

Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2010
for
Alhco Group Limited

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for the Year Ended 31 December 2010

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Alhco Group Limited

Company Information
for the Year Ended 31 December 2010

DIRECTORS

L J Keohane
D E Black

SECRETARY:

L J Keohane

REGISTERED OFFICE:

Glenfrome House
Eastgate Road
Bristol
BS5 6XX

REGISTERED NUMBER:

06842801 (England and Wales)

AUDITORS

Lawrence Johns
Registered Auditors
202 Northolt Road
South Harrow
Middlesex
HA2 0EX

SOLICITORS:

Withy King
James Street West
Green Park
Bath
BA1 2BT

Report of the Directors
for the Year Ended 31 December 2010

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2010

The directors present their report and the audited financial statements for Alhco Group Limited and its subsidiary undertakings (together "The Group") for the year ended 31 December 2010

Results and dividends

The net (loss)/profit attributable to the group, after taxation and minority interests, amounted to £(27,770) (2009 profit £376,587) The group retained (loss)/profit for the year of was credited to reserves No dividends were paid or proposed during the period, the dividend of £100,000 in the financial statements represents dividends paid out of a subsidiary undertaking to minority interest shareholders

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of maintenance, repair, servicing and installation of central heating systems

REVIEW OF BUSINESS

Financial performance

The directors have determined that the following financial key performance indicators (KPIs), are the most effective measures of progress towards achieving the company's objectives,

KPI's	2010 £	2009 £
Turnover	26,885,140	21,106,645
Earnings before interest, taxation, depreciation and amortisation (EBITDA) and before exceptional items	306,916	716,033

Turnover has increased in the current year EBITDA has decreased as a result of a contract in quarter four together with operational inefficiencies which have been addressed 2011 The have been redundancy costs that have affected profit

Risk management

The group's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives The key risks which management face are detailed as follows,

Ongoing Funding

On going funding is the risk that the group's bankers may not support the group through the continued availability of bank borrowing facilities This risk is managed through the use of the term loan facilities where possible and regular communication with bank personnel and testing of financial covenants

Business performance risk

Business performance risk is the risk that the group may not perform as expected either due to internal factors or due to competitive pressures in the markets in which they operate This risk is managed through a number of measures such as authorisation of forward purchases requirements, ensuring the appropriate management team is in place, budget and business planning, monthly reporting and variance analysis, financial controls, key performance indicators and regular forecasting, in conjunction with an internal compliance function

Report of the Directors
for the Year Ended 31 December 2010

Business continuity risk

While there is a reliance on physical infrastructure, the group operates out of a number of depots which helps the group to minimise the business continuity risk. The group ensures that there is sufficient IT support available should an unforeseen event occur. Management are continually implementing and reviewing business continuity and IT disaster recovery plans to ensure any increase in risk arising from future activities is managed.

Health and safety risk

The group is committed to ensuring a safe working environment. These risks are managed by the group through strong promotion of a health and safety culture and well defined health and safety policies, facilitated by the employment of a health and safety professional.

Management development

Long-term growth of the business depends on the group's ability to retain and attract personnel of high quality. This risk is managed through development plans which are regularly reviewed and updated. These are accompanied by specific policies in areas such as training, management development and performance management.

Financial and business control

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the group relies for day-to-day operations, external reporting and for longer term planning. The group exercises financial and business control through a combination of qualified and experienced financial personnel, performance analysis, budgeting and cash flow forecasting, and clearly defined approval limits.

Respect, equality and diversity

Respect is the cornerstone of the group's core values. In all aspects of service delivery the group promotes respect and equality and recognises diversity. The group is proactive and takes action to ensure everyone is indeed treated equally with dignity and respect.

Social, ethical and environmental risk

Due to the group's nature and size no significant social, ethical or environmental risks have been identified by management.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2010 will be £100,000.

FUTURE DEVELOPMENTS

The directors consider that prospects for 2011 and beyond are excellent with ample growth opportunities in the market place. The group is in a good position to take advantage of these opportunities which may arise in the future. The directors have maintained their intent in realigning resource in more financially rewarding work.

Report of the Directors
for the Year Ended 31 December 2010

DIRECTORS

D E Black has held office during the whole of the period from 1 January 2010 to the date of this report

Other changes in directors holding office are as follows

L J Keohane - appointed 21 June 2010

D W Reynolds - resigned 21 June 2010

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise cash, trade debtors and creditors, group indebtedness and certain other debtors and accruals. The main risks associated with these financial assets and liabilities are set out below,

Liquidity risk

Available cash headroom is monitored by management on a daily basis and regular discussions take place with the group's bankers as a way of managing the group's liquidity risk. Stock, accrued income and trade debtor levels are monitored by the board of directors at monthly meetings.

Interest rate risk

Currently interest is incurred at 2% above base rates and the base rate on all bank borrowings is variable. Management reviews its exposure to variable rate borrowings regularly at board meetings.

Foreign currency risk

The group has minimal exposure to foreign currency risk.

Credit risk

Credit risk arises principally on 3rd party derived revenues. Group policy is aimed at minimising such risk and requires that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures or who pay in advance of transfer of title or supply an appropriate letter of credit.

DISABLED EMPLOYEES

It has been the policy of the group throughout the year to encourage the employment and development of disabled employees. No unnecessary limitations are placed on the type of work which disabled persons can perform and the policy ensures that in appropriate cases consideration is given to modifications to equipment or premises and to adjustments in working practices. The policy provides that full and fair consideration will be given to disabled applicants for employment and that existing employees who become disabled will have the opportunity to retrain and continue in employment.

EMPLOYEE INVOLVEMENT

Information is conveyed to employees by means of briefings and by way of statements posted on notice boards throughout the group.

Report of the Directors
for the Year Ended 31 December 2010

GOVERNANCE

The role of the Board is to ensure that the group is effectively governed, to ensure that it complies with all relevant legislation, its own memorandum and articles of association and the requirements of good practice, and to ensure that the group works to agreed strategic and operational plans

The group has a 'Financial Procedures' document, which, along with the articles and memorandum of association, assists the directors in the management of the group's affairs. The minutes of all board meetings and committee meetings are circulated to all directors on a timely basis

The Board is responsible for reviewing the group's financial statements, management information reporting, effectiveness of internal control systems and risk management. The Board also agreed with the external auditors the nature and scope of work to be conducted

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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,
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information

AUDITORS

The auditors, Lawrence Johns, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD



D E Black - Director

Date

18/5/14

Report of the Independent Auditors to the Members of
Alhco Group Limited

We have audited the financial statements of Alhco Group Limited for the year ended 31 December 2010 on pages seven to thirty. 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 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

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 31 December 2010 and of the group's 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 matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



T M O'Keeffe (Senior Statutory Auditor)
for and on behalf of Lawrence Johns
Registered Auditors
202 Northolt Road
South Harrow
Middlesex
HA2 0EX

Date

12/5/11

Consolidated Profit and Loss Account
for the Year Ended 31 December 2010

	Notes	Year Ended 31 12 10 £	£	Period 11 3 09 to 31 12 09 £	£
TURNOVER			26,885,140		21,106,645
Continuing operations		26,885,140		-	
Acquisitions		-		21,106,645	
		<u>26,885,140</u>		<u>21,106,645</u>	
Cost of sales	2		<u>22,464,944</u>		<u>16,837,725</u>
GROSS PROFIT	2		4,420,196		4,268,920
Net operating expenses	2		<u>4,270,734</u>		<u>3,649,007</u>
OPERATING PROFIT	4		149,462		619,913
Continuing operations		149,462		-	
Acquisitions		-		619,913	
		<u>149,462</u>		<u>619,913</u>	
Interest receivable and similar income			<u>775</u>		<u>1,549</u>
			150,237		621,462
Interest payable and similar charges	5		<u>65,321</u>		<u>79,736</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			84,916		541,726
Tax on profit on ordinary activities	6		<u>114,913</u>		<u>103,109</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(29,997)		438,617
Minority interest - equity			<u>(2,227)</u>		<u>62,030</u>
(DEFICIT)/RETAINED PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			<u>(27,770)</u>		<u>376,587</u>

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2010

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(27,770)	376,587
Actual return less expected return on pension assets	430,000	257,807
Experience gains/(losses) arising on scheme liabilities	-	125,819
(Loss)/gain arising from changes in assumptions underlying the present value of scheme assets	239,000	(1,247,093)
Deferred Tax (charge)/credit	(188,200)	242,200
Revaluation of tangible fixed assets	105,000	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>558,030</u>	<u>(244,680)</u>

Consolidated Balance Sheet
31 December 2010

	Notes	31 12 10 £	£	31 12 09 £	£
FIXED ASSETS					
Intangible assets	9		949,401		1,001,423
Tangible assets	10		606,094		480,726
Investments	11		-		-
			<u>1,555,495</u>		<u>1,482,149</u>
CURRENT ASSETS					
Stocks	12	259,033		222,404	
Debtors	13	5,889,220		4,506,236	
Cash at bank and in hand		579,099		1,006,373	
		<u>6,727,352</u>		<u>5,735,013</u>	
CREDITORS					
Amounts falling due within one year	14	6,303,648		5,464,673	
NET CURRENT ASSETS			<u>423,704</u>		<u>270,340</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,979,199		1,752,489
CREDITORS					
Amounts falling due after more than one year	15		(1,107,085)		(1,535,860)
PROVISIONS FOR LIABILITIES	18		(214,702)		(520)
MINORITY INTERESTS	19		(474,514)		(476,741)
NET ASSETS/(LIABILITIES)			<u>182,898</u>		<u>(260,632)</u>
CAPITAL AND RESERVES					
Called up share capital	20		4,335		4,335
Revaluation reserve	21		105,000		-
Other reserves	21		72,212		72,212
Profit and loss account	21		1,351		(337,179)
SHAREHOLDERS' FUNDS	24		<u>182,898</u>		<u>(260,632)</u>

The financial statements were approved by the Board of Directors on
by


D E Black - Director

12/5/11

and were signed on its behalf

Company Balance Sheet
31 December 2010

	Notes	31 12 10 £	£	31 12 09 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		1,406,500		1,406,500
			<u>1,406,500</u>		<u>1,406,500</u>
CREDITORS					
Amounts falling due within one year	14	<u>1,109,437</u>		<u>851,272</u>	
NET CURRENT LIABILITIES			<u>(1,109,437)</u>		<u>(851,272)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			297,063		555,228
CREDITORS					
Amounts falling due after more than one year	15		<u>419,911</u>		<u>620,080</u>
NET LIABILITIES			<u>(122,848)</u>		<u>(64,852)</u>
CAPITAL AND RESERVES					
Called up share capital	20		4,335		4,335
Other reserves	21		72,212		72,212
Profit and loss account	21		<u>(199,395)</u>		<u>(141,399)</u>
SHAREHOLDERS' FUNDS	24		<u>(122,848)</u>		<u>(64,852)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on
by

18/5/11

and were signed on its behalf



D E Black - Director

Consolidated Cash Flow Statement
for the Year Ended 31 December 2010

		Year Ended 31 12 10	Period 11 3 09 to 31 12 09
	Notes	£	£
Net cash (outflow)/inflow from operating activities	1	(323,550)	1,928,818
Returns on investments and servicing of finance	2	(64,546)	(78,187)
Taxation		(26,750)	-
Capital expenditure	2	(125,803)	(970,637)
Equity dividends paid		<u>(100,000)</u>	<u>(92,500)</u>
		(640,649)	787,494
Financing	2	<u>(371,371)</u>	<u>196,015</u>
(Decrease)/Increase in cash in the period		<u>(1,012,020)</u>	<u>983,509</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(1,012,020)	983,509
Cash outflow/(inflow) from decrease/(increase) in debt		<u>371,371</u>	<u>(1,876,132)</u>
Change in net debt resulting from cash flows		(640,649)	(892,623)
Movement in net debt in the period		(640,649)	(892,623)
Net debt at 1 January		<u>(892,623)</u>	<u>-</u>
Net debt at 31 December		<u>(1,533,272)</u>	<u>(892,623)</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2010

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
Operating profit	149,462	619,913
Depreciation charges	158,847	97,735
Profit on disposal of fixed assets	(1,393)	(1,615)
Pension charge/contribution difference	85,503	40,708
Pension fund increase	669,000	-
Other non cash movements	(99,480)	-
Increase in stocks	(36,629)	(222,404)
Increase in debtors	(1,367,914)	(3,681,306)
Increase in creditors	119,054	5,075,787
Net cash (outflow)/inflow from operating activities	<u>(323,550)</u>	<u>1,928,818</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
Returns on investments and servicing of finance		
Interest received	775	1,549
Interest paid	(65,321)	(79,736)
Net cash outflow for returns on investments and servicing of finance	<u>(64,546)</u>	<u>(78,187)</u>
Capital expenditure		
Purchase of intangible fixed assets	-	(845,700)
Purchase of tangible fixed assets	(127,196)	(126,774)
Sale of tangible fixed assets	1,393	1,837
Net cash outflow for capital expenditure	<u>(125,803)</u>	<u>(970,637)</u>
Financing		
New loans in year	-	650,000
Loan repayments in year	(371,371)	(458,320)
Share issue	-	4,335
Net cash (outflow)/inflow from financing	<u>(371,371)</u>	<u>196,015</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2010

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 10 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank and in hand	1,006,373	(427,274)	579,099
Bank overdraft	<u>(22,864)</u>	<u>(584,746)</u>	<u>(607,610)</u>
	<u>983,509</u>	<u>(1,012,020)</u>	<u>(28,511)</u>
Debt			
Debts falling due within one year	(340,272)	(57,404)	(397,676)
Debts falling due after one year	<u>(1,535,860)</u>	<u>428,775</u>	<u>(1,107,085)</u>
	<u>(1,876,132)</u>	<u>371,371</u>	<u>(1,504,761)</u>
Total	<u>(892,623)</u>	<u>(640,649)</u>	<u>(1,533,272)</u>

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

The directors have assessed that the group is a going concern due to the fact that the bank borrowing facilities are in place which they believe are significant to allow the group to meet its liabilities as they fall due for payment on the basis that the 2011 forecasts and budget for 2012 are achieved

The company alone has net liabilities of £122,848 (2009 £64,852) Accordingly, the company is dependent on support from its creditors, the bank, loans and its subsidiary companies On this basis, the directors believe that it is appropriate to prepare the financial statements on a going concern basis The financial statements do not include any adjustments that would result if the company were unable to continue as a going concern

Basis of consolidation

The group's consolidated accounts incorporate the results of the company and all its subsidiaries from the date of acquisition All acquisitions have been included in the Group Financial Statements using the acquisition method of accounting Entities, other than subsidiaries in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates In the group financial statements, associates are accounted for using the equity method

In the parent company financial statements investments in subsidiaries and associates are accounted for at the lower of cost and net reliable value

The parent company has taken exemption from presenting its individual profit and loss account in these consolidated accounts However, individual company accounts for the parent have been prepared

Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax All turnover is generated within the United Kingdom

Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a presumed maximum of 20 years It is reviewed for impairment at the end of the first full financial period following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable If a subsidiary or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure

Tangible fixed assets

All fixed assets are initially recorded at cost Freehold land and buildings were re-valued subsequently with the revaluation surplus taken to the revaluation reserve

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life,

Leasehold improvements	20% on cost
Plant and machinery	25% on reducing balance
Motor vehicles	25% on reducing balance
Fixtures, fittings and office equipment	20% on cost
Freehold land	No depreciation

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

1 ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions,

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an un-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Hire purchase and leasing commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

1 ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Avon Lippiatt Hobbs (Contracting) Limited, a subsidiary company, operates a defined benefit pension scheme which requires contributions to be made to separately administered funds. The scheme was closed to new entrants in 2002, from which time membership of a defined contribution plan is available.

The cost of providing benefits under the defined benefit plan is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the income statement as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of recognised gains and losses in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate reflecting market yields on AA rated corporate bonds of appropriate term and currency), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Retirement benefits to employees in the company are also provided by a defined contribution pension scheme, whereby the assets of the scheme are held separately from those of the company in an independently administered fund.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received excluding discounts, rebates and VAT. Revenue is recognised by reference to the point at which services have been rendered.

2 ANALYSIS OF OPERATIONS

	Continuing £	31 12 10 Acquisitions £	Total £
Cost of sales	<u>22,464,944</u>	<u>-</u>	<u>22,464,944</u>
Gross profit	<u>4,420,196</u>	<u>-</u>	<u>4,420,196</u>
Net operating expenses			
Administrative expenses	4,293,734	-	4,293,734
Other operating income	<u>(23,000)</u>	<u>-</u>	<u>(23,000)</u>
	<u>4,270,734</u>	<u>-</u>	<u>4,270,734</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

2 ANALYSIS OF OPERATIONS - continued

	Continuing £	31 12 09 Acquisitions £	Total £
Cost of sales	<u>-</u>	<u>16,837,725</u>	<u>16,837,725</u>
Gross profit	<u>-</u>	<u>4,268,920</u>	<u>4,268,920</u>
Net operating expenses			
Administrative expenses	-	3,692,180	3,692,180
Other operating income	<u>-</u>	<u>(43,173)</u>	<u>(43,173)</u>
	<u>-</u>	<u>3,649,007</u>	<u>3,649,007</u>

3 STAFF COSTS

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
Wages and salaries	11,227,259	7,333,219
Social security costs	1,076,721	1,778,133
Other pension costs	<u>209,458</u>	<u>452,718</u>
	<u>12,513,438</u>	<u>9,564,070</u>

The average monthly number of employees during the year was as follows

	Year Ended 31 12 10	Period 11 3 09 to 31 12 09
All employees	<u>384</u>	<u>384</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
Hire of plant and machinery	918,707	598,104
Depreciation - owned assets	106,827	78,259
Profit on disposal of fixed assets	(1,393)	(1,615)
Goodwill amortisation	52,022	39,016
Auditors' remuneration	<u>48,386</u>	<u>85,083</u>
Directors' remuneration	<u>304,375</u>	<u>629,666</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
Bank interest	6,224	5,408
Bank loan interest	<u>59,097</u>	<u>74,328</u>
	<u>65,321</u>	<u>79,736</u>

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
Current tax		
UK corporation tax	103,888	85,557
Prior year tax adjustment	<u>113</u>	<u>-</u>
Total current tax	104,001	85,557
Deferred tax	<u>10,912</u>	<u>17,552</u>
Tax on profit on ordinary activities	<u>114,913</u>	<u>103,109</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
Profit on ordinary activities before tax	<u>84,916</u>	<u>541,726</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	23,776	151,683
Effects of		
Expenses and income disallowed	(23,642)	35,175
Capital allowances	(59,838)	(30,431)
Losses	163,592	(67,003)
Prior year adjustments	<u>113</u>	<u>(3,867)</u>
Current tax charge	<u>104,001</u>	<u>85,557</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

7 LOSS OF 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 financial statements. The parent company's loss for the financial year was £(57,996) (2009 - £(141,399)).

8 DIVIDENDS

	Year Ended 31 12 10 £	Period 11 3 09 to 31 12 09 £
'B' Ordinary shares of 0.001 each Dividends	<u>100,000</u>	<u>92,500</u>

9 INTANGIBLE FIXED ASSETS

Group

COST

At 1 January 2010
and 31 December 2010

Goodwill
£

1,040,439

AMORTISATION

At 1 January 2010
Amortisation for year

39,016

52,022

At 31 December 2010

91,038

NET BOOK VALUE

At 31 December 2010

949,401

At 31 December 2009

1,001,423

Goodwill arising on the acquisition of ALH 86 Limited and its subsidiary undertakings is being amortised over its estimated useful life of 20 years.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

10 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2010	169,341	103,554	447,158	15,250	735,303
Additions	12,673	17,559	96,964	-	127,196
Revaluations	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,000</u>
At 31 December 2010	<u>287,014</u>	<u>121,113</u>	<u>544,122</u>	<u>15,250</u>	<u>967,499</u>
DEPRECIATION					
At 1 January 2010	15,847	39,845	183,636	15,250	254,578
Charge for year	<u>2,230</u>	<u>22,015</u>	<u>82,582</u>	<u>-</u>	<u>106,827</u>
At 31 December 2010	<u>18,077</u>	<u>61,860</u>	<u>266,218</u>	<u>15,250</u>	<u>361,405</u>
NET BOOK VALUE					
At 31 December 2010	<u>268,937</u>	<u>59,253</u>	<u>277,904</u>	<u>-</u>	<u>606,094</u>
At 31 December 2009	<u>153,494</u>	<u>63,709</u>	<u>263,522</u>	<u>-</u>	<u>480,725</u>

Cost or valuation at 31 December 2010 is represented by

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2010	105,000	-	-	-	105,000
Cost	<u>182,014</u>	<u>121,113</u>	<u>544,122</u>	<u>15,250</u>	<u>862,499</u>
	<u>287,014</u>	<u>121,113</u>	<u>544,122</u>	<u>15,250</u>	<u>967,499</u>

Freehold land and buildings were valued on an open market basis on 16 February 2011 by Carter Jonas LLP

11 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2010 and 31 December 2010	<u>1,406,500</u>
NET BOOK VALUE	
At 31 December 2010	<u>1,406,500</u>
At 31 December 2009	<u>1,406,500</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

11 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

ALH 86 Limited

Nature of business Holding company

	% holding	31 12 10	31 12 09
Class of shares		£	£
Ordinary	97.00		
Aggregate capital and reserves		(1,531,929)	(1,650,705)
Profit for the year/period		<u>14,067</u>	<u>143,046</u>

The following companies results have been consolidated into these financial statements by virtue of being subsidiaries of ALH 86 Limited

	Percentage of ordinary shares of £1 held by the group 31 12 10
Avon Lippiatt Hobbs (Contracting) Limited	100%
Saltire Facilities Management Limited	67%
AVP-ALHCO Limited	100%
ALHCO Limited	100%

Avon Lippiatt Hobbs (Contracting) Limited and Saltire Facilities Management Limited traded in line with the group's principle activity which is described in the directors' report. AVP-ALHCO Limited and ALHCO Limited did not trade during the year. All subsidiary companies are incorporated in the United Kingdom.

12 STOCKS

	Group 31 12 10	31 12 09
	£	£
Stocks	<u>259,033</u>	<u>222,404</u>

13 DEBTORS

	Group 31 12 10	31 12 09
	£	£
Amounts falling due within one year		
Trade debtors	1,772,949	1,504,415
Other debtors	21,140	55,155
Prepayments and accrued income	<u>2,581,131</u>	<u>2,116,736</u>
	<u>4,375,220</u>	<u>3,676,306</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

13 DEBTORS - continued

	Group	
	31 12 10	31 12 09
	£	£
Amounts falling due after more than one year		
Pension asset	674,000	5,000
Deferred tax asset	840,000	824,930
	<u>1,514,000</u>	<u>829,930</u>
Aggregate amounts	<u>5,889,220</u>	<u>4,506,236</u>

The deferred tax asset is calculated at 28% (2009 28%) and represents £3 million of the unutilised tax losses carried forward of £840,000 (2009 £840,000)

There are deferred tax assets not recognised in the accounts in respect of unutilised tax losses carried forward of £1,371,305 (2009 £1,265,446) which would give rise to a deferred tax asset of £383,965 (2009 £354,325)

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 12 10	31 12 09	31 12 10	31 12 09
	£	£	£	£
Bank loans and overdrafts (see note 16)	1,005,286	363,136	216,669	209,242
Trade creditors	3,216,851	3,031,774	-	6,631
Amounts owed to group undertakings	-	-	814,612	529,767
Tax	103,521	25,750	-	-
Social security and other taxes	925,263	1,007,463	-	-
Other creditors	187,711	697,539	-	-
Accruals and deferred income	865,016	339,011	78,156	105,632
	<u>6,303,648</u>	<u>5,464,673</u>	<u>1,109,437</u>	<u>851,272</u>

The overdrafts and bank loan are secured by a cross guarantee between the company and certain subsidiaries, a first legal mortgage, a fixed charge over the group's freehold land, plant and machinery, investments, goodwill, intellectual property and book debts and a floating charge over all the group's assets and property, present and future

Further security is provided in the form of a warrant over shares in the company that are required to be issued upon breach of certain loan facilities

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31 12 10	31 12 09	31 12 10	31 12 09
	£	£	£	£
Bank loans (see note 16)	741,340	1,177,322	54,166	261,542
Other loans (see note 16)	365,745	358,538	365,745	358,538
	<u>1,107,085</u>	<u>1,535,860</u>	<u>419,911</u>	<u>620,080</u>

The other loans represent loan notes which are secured and are not repayable until the later of 27 March 2012 and the date when the company's (Alhco Group Limited) bank loan of £270,833 (2009 £470,784) is repaid in full

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

16 **LOANS**

An analysis of the maturity of loans is given below

	Group		Company	
	31 12 10	31 12 09	31 12 10	31 12 09
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	607,610	22,864	2	-
Bank loans	<u>397,676</u>	<u>340,272</u>	<u>216,667</u>	<u>209,242</u>
	<u>1,005,286</u>	<u>363,136</u>	<u>216,669</u>	<u>209,242</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	54,166	261,542	54,166	261,542
Other loans - 1-2 years	<u>365,745</u>	<u>358,538</u>	<u>365,745</u>	<u>358,538</u>
	<u>419,911</u>	<u>620,080</u>	<u>419,911</u>	<u>620,080</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>687,174</u>	<u>915,780</u>	<u>-</u>	<u>-</u>

The bank loans are in Alhco Group Limited and ALH 86 Limited and interest is charged at 6.25% and 2% respectively. Repayments are made on a monthly basis.

17 **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

Group	Land and buildings		Other operating leases	
	31 12 10	31 12 09	31 12 10	31 12 09
	£	£	£	£
Expiring				
Between one and five years	<u>174,302</u>	<u>113,312</u>	<u>29,722</u>	<u>28,206</u>

18 **PROVISIONS FOR LIABILITIES**

	Group	
	31 12 10	31 12 09
	£	£
Deferred tax	<u>214,702</u>	<u>520</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

18 PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 January 2010	520
Pension surplus	188,200
accelerated capital allowances	<u>25,982</u>
Balance at 31 December 2010	<u>214,702</u>

19 MINORITY INTERESTS

The minority interest represents 33% of the share capital in Saltire Facilities Management Limited and 3% of the share capital in ALH 86 Limited and its subsidiaries

20 CALLED UP SHARE CAPITAL

Allotted, Number	issued and fully paid Class	Nominal value £	31 12 10 £	31 12 09 £
4,335,000	'B' Ordinary	0 001	<u>4,335</u>	<u>4,335</u>

21 RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Other reserves £	Totals £
At 1 January 2010	(337,179)	-	72,212	(264,967)
Deficit for the year	(27,770)			(27,770)
Dividends	(100,000)			(100,000)
Actuarial gain/(loss)	669,000	105,000	-	774,000
Tax charge on actuarial gain	(188,200)	-	-	(188,200)
Share buy backs	<u>(14,500)</u>	<u>-</u>	<u>-</u>	<u>(14,500)</u>
At 31 December 2010	<u>1,351</u>	<u>105,000</u>	<u>72,212</u>	<u>178,563</u>

Company

	Profit and loss account £	Other reserves £	Totals £
At 1 January 2010	(141,399)	72,212	(69,187)
Deficit for the year	<u>(57,996)</u>	<u>-</u>	<u>(57,996)</u>
At 31 December 2010	<u>(199,395)</u>	<u>72,212</u>	<u>(127,183)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

22 RELATED PARTY DISCLOSURES

Mr J Clarke, the majority shareholder of the group, was paid £50,167 (2009 £63,870) in respect of consultancy services provided to the group. The directors consider that the services were provided on an arms length basis. £nil (2009 £358,538) of loan notes and related interest were owed to Mr J Clarke at 31 December 2010. The loan note ownership was transferred in June 2010 to an ex-director from Mr J Clarke.

A subsidiary undertaking, Saltire Facilities Management Limited, maintains, services and installs central heating boilers under a public private partnership agreement to North Lanarkshire Council ("NLC"), who is a 33% shareholder in Saltire Facilities Management Limited. Saltire Facilities Management Limited provided goods and services on an arms length basis to this shareholder totalling £14,036,672 in 2010 net of discounts and rebates (2009 £13,410,258). In addition fees were paid to NLC in respect of services received by the company totalling £494,562 (2009 £547,625) on an arm's length basis. The net balance due from North Lanarkshire Council was £789,724 (2009 £574,632).

At the year end the net balance due from Alhco Group Limited (the company) to Saltire Facilities Management Limited was £258,438 (2009 £384,390 due to Alhco Limited). These balances are eliminated on consolidation.

During the year ALH 86 Limited transferred money to Avon Lippiatt Hobbs (Contracting) Limited to the value of £239,871 (2009 £618,771). At 31 December 2010 Avon Lippiatt Hobbs (Contracting) Limited owed the company £1,432,590 (2009 £1,192,719). Avon Lippiatt Hobbs (Contracting) Limited is a company that is 100% owned by ALH 86 Limited, which in turn is 97% owned by Alhco Group Limited. During the year ALH 86 Limited received money from Alhco Group Limited to the value of £6,500 (2009 £320,313). At 31 December 2010 Alhco Group Limited owed the ALH 86 Limited £326,813 (2009 £326,813). These balances are eliminated on consolidation.

During the year ALH 86 Limited transferred money to AVP Alhco Limited to the value of £nil (2009 £nil). At 31 December 2010 AVP Alhco Limited owed the company £1,000 (2009 £1,000). AVP Alhco Limited is a dormant company that is 100% owned by ALH 86 Limited, which in turn is 97% owned by Alhco Group Limited.

23 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr J Clarke by virtue of his 75.1% shareholding in the parent company Alhco Group Limited.

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	31 12 10 £	31 12 09 £
(Loss)/Profit for the financial year	(27,770)	376,587
Dividends	(100,000)	(92,500)
	(127,770)	284,087
Other recognised gains and losses relating to the year (net)	585,800	(621,267)
Other Reserves	-	72,212
Shares Issued	-	4,335
Share buy backs	(14,500)	-
Net addition/(reduction) to shareholders' funds	443,530	(260,633)
Opening shareholders' funds	(260,632)	1
Closing shareholders' funds	182,898	(260,632)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company	31 12 10	31 12 09
	£	£
Loss for the financial year	(57,996)	(141,399)
Share capital issued	-	4,335
Other reserves issued	<u>-</u>	<u>72,212</u>
Net reduction of shareholders' funds	(57,996)	(64,852)
Opening shareholders' funds	<u>(64,852)</u>	<u>-</u>
Closing shareholders' funds	<u>(122,848)</u>	<u>(64,852)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

25 PENSIONS

The company operates a defined benefit scheme. The scheme is funded by payment of contributions to a separate trustee administered fund. The pension scheme assets are held in this fund to meet long-term scheme liabilities to past and present eligible employees. The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of trustees to the scheme is determined by the scheme's trust documentation and legislation. Currently, one half of all trustees have been nominated by members of the scheme. The scheme is closed to new entrants. The valuation used has been based on the most recent actuarial valuation at 1 April 2006 and was updated by First Actuarial Limited to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 December 2010. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The main assumptions used by the actuary were

	2010 %	2009 %
Discount rate	5.40	5.60
Retail price inflation	2.85	3.60
Consumer price inflation	2.10	n/a
Salary increases	2.85	3.60
Rate of increase in pension in payment - non pensioners - 3% of CPI	2.70	n/a
Rate of increase in pension in payment - non pensioners - 5% of RPI	3.80	3.60
Rate of increase in pension in payment - pensioners - 3% of CPI	2.20	n/a
Rate of increase in pension in payment - pensioners - 5% of RPI	3.10	3.60
Rate of increase for deferred pensioners	2.10	3.30
Expected return on scheme assets	6.10	5.88

The overall expected return on scheme assets assumption of 6.10% as at 31 Dec 2010 has been derived by calculating the weighted average of the expected rate of return for each asset class. The following approach has been used to determine the expected rate of return for each asset class:

- fixed interest securities, current market yields
- equities, allowance for an additional return of 3.50% above that available on UK government securities
- property, allowance for an additional return of 3.50% above that available on UK government securities
- cash, current Bank of England base rate

The demographic assumptions used by the actuary were

	2010	2009
Mortality (Pre retirement)	SINA (yob), CMI2009 1.0% pa and 3 year age adjust for ex-NLC members	SINA (yob), CMI2009 1.0% pa and 3 year age adjust for ex-NLC members
Mortality (Post retirement)	SINA (yob), CMI2009 1.0% pa and 3 year age adjust for ex-NLC members	SINA (yob), CMI2009 1.0% pa and 3 year age adjust for ex-NLC members

Life expectancies are as follows

		2010 Years	2009 Years
Current 65 year old retiring at year end (life expectancy from 65)	Males	19.1	19.1
	Females	21.3	21.3
Current 45 year old retiring in 20 years (life expectancy from 65)	Males	20.5	20.5
	Females	22.9	22.9

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

The assets and liabilities of the scheme at 31 December are as follows

	2010 £'000	2010 %	2009 £'000	2009 %
Equities	4,665	46%	4,196	44%
Bonds	2,672	27%	4,649	49%
Gilts	2,135	21%	-	-
Cash	189	2%	-	-
Other assets	439	4%	622	7%
	<hr/>		<hr/>	
Fair value of scheme assets	10,100		9,467	
Present value of liabilities	(9,426)		(9,462)	
	<hr/>		<hr/>	
Surplus in the scheme	674		5	
Related deferred tax liability	(189)		-	
	<hr/>		<hr/>	
Net pension asset	485		5	
	<hr/>		<hr/>	

Analysis of amounts recognised in the profit and loss account

	£	£
Current service cost	(230,000)	(187,000)
Past service cost	-	-
(Gains)/losses on settlements/curtailments	-	-
	<hr/>	<hr/>
Recognised in arriving at operating profit	(230,000)	(187,000)
	<hr/>	<hr/>
Expected return on scheme assets	547,000	533,000
Interest on obligation	(403,000)	(463,000)
	<hr/>	<hr/>
Other finance income	144,000	70,000
	<hr/>	<hr/>
Total recognised in the profit and loss account	(86,000)	(117,000)
	<hr/>	<hr/>

Taken to the statement of total recognised gains and losses

	2010 £	2009 £
Actual return on scheme assets	977,000	951,000
Less expected return on scheme assets	(547,000)	(533,000)
	<hr/>	<hr/>
Actuarial gain/(loss) on scheme assets	430,000	418,000
Other actuarial gains and (losses) - scheme liabilities	239,000	(1,818,000)
	<hr/>	<hr/>
Actuarial gain recognised in the statement of total recognised gains and losses	669,000	(1,400,000)
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2010

Changes in the present value of the defined obligations are analysed as follows

	2010 £	2009 £
At beginning of period	9,462,000	7,286,000
Current service cost	230,000	187,000
Interest cost	403,000	463,000
Members' contributions	31,000	44,000
Actuarial loss/(gain) on scheme liabilities	(239,000)	1,818,000
Benefits paid	(461,000)	(336,000)
At end of period	<u>9,426,000</u>	<u>9,462,000</u>

There are no unfunded defined benefit obligations

Changes in the fair value of the plan assets are analysed as follows

	2010 £	2009 £
At beginning of period	9,467,000	8,687,000
Expected return on scheme assets	547,000	533,000
Actuarial loss/(gain) on scheme assets	430,000	418,000
Contributions by the company	86,000	121,000
Contributions by members	31,000	44,000
Benefits paid	(461,000)	(336,000)
At end of period	<u>10,100,000</u>	<u>9,467,000</u>

History of assets, liabilities and actuarial gains and losses

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Fair value of scheme assets	10,100	9,467	8,687	9,574	8,738
Present value of defined benefit obligation	<u>9,426</u>	<u>9,462</u>	<u>7,286</u>	<u>8,668</u>	<u>8,689</u>
Surplus/(deficit) in the scheme	<u>674</u>	<u>5</u>	<u>1,401</u>	<u>906</u>	<u>49</u>
Experience gain/(loss) arising on plan assets	430	418	(753)	270	7
Experience gain/(loss) arising on plan liabilities	-	(204)	(243)	(39)	534

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since 2002 is £647,000