that the lives of these assets are so long and residual values sufficiently high that any depreciation charge to the profit and loss account would be insignificant.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

Stocks

Stocks are stated at the lower of cost and net realisable value using the first in/first out method. Cost comprises the direct costs of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Differences arising on translation and on the conversion of ordinary foreign currency transactions during the period are dealt with as part of the profit on ordinary activities.

Post retirement benefits

The Group operates an active defined contribution pension scheme. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The defined benefit section of the Group's pension scheme was wound up in 2011 and the Group has no further liability in relation to this former scheme.

Deferred 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 'Deferred tax'.

Notes (continued)

2 Turnover

The directors consider that the trading activities conducted by the Group's subsidiaries do not significantly differ. All turnover originates in the United Kingdom.

	2013 £000	2012 £000
<i>Geographical analysis of turnover by destination</i>		
United Kingdom	48,062	42,993
Continental Europe	28,383	25,536
North America	5,108	3,531
Rest of world	2,109	795
	<hr/>	<hr/>
	83,662	72,855
	<hr/>	<hr/>

3 Net operating expenses

	2013 £000	2012 £000
Normal		
Distribution costs	1,004	1,270
Administrative expenses	7,420	5,748
	<hr/>	<hr/>
	8,424	7,018
	<hr/>	<hr/>
Exceptional		
Employment termination	138	425
Professional costs, strategic and financing	-	328
	<hr/>	<hr/>
	138	753
	<hr/>	<hr/>
	8,562	7,771
	<hr/>	<hr/>

Notes *(continued)*

4 Directors and employees

	2013 £000	2012 £000
Directors' remuneration		
Salary	-	-
Benefits in kind	74	19
	<u>74</u>	<u>19</u>

Emoluments paid to the highest paid director were as listed above as Mr T Smith received no emoluments from the company

	2013 £000	2012 £000
Employees		
Wages and salaries	22,955	20,414
Social security costs	2,169	1,914
Other pension costs	190	184
	<u>25,314</u>	<u>22,512</u>

	Number	Number
<i>Average numbers employed by the Group</i>		
Factories	702	606
Sales and administration	114	95
	<u>816</u>	<u>701</u>

Notes (continued)

5 Net interest receivable/(payable)

	2013 £000	2012 £000
Group		
Interest payable on shareholder loan stock	(255)	(216)
Interest payable on pension scheme loans	(224)	(129)
Other interest payable	(128)	(58)
	<hr/>	<hr/>
	(607)	(403)
Bank interest receivable	74	55
Other interest receivable	5	-
Income from fixed asset investments	2	2
	<hr/>	<hr/>
	(526)	(346)
	<hr/>	<hr/>

6 Profit on ordinary activities before taxation

<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>	2013 £000	2012 £000
Auditor's remuneration		
Audit of these financial statements	7	7
Amounts receivable by auditors in respect of		
- audit of financial statements of subsidiaries pursuant to legislation	63	58
- other services relating to taxation	180	62
- advisory services	27	153
Depreciation		
- owned	2,039	1,631
Profit on disposal of fixed assets	-	(11)
Amortisation of goodwill and other intangible assets	487	262
Hire of plant and machinery	346	221
Other operating leases	711	584
Research and development	67	43
	<hr/>	<hr/>

Notes (continued)

7 Taxation

	2013 £000	2012 £000
Corporation tax on the profit for the period	3,819	2,673
Adjustments in respect of prior periods	1	(137)
Total current tax charge (see below)	3,820	2,536
Origination/reversal of timing differences	63	184
Adjustments in respect of prior periods	(26)	102
Effect of rate change	(8)	(2)
Tax on profit on ordinary activities	3,849	2,820

The current tax charge for the period is higher (2012 higher) than the standard rate of corporation tax in the UK 24% (2012 26%)

The differences are explained below

	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	14,225	8,995
Current tax at 24% (2012 26%)	3,414	2,339
Effects of		
Expenses not deductible for tax purposes	472	512
Timing differences	(107)	(15)
Differences between capital allowances and depreciation	44	(184)
Profit on sale of business	-	22
Group dividends	(1)	(1)
Adjustments in respect of prior periods	1	(137)
Deferred tax rate change	(3)	-
Total current tax charge (see above)	3,820	2,536

Notes (continued)

8 Dividends

The aggregate amount of dividends comprises

	2013 £000	2012 £000
Final dividends paid in respect of current period	361	548

No ordinary dividends are recognised as liabilities as at the period end (2012 £nil)

9 Profit of the parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts

The consolidated profit and loss account of the period includes a profit for the financial period of £5,551,000 (2012 £2,326,000) which are dealt with in the accounts of the company

10 Intangible fixed assets

Group

	Customer relationships £000	Licences £000	Goodwill £000	Total £000
Cost				
At 31 March 2012	1,911	476	6,623	9,010
At 30 March 2013	1,911	476	6,623	9,010
Amortisation				
At 31 March 2012	56	104	293	453
Charge for the period	125	32	330	487
At 30 March 2013	181	136	623	940
Net book value at 30 March 2013	1,730	340	6,000	8,070
Net book value at 31 March 2012	1,855	372	6,330	8,557

Notes (continued)

11 Tangible fixed assets

Group	Investment Properties £000	Land and Buildings £000	Heritage assets £000	Plant, equipment and motor vehicles £000	Total £000
Cost					
At 31 March 2012	2,633	11,659	446	27,003	41,741
Additions	-	11	72	1,388	1,471
Disposals	-	-	-	(16)	(16)
At 30 March 2013	2,633	11,670	518	28,375	43,196
Depreciation					
At 31 March 2012	-	1,662	-	8,676	10,338
Charge for the period	-	251	-	1,788	2,039
Disposals	-	-	-	(16)	(16)
At 30 March 2013	-	1,913	-	10,448	12,361
Net book value at 30 March 2013	2,633	9,757	518	17,927	30,835
Net book value at 31 March 2012	2,633	9,997	446	18,327	31,403

Investment properties are mainly freehold, with the exception of £344,000 (2012 £344,000) which is long leasehold

Investment properties are revalued annually by the directors on an open market basis. The directors confirm that the value of these properties is not significantly different from their market value at 30 March 2013

Included within land and buildings is £3,705,000 (2012 £3,705,000) of land which is not being depreciated

Land and buildings are mainly freehold with the exception of £1,954,000 (2012 £2,052,000) which is long leasehold

Notes (continued)

11 Tangible fixed assets (continued)

Company	Heritage assets £000	Plant, equipment and motor vehicles £000	Total £000
Cost			
At 31 March 2012	446	69	515
Additions	72	12	84
At 30 March 2013	518	81	599
Depreciation			
At 31 March 2012	-	58	58
Charge for the period	-	9	9
At 30 March 2013	-	67	67
Net book value at 30 March 2013	518	14	532
Net book value at 31 March 2012	446	11	457

Heritage assets represents paintings purchased during the current and prior years. They are held at market value, considered to be equal to their cost in the year of acquisition.

Notes (continued)

12 Investments

Group	Interest in Joint venture £000
Cost	
At 30 March 2013 and 31 March 2012	1,000
Share of post acquisition reserves	
At 31 March 2012	(3,685)
Retained losses	-
At 30 March 2013	(3,685)
Net book value	
At 30 March 2013	(2,685)
At 31 March 2012	(2,685)

Interest in joint venture

The interest in the joint venture represents a 50% holding of the equity shares of Ocsaif Limited. The Group's share of the operating results of the joint venture from incorporation to 30 March 2013 are included in the Group result.

Interest in associate

The interest in the associate represents 35% of the equity shares of Tooting Broadway Limited. The Group's share of the operating results of the associate from incorporation to 30 March 2013 was £nil and the Group's interest in the net assets of the associate was equal to the Group's investment in the associate of £177.

Group	Other Investments £000
Cost	
At 31 March 2012 and 30 March 2013	47
Provision for diminution in value	
At 31 March 2012 and 30 March 2013	-
Net book value	
At 30 March 2013	47
At 31 March 2012	47

Listed investments costing £29,829 had a market value of £68,700 as at 30 March 2013.

Notes (continued)

12 Investments (continued)

Company	Shares in Group undertakings £000	Listed Investments £000	Total £000
Cost			
At 31 March 2012 and 30 March 2013	95,479	30	95,509
Provision for diminution in value			
At 31 March 2012 and 30 March 2013	(63,859)	-	(63,859)
Net book value at 30 March 2013	31,620	30	31,650
Net book value at 31 March 2012	31,620	30	31,650

A listing of the principal group companies is provided at note 21

13 Stocks

	Group		Company	
	2012 £000	2012 £000	2013 £000	2012 £000
Raw materials and consumables	1,941	1,966	-	-
Work in progress	5,162	5,102	-	-
Finished goods	11	68	-	-
	<u>7,114</u>	<u>7,136</u>	<u>-</u>	<u>-</u>

14 Debtors

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade debtors	15,652	18,050	-	-
Other debtors	2,943	3,029	69	5
Prepayments and accrued income	1,101	952	23	12
Amounts due from subsidiaries	-	-	25,623	25,324
Deferred taxation asset (see note 16)	-	-	3	2
	<u>19,696</u>	<u>22,031</u>	<u>25,718</u>	<u>25,343</u>

Included within other debtors is £nil (2012 £100,000) due over one year

Notes (continued)

15 Creditors

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Amounts falling due within one year				
Other loans	1,950	1,905	950	905
Shareholder loan stock	3,450	3,585	3,450	3,585
Trade creditors	8,493	10,493	67	78
Corporation tax	2,215	1,675	137	170
Other taxation and social security	1,319	1,323	145	99
Other creditors	319	408	44	2
Accruals				
Shareholder loan stock interest	61	122	61	122
Other loan interest	107	130	107	130
Other	3,432	4,119	294	136
	<u>21,346</u>	<u>23,760</u>	<u>5,255</u>	<u>5,227</u>
Amounts falling due after more than one year				
Other loans	<u>4,895</u>	<u>6,845</u>	<u>3,145</u>	<u>4,095</u>
Other loans can be analysed as				
Due after one year and less than two	1,998	1,950	998	950
Due after two years and less than five	<u>2,897</u>	<u>4,895</u>	<u>2,147</u>	<u>3,145</u>
	<u>4,895</u>	<u>6,845</u>	<u>3,145</u>	<u>4,095</u>

Other loans include a £5m bank loan from The Royal Bank of Scotland plc with an initial term of five years whereby the loan is repaid by 19 December 2016. The loan is repayable in quarterly instalments of £250,000 plus interest. The first repayment was on 19 March 2012 and the Group exercised its option to repay an additional £1m capital at that time. Interest is payable at 3% per annum above LIBOR. As security, The Royal Bank of Scotland plc have an unlimited inter company composite guarantee with accession by and between the parent and subsidiaries. The bank loan is further secured by a debenture over the assets of the Group and a first legal charge over freehold land and buildings.

In addition to the foregoing, other loans from The A J Cook Pension Scheme for £2m and £3m were drawn on 19 August 2011 and 28 October 2011 respectively. Both loans are repayable by equal annual instalments over a period of five years commencing one year from drawdown. Interest is payable at a fixed rate of 5% per annum and the loans are secured by a fixed and floating charge over the assets of the group. These loans are considered to be related party transactions as Andrew Cook is both a Trustee of the A J Cook Pension Scheme and a Director of William Cook Holdings Limited.

Notes (continued)

16 Provisions for liabilities and charges

	Deferred taxation £000	Other provisions £000	Total £000
Group			
At 31 March 2012	211	268	479
Utilised during period	-	(69)	(69)
Charged to the profit and loss account	29	25	54
	<u>240</u>	<u>224</u>	<u>464</u>
At 30 March 2013			
	<u>240</u>	<u>224</u>	<u>464</u>
Company			
At 30 March 2013 and 31 March 2012	(3)	-	(3)
	<u>(3)</u>	<u>-</u>	<u>(3)</u>

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
The elements of deferred taxation are as follows				
Difference between accumulated depreciation and amortisation and capital allowances	293	327	(3)	(2)
Other timing differences	(53)	(116)	-	-
	<u>240</u>	<u>211</u>	<u>(3)</u>	<u>(2)</u>
Undiscounted provision				
	<u>240</u>	<u>211</u>	<u>(3)</u>	<u>(2)</u>
Deferred tax asset (see note 14)	-	-	(3)	(2)
	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(2)</u>

The 2012 Budget in March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the 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 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

The 2013 Budget in March 2013 announced further reductions in the main rate of UK corporation tax, from 23% to 21% from 1 April 2014, and to 20% from 1 April 2015. However these changes were not substantively enacted until 2 July 2013.

These changes will reduce the company's future current tax charge accordingly and further reduce the deferred tax asset at 30 March 2013 (which has been calculated based on 23% substantively enacted at the balance sheet date).

Other provisions comprise £100,000 relating to possible employers' liability insurance claims prior to 1990 and £124,000 for potential future payments under a self insured employers' liability insurance policy.

Notes (continued)

17 Called up share capital

Allotted and fully paid	2013 Number	2013 £	2012 Number	2012 £
Ordinary shares of 1 pence each*	37,724,720	377,247	37,724,720	377,247

* The ordinary share capital is divided as below

	2013 Authorised Number	2013 Allotted Number	2012 Authorised Number	2012 Allotted Number
A shares	25,891,177	25,891,177	25,891,177	25,891,177
B shares	6,772,447	6,772,447	6,772,447	6,772,447
C1 shares	2,320,198	2,320,198	2,320,198	2,320,198
C2 shares	140,898	140,898	140,898	140,898
C3 shares	2,500,000	2,500,000	2,500,000	2,500,000
D shares	400,000	100,000	400,000	100,000
E shares	1,000,000	-	1,000,000	-
	39,024,720	37,724,720	39,024,720	37,724,720

18 Share premium and reserves

Group	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At 31 March 2012	15,591	1,404	27,475
Profit for the financial period	-	-	10,376
Dividends	-	-	(361)
At 30 March 2013	15,591	1,404	37,490

Notes (continued)

18 Share premium and reserves (continued)

Company	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At 31 March 2012	15,591	1,404	35,508
Profit for the financial period	-	-	5,551
Dividends	-	-	(361)
At 30 March 2013	15,591	1,404	40,698

The cumulative amount of positive goodwill resulting from the acquisition of William Cook plc on 25 February 1997 which has been written off to reserves is £11,962,000 (2012 £11,962,000)

19 Commitments

Capital commitments	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Contracted but not provided for	-	232	-	-
Authorised but not contracted for	1,100	1,200	-	-

Operating lease commitments

The Group's annual commitments under operating leases entered into prior to 30 March 2013 are as follows

Operating leases	Land and Buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Leases expiring within one year	-	-	115	61
Leases expiring within two to five years	10	10	188	244
Leases expiring after five years	109	109	8	8
	119	119	311	313

The company has annual commitments under operating leases expiring after five years of £30,000 (2012 £30,000) in relation to land and buildings

Notes (continued)

20 Contingent liabilities

Group contingent liabilities relating to guarantees, performance bonds and other items of a normal trading nature amounted to £940,000 (2012 £962,000)

William Cook Holdings Limited has given guarantees in respect of bank indebtedness of subsidiary undertakings, which amounted to £2,027,000 (2012 £2,167,000)

21 Group companies

The trading companies in the Group at 30 March 2013 were

	Activity
Ultimate Parent Company	
William Cook Holdings Limited	Holding Company
Subsidiary Companies	
William Cook Limited	Subordinate holding company
William Cook Cast Products Limited	Management services and operational holding company
William Cook Leeds Limited	Steel casting and engineering
William Cook Integrity Limited	Steel casting and engineering
William Cook Precision Limited	Steel casting and engineering
William Cook Stanhope Limited (formerly Astrum (UK) Limited)	Steel casting and engineering
Cook Defence Systems Limited	Sale and marketing of defence related equipment
William Cook Machine Shop (Leeds) Limited	Machining
William Cook NDT Limited	Non-destructive testing
William Cook Master Patterns Limited	Pattern manufacture
William Cook Properties Limited	Commercial property management
William Cook Estates Limited	Development property management
William Cook Aviation Limited	Aircraft charter
William Cook Marine Limited	Yacht charter
Swiss Classic Train GmbH (formerly William Cook Rail GmbH)	Operation of passenger trains
William Cook Media Productions Limited	Investing in media production opportunities
William Cook Intermodal Limited	Dormant

All the above subsidiary companies are wholly owned

Non-Trading Companies

On 5 August 2011 liquidators commenced formal winding-up proceedings in respect of the following wholly owned subsidiary companies

William Cook Burton Limited	Dormant
William Cook Foundry (Tow Law) Limited	Dormant
William Cook Machine Shop (Tow Law) Limited	Dormant
William Cook Sheffield Limited	Dormant

These four companies are due to be dissolved on 4 January 2014

Joint Venture

Ocsaif Limited (50% share in joint venture)	Dormant
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Associate Venture

Tooting Broadway Limited (35% share in associate)	Film production
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With the exception of William Cook Marine Limited and Swiss Classic Train GmbH, all the above companies are registered in England & Wales and trade mainly in the United Kingdom. William Cook Marine Limited is registered in the Isle of Man and William Cook Rail GmbH is registered in Switzerland.

Notes (continued)

22 Pension commitments

The Group operates a defined contribution pension scheme. The assets are held separately from those of the Group.

The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £190,196 (2012 £183,933).

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

23 Reconciliation of operating profit to operating cash flows

	2013 £000	2012 £000
Group operating profit	14,751	9,330
Depreciation charge	2,039	1,631
Amortisation of goodwill and other intangible assets	487	262
Decrease/ (increase) in stocks	22	(11)
Decrease/ (increase) in debtors	2,338	(1,118)
(Decrease)/ increase in creditors	(2,778)	1,310
Decrease in provisions	(44)	(124)
Cash inflow from operating activities	16,815	11,280

24 Analysis of net funds/(debt)

	31 March 2012 £000	Non-cash movements £000	Cash flows £000	30 March 2013 £000
Cash at bank and in hand	9,442	-	9,048	18,490
Debt due within one year	(5,490)	(1,950)	2,040	(5,400)
Debt due after one year	(6,845)	1,950	-	(4,895)
	(12,335)	-	2,040	(10,295)
Total	(2,893)	-	11,088	8,195

25 Related party transactions

Loans made to the company by The A J Cook Pension Scheme, are detailed at note 15.

During the year a subsidiary of the group (William Cook Media Productions Limited) has provided against a loan of £177,000 made to an associate of the group, Tooting Broadway Films Limited, as there is significant doubt as to the recoverability of this loan.

26 Ultimate controlling party

The ultimate controlling party of the group and company is considered to be Andrew Cook CBE.

27 Subsequent events

There have been no subsequent events since 30 March 2013 which the directors would consider to require disclosure up to the date of approval of these financial statements.