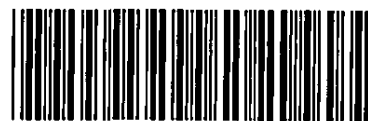


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COMPANIES HOUSE

COMPANY INFORMATION

Directors	M L Wilson P J Short M J Brown D K Pickerill F M Stafford-Charles D Wigley	Chairman (Non-Executive) Managing Director (Non-Executive)
Company Secretary	D K Pickerill	
Company Registration Number	SC006517	
Registered Office	40 North Castle Street, Edinburgh, EH2 3BN	
Bankers	The Royal Bank of Scotland plc	
Registered Auditor	Grant Thornton UK LLP Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ	
Sales Contacts	sales@ayrshire.co.uk www.ayrshire.co.uk	
Main Locations		
Cold Roll Forming	Ayrshire Daventry Royal Oak Way, Daventry, Northamptonshire NN11 8NR Telephone : 01327 300990 Fax : 01327 300885 Ayrshire St. Helens Pocketnook Street, St. Helens, Merseyside WA9 1LT Telephone : 01744 29145 Fax : 01744 451257 Ayrshire Warley Anne Road, Smethwick, Warley, West Midlands B66 2NZ Telephone : 0121 558 7739 Fax : 0121 558 7772	
Overseas Subsidiary	System-Bau-Elemente Vertriebs GmbH, Munich Telephone : +49 89 8960840 Fax : +49 89 8341431	
Registrar	D K Pickerill - Company Secretary Ayrshire Metal Products plc, Royal Oak Way, Daventry, Northamptonshire NN11 8NR Email : dave.pickerill@ayrshire.co.uk	

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the financial statements of the Group for the year ended 31 December 2011.

Results and dividends

The Group results set out on page 9 show operating profit of £1,061,000 (2010: operating profit £294,000).

A Dividend of 11p per Ordinary share was paid on 28/07/2011 (2010: 7p).

Activities

Ayrshire Metal Products plc is one of the largest producers of cold rolled steel profiles in the UK with locations at Daventry, St Helens and Warley. The Group operates an overseas subsidiary in Germany.

Business review

The level of profit has improved during the year despite very difficult market conditions. The overall outlook remains uncertain and the review of all our operating costs continues.

Key Performance Indicators

	2011	2010
	%	%
Return before tax on net assets	19.3	6.4
Return before tax on Sales	5.6	1.9
Operating Margin to Sales	4.6	1.3

Group research and development activities

The Group is committed to research and development in order to secure its position as one of the largest producers of cold formed profiles.

Directors

The directors of the company at the date of this report are shown on page 2. All served throughout the year unless indicated otherwise.

Mr. D.K.Pickerill retires by rotation and being eligible offers himself for re-election to the board.

DIRECTORS' REPORT

Statement of Directors' Responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Fixed assets

In the opinion of the Directors, the market value of the land and buildings is in excess of the book value.

Employee information

The Group's policy is to consult and discuss with employees, through staff councils, unions and at meetings, matters likely to affect employees' interests. Information on all matters of concern to employees is given through information bulletins which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance. The employment policies operated throughout the Group are designed to ensure full and fair consideration to all and, where appropriate, to promote the employment of disabled persons, and ensure continuity of employment and training for those persons who may become disabled during their period of employment with the Group. Continued close attention is paid to the health and safety of employees while at work. Consultation with employees is organised according to the particular needs of each location at which the Group operates. It is the policy of the Group that training, development and promotion opportunities should be obtainable by all employees.

Payment Policy

The Group's policy is to agree the terms of payment with suppliers prior to transacting. Trade creditors at the year end amounted to 41 days of average supplies (2010 : 57 days).

Financial risk management and objectives

The Group finances its operations through retained profits and cash. The Group's principal financial instrument is cash. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of the cash is to maintain adequate resources for the Group's operations. The Group does not enter into derivative transactions.

The Group does not trade in financial instruments. The board reviews and agrees policies for managing each of the following risks:-

DIRECTORS' REPORT

Interest rate risk

The Group seeks to deposit cash assets safely to minimise risk while maximising the interest received.

Liquidity risk

The Group seeks to ensure it has sufficient liquidity available to meet foreseeable needs. Cash reserves minimise liquidity risk.

Currency risk

The Group is exposed to translation and transaction foreign exchange risks. The Group seeks to manage these risks by limiting exposure to foreign exchange fluctuations.

Credit risk

All customers who wish to trade on credit terms are subject to credit vetting procedures, and debtors are monitored on an ongoing basis.

Auditors

Grant Thornton UK LLP offer themselves for re-appointment as auditors in accordance with section 489 of the Companies Act 2006.



On behalf of the Board
P J Short Director

Company No: SC006517

Royal Oak Way
Daventry
Northamptonshire
NN11 8NR

24/05/2012

REPORT OF THE INDEPENDENT AUDITOR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AYRSHIRE METAL PRODUCTS PLC

We have audited the financial statements of Ayrshire Metal Products plc for the year ended 31 December 2011 which comprise the accounting policies, the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 auditors

As explained more fully in the Statement of Directors Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the 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.



Mark Taylor
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Birmingham
24/05/2012

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

Basis of accounting

The Group financial statements have been prepared under the historical cost convention.

As permitted by the Companies Act 2006, a separate profit and loss account of Ayrshire Metal Products plc is not presented as the results of the company are included in the consolidated profit and loss account.

Basis of consolidation

The consolidated accounts include the financial statements of the company and its subsidiaries made up to 31 December each year. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

Turnover

Turnover represents the invoiced sales (exclusive of value added tax) to customers outside the Group, and is recognised in the accounts when goods are delivered.

Stocks and work in progress

Inventories are valued at the lower of cost, including appropriate overheads, and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made for obsolete, slow moving and defective stocks.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer, to the Group, substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Fixed assets and depreciation

Fixed assets are stated at cost.

Depreciation is provided to write down the cost less estimated residual value of all tangible fixed assets except land, using a straight line basis at the following annual rates representing expected useful economic lives:

- Buildings 3.5 per cent
- Plant, machinery and fittings 8-50 per cent
- Motor vehicles 20-25 per cent
- Rolls and tools 33.3 per cent

Research and development

All expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

ACCOUNTING POLICIES

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax on defined benefit pension scheme surpluses or deficits is adjusted against these surpluses or deficits. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an un-discounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

The results of the overseas subsidiary undertaking are translated into sterling at the average rates of exchange for the year and assets and liabilities in overseas currencies are translated at rates of exchange ruling at the year end.

Exchange differences arising on settled transactions and on unsettled short term monetary items are included in the results for the year. Other exchange differences are adjusted within reserves.

Investments

The company's investments in its subsidiaries are stated at cost.

Financial instruments

Financial instruments are classified according to the substance of the contractual arrangements. Financial liabilities are presented in the balance sheet as such. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Dividends are debited direct to equity.

Pension costs - defined contribution scheme

The Group operates defined contribution pension schemes for all eligible employees and directors. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds.

Pension costs - defined benefit scheme

The Group operates a defined benefit pension scheme. Certain directors are members of the scheme. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. The net surplus is recognised only to the extent that it is recoverable by the Group. The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. The expected return on scheme assets, net of the interest on scheme liabilities is included in other finance income. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

The assets of the scheme are held, administered and invested independently of the Group.

Cash and Liquid Resources

For the purpose of the cashflow statement, cash comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2011

	Note	2011		2010	
		£'000	£'000	£'000	£'000
Turnover – continuing operations	1		23,222		22,787
Cost of sales – continuing operations			<u>(16,358)</u>		<u>(17,129)</u>
Gross profit			6,864		5,658
Distribution costs		(624)		(539)	
Administration expenses		<u>(5,179)</u>		<u>(4,825)</u>	
			<u>(5,803)</u>		<u>(5,364)</u>
Operating profit on ordinary activities before interest – continuing operations	2		1,061		294
Profit on sale of fixed assets		22		9	
Other finance income		215		138	
Interest receivable	5	4		7	
			<u>241</u>		<u>154</u>
Profit on ordinary activities before taxation			1,302		448
Taxation	7		<u>(370)</u>		<u>(230)</u>
Profit on ordinary activities after taxation and profit for the financial year transferred to reserves	17		<u>932</u>		<u>218</u>

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>2011</u>	<u>2010</u>
Profit for the financial year	932	218
Movement on exchange differences arising on consolidation of overseas subsidiary	(137)	17
Movement in pension asset recognised surplus in the year	-	(29)
Deferred tax – movement in pension scheme deferred tax liability	<u>18</u>	<u>8</u>
Total gains recognised since the last financial statements	<u>813</u>	<u>214</u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The accompanying accounting policies and notes form an integral part of these financial statements.

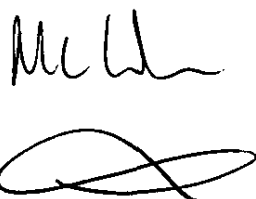
BALANCE SHEETS

As at 31 December 2011

		GROUP		PARENT COMPANY	
		2011	2010	2011	2010
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	1,247	1,079	589	431
Investments	9	<u>-</u>	<u>-</u>	<u>10</u>	<u>12</u>
		<u>1,247</u>	<u>1,079</u>	<u>599</u>	<u>443</u>
CURRENT ASSETS					
Stocks	10	2,328	2,667	659	624
Debtors	11	3,254	3,376	6,698	6,557
Cash at bank		<u>3,319</u>	<u>4,230</u>	<u>1,949</u>	<u>1,580</u>
		<u>8,901</u>	<u>10,273</u>	<u>9,306</u>	<u>8,761</u>
CREDITORS amounts falling due within one year	12	<u>4,355</u>	<u>5,232</u>	<u>5,888</u>	<u>3,413</u>
NET CURRENT ASSETS		<u>4,546</u>	<u>5,041</u>	<u>3,418</u>	<u>5,348</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,793</u>	<u>6,120</u>	<u>4,017</u>	<u>5,791</u>
PENSION ASSET	23	<u>953</u>	<u>896</u>	<u>953</u>	<u>896</u>
NET ASSETS		<u>6,746</u>	<u>7,016</u>	<u>4,970</u>	<u>6,687</u>
CAPITAL AND RESERVES					
Called up share capital	15	2,463	2,463	2,463	2,463
Capital Redemption Reserve	16	37	37	37	37
Profit and loss account	17	<u>4,246</u>	<u>4,516</u>	<u>2,470</u>	<u>4,187</u>
EQUITY SHAREHOLDERS' FUNDS	18	<u>6,746</u>	<u>7,016</u>	<u>4,970</u>	<u>6,687</u>

The financial statements were approved by the Board of Directors on 24/05/2012.

M L Wilson Directors
P J Short



The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2011

		2011	2010
	Note	£'000	£'000
Net cash inflow from operating activities	19	325	2,221
Returns on investments and servicing of finance	20a	4	7
Taxation		343	(233)
Capital expenditure and financial investment	20b	(362)	(168)
Equity dividends paid		(1,083)	(690)
Cash (outflow) / inflow before management of liquid resources and financing		(773)	1,137
Financing	20c	(2)	(29)
(Decrease) / increase in cash in the year	21	(775)	1,108

ANALYSIS OF NET FUNDS

	1 January 2011 £'000	Cash flow £'000	Foreign exchange rate changes £'000	31 December 2011 £'000
Net cash				
Cash at bank and in hand	4,230	(775)	(136)	3,319
Debt				
Finance leases less than 1 year	(6)	2	-	(4)
Net funds	<u>4,224</u>	<u>(773)</u>	<u>(136)</u>	<u>3,315</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ANALYSIS OF TURNOVER	2011 £'000	2010 £'000
Geographical analysis:		
United Kingdom	12,693	14,575
Europe	10,512	8,155
Asia	17	57
	<u>23,222</u>	<u>22,787</u>

The geographical analyses of profit before tax and net assets are not disclosed as the directors believe this is prejudicial to the interests of the Group.

2. OPERATING PROFIT	2011 £'000	2010 £'000
is stated after crediting:		
Deferred tooling	-	4
and after charging:		
Depreciation of tangible fixed assets - owned assets	206	165
- assets held under finance leases and hire purchase agreements	11	22
Auditors' remuneration:		
Fee payable to the company's auditor for the audit of the financial statements	14	14
Fees payable to the company's auditor for other services:		
Audit of the financial statements of the company's subsidiaries pursuant to legislation	14	14
Other services relating to taxation compliance	5	5
All other services	-	-
Operating lease rentals - plant, machinery and vehicles	162	131
Operating lease rentals - buildings	105	113

3. DIRECTORS' EMOLUMENTS	2011 £'000	2010 £'000
Fees, management remuneration and taxable benefits in kind	1,304	919
Pension contributions to money purchase pension schemes	3	3
	<u>1,307</u>	<u>922</u>

During the year 4 directors (2010: 4 directors) participated in the defined benefit pension scheme and 1 director (2010: 1 director) participated in the defined contribution pension scheme.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2011 £'000	2010 £'000
Management remuneration and taxable benefits in kind	393	257

The highest paid director's accrued pension at the year end was £49,800 p.a (2010: £45,794 p.a)

NOTES TO THE FINANCIAL STATEMENTS

4. EMPLOYEE INFORMATION

The average number of personnel employed by the Group, including full-time executive directors, during the year was as follows:

	2011 Number	2010 Number
Management	15	14
Administration	40	28
Sales	33	35
Production	<u>57</u>	<u>61</u>
	<u>145</u>	<u>138</u>

The aggregate payroll costs were:

	2011 £'000	2010 £'000
Wages and salaries	6,192	5,193
Social security costs	486	433
Other pension costs	<u>60</u>	<u>67</u>
	<u>6,738</u>	<u>5,693</u>

5. INTEREST RECEIVABLE

	2011 £'000	2010 £'000
Income from short term deposits	<u>4</u>	<u>7</u>

6. PARENT COMPANY

The parent company has taken advantage of section 408(3) of the Companies Act 2006 and has not included its own profit and loss account in these Financial Statements. The parent company's loss before tax for the year was £555,160 (2010 profit: £474,498)

7. TAXATION

	2011 £'000	2010 £'000
UK corporation tax charge / (credit)	129	(66)
UK corporation tax: adjustments in respect of prior periods	47	31
Overseas tax	<u>177</u>	<u>217</u>
Total current tax	353	182
Deferred tax	<u>17</u>	<u>48</u>
Total tax charge for the year	<u>370</u>	<u>230</u>

NOTES TO THE FINANCIAL STATEMENTS

Factors affecting the tax charge for the period

The corporation tax assessed for the period is different than the standard rate in the UK of 26.5% (2010: 28%). The differences are explained as follows:-

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	<u>1,302</u>	<u>448</u>
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 26.5% (2010: 28%)	345	125
Effects of:		
Expenses not deductible for tax purposes	8	14
Pension scheme service costs	43	39
Pension scheme net finance income	(57)	(39)
Depreciation for the period in excess of capital allowances	-	3
Capital allowances in excess of depreciation	(20)	(23)
Higher rate tax paid on overseas subsidiaries	38	33
Utilisation of tax losses	-	-
Adjustments in respect of prior periods	47	28
Other short term timing differences	(61)	1
Tax losses carried forward	-	-
Other	<u>10</u>	<u>1</u>
Current tax charge for year	<u>353</u>	<u>182</u>

The Group has tax losses of £130,096 available to carry forward to offset against future taxable profits.

8. TANGIBLE ASSETS

	GROUP		PARENT COMPANY	
	£'000	£'000	£'000	£'000
	Property	Plant	Property	Plant
Cost at 1 January 2011	2,882	19,557	1,302	13,533
Additions	-	384	-	293
Disposals	-	(37)	-	-
Exchange movement	<u>-</u>	<u>(18)</u>	<u>-</u>	<u>-</u>
Cost at 31 December 2011	2,882	19,886	1,302	13,826
Depreciation at 1 January 2011	2,447	18,913	1,243	13,161
Charge for the year	20	195	5	130
Disposals	-	(37)	-	-
Exchange movement	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>-</u>
Depreciation at 31 December 2011	2,467	19,054	1,248	13,291
Net book value at 31 December 2011	415	832	54	535
Freehold	415		54	
Long leasehold	-		-	
Lease financed	<u>-</u>		<u>-</u>	
	<u>415</u>		<u>54</u>	
Net book value at 31 December 2010	<u>435</u>	<u>644</u>	<u>59</u>	<u>372</u>

Net book value of assets financed by lease and hire purchase at 31 December 2011 included above Group £1,015, Parent Company £Nil (Group 2010: £12,962, Parent Company 2010: £Nil).

Included in the net book value of property is £292,265 (2010: £292,265) of land which is not depreciated. Included in Plant are plant, machinery, fittings, rolls and tools and motor vehicles.

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENTS

PARENT COMPANY

2011 2010
£'000 £'000

Subsidiary undertakings 10 12

Subsidiary undertakings

At 31 December 2011, and throughout the year ended on that date, the company owned directly the whole issued ordinary share capital of:

**Nature
of business**

Ayrshire Metal Products (Daventry) Ltd. (Registered in Scotland)	Cold roll forming
Ayrshire Metal Pension Trust Ltd. (Registered in Scotland)	Dormant
Ayrframe Ltd. (Registered in Scotland)	Dormant
Airframe Ltd. (Registered in England)	Dormant
Ayrshire Steel Framing Ltd. (Registered in England)	Cold roll forming

Through the ownership of Ayrshire Metal Products (Daventry) Ltd, the company owned the whole issued share capital of:

System-Bau-Elemente Vertriebs GmbH (incorporated in Germany)	Cold roll forming
--	-------------------

10. STOCKS

GROUP

2011 2010
£'000 £'000

PARENT COMPANY

2011 2010
£'000 £'000

Raw materials and consumables	1,853	2,174	347	487
Work in progress	<u>475</u>	<u>493</u>	<u>312</u>	<u>137</u>
	<u>2,328</u>	<u>2,667</u>	<u>659</u>	<u>624</u>

The difference between the above values and estimated replacement costs is not material.

11. DEBTORS due within one year

GROUP

2011 2010
£'000 £'000

PARENT COMPANY

2011 2010
£'000 £'000

Trade debtors	2,544	2,437	1,200	1,341
Deferred taxation (note 13)	19	22	40	40
Corporation tax	-	664	23	222
Amounts owed by subsidiary undertakings	-	-	5,052	4,827
Tax and social security	79	-	-	-
Other debtors and prepayments	<u>612</u>	<u>253</u>	<u>383</u>	<u>127</u>
	<u>3,254</u>	<u>3,376</u>	<u>6,698</u>	<u>6,557</u>

NOTES TO THE FINANCIAL STATEMENTS

12. CREDITORS amounts falling due within one year

	GROUP		PARENT COMPANY	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Trade creditors	1,374	3,021	657	1,200
Tax and social security	-	281	75	21
Lease finance	4	6	-	-
Corporation tax	32	-	-	-
Amounts owed to subsidiary undertakings	-	-	3,318	1,091
Accruals	<u>2,945</u>	<u>1,924</u>	<u>1,838</u>	<u>1,101</u>
	<u>4,355</u>	<u>5,232</u>	<u>5,888</u>	<u>3,413</u>

13. DEFERRED TAXATION

	GROUP		PARENT COMPANY	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Deferred tax asset				
Accelerated depreciation	(19)	35	1	35
Unutilised losses	32	-	32	-
Other timing differences	<u>6</u>	<u>(13)</u>	<u>7</u>	<u>5</u>
Deferred tax asset included in debtors (note 11)	<u>19</u>	<u>22</u>	<u>40</u>	<u>40</u>
The movement in the year is as follows				
At 1 January 2011	22	200	40	93
Charged during the year	(17)	(48)	(14)	(53)
Transfer to Pension Asset	14	-	14	-
Transfer to Corporation Tax	-	(130)	-	-
At 31 December 2011	<u>19</u>	<u>22</u>	<u>40</u>	<u>40</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	GROUP	PARENT COMPANY
	£'000	£'000
At 1 January 2011	348	348
Charged during the year for profit and loss account items	14	14
Charged during the year for statement of total recognised gains and losses items	<u>(18)</u>	<u>(18)</u>
At 31 December 2011	<u>344</u>	<u>344</u>

The deferred taxation provided in the financial statements represents the full potential liability on the pension scheme asset and is set off against the pension scheme asset within the balance sheet (see note 23 b).

15. CALLED UP SHARE CAPITAL

	GROUP		PARENT COMPANY	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Authorised				
12,000,000 ordinary shares of 25p	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Allotted, called up and fully paid				
9,850,638 (2010: 9,850,638) ordinary shares of 25p	<u>2,463</u>	<u>2,463</u>	<u>2,463</u>	<u>2,463</u>

16. CAPITAL REDEMPTION RESERVE

	GROUP		PARENT COMPANY	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
At 31 December	<u>37</u>	<u>37</u>	<u>37</u>	<u>37</u>

17. PROFIT AND LOSS ACCOUNT

	GROUP	PARENT COMPANY
	£'000	£'000
At 1 January 2011	4,516	4,187
Profit / (Loss) for the year	932	(652)
Exchange differences arising on consolidation	(137)	-
Movement in net pension asset	18	18
Equity dividend paid	<u>(1,083)</u>	<u>(1,083)</u>
At 31 December 2011	<u>4,246</u>	<u>2,470</u>

NOTES TO THE FINANCIAL STATEMENTS

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2011 £'000	2010 £'000
Profit and loss account		
Balance at 1 January	4,516	4,992
Profit for the financial year	932	218
Exchange differences arising on consolidation	(137)	17
Movement in net pension asset	18	(21)
Equity dividend paid	<u>(1,083)</u>	<u>(690)</u>
Balance at 31 December	4,246	4,516
Share capital - Note 15	2,463	2,463
Capital Redemption Reserve - Note 16	<u>37</u>	<u>37</u>
	<u>6,746</u>	<u>7,016</u>
 19. CASH FLOW FROM OPERATING ACTIVITIES	 2011 £'000	 2010 £'000
Operating profit	1,061	294
Depreciation on tangible fixed assets	215	187
Profit on sale of tangible fixed assets	-	(9)
Pension scheme current service costs	162	138
Decrease / (Increase) in stocks	339	(1,033)
(Increase) / Decrease in debtors	(545)	(372)
(Decrease) / Increase in creditors	<u>(907)</u>	<u>3,016</u>
Net cash inflow / (outflow) from operating activities	<u>325</u>	<u>2,221</u>
 20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT	 2011 £'000	 2010 £'000
a Returns on investments and servicing of finance		
Interest received	<u>4</u>	<u>7</u>
Net cash inflow for returns on investments and servicing of finance	<u>4</u>	<u>7</u>
 b Capital expenditure and financial investment		
Purchase of tangible fixed assets	(384)	(177)
Sale of tangible fixed assets	<u>22</u>	<u>9</u>
	<u>(362)</u>	<u>(168)</u>
 c Financing		
Repayment of Finance Leases	(2)	(29)
Net cash outflow from financing	<u>(2)</u>	<u>(29)</u>

NOTES TO THE FINANCIAL STATEMENTS

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 £'000	2010 £'000
(Decrease) / Increase in cash in the year	(775)	1,108
Cash outflow from finance leases	2	29
UK government stock	—	—
Change in net debt resulting from cash flows	(773)	1,137
Exchange rate movements	(136)	17
Movement in net funds in the year	(909)	1,154
Net funds at 1 January	<u>4,224</u>	<u>3,070</u>
Net funds at 31 December	<u>3,315</u>	<u>4,224</u>

22. CAPITAL COMMITMENTS

	GROUP		PARENT COMPANY	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Expenditure contracted for but not provided for amounts to	<u>65</u>	<u>211</u>	<u>65</u>	<u>211</u>

NOTES TO THE FINANCIAL STATEMENTS

23. PENSION SCHEMES

(a) Group Personal Pension Scheme

Both the Group and the members contribute to the Group Personal Pension Scheme.

(b) Senior Officials' Pension Fund

Ayrshire Metal Products plc sponsors the Ayrshire Metal Products Senior Officials' Pension Scheme which is a funded defined benefit (final salary) arrangement

Over the financial year the employer has continued to enjoy a contribution holiday except for the payment of premiums to insure death in service benefits, cost of levies to the Pension Protection Fund and ongoing administrative and management expenses of running the scheme.

As the scheme is closed to new entrants, the current service cost as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll.

Present values of scheme liabilities, fair value of assets and surplus

	2011 £'000	2010 £'000	2009 £'000
Fair value of scheme assets	10,132	10,467	9,186
Present value of scheme liabilities	5,023	4,350	4,325
Surplus in scheme	5,109	6,117	4,861
Unrecoverable surplus	(3,812)	(4,873)	(3,588)
Asset to be recognised	1,297	1,244	1,273
Deferred tax	(344)	(348)	(356)
Net asset to be recognised	953	896	917

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Year Ended 31/12/11 £'000	Year Ended 31/12/10 £'000
Present value of scheme liabilities at start of period	4,350	4,325
Current service cost	162	138
Interest cost	258	250
Actuarial losses / (gains)	387	(212)
Benefits paid	(134)	(151)
Present value of scheme liabilities at the end of year	5,023	4,350

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of opening and closing balances of the fair value of scheme assets

	Year Ended 31/12/11 £'000	Year Ended 31/12/10 £'000
Fair value of scheme assets at start of period	10,467	9,186
Expected return on scheme assets (limit after restriction due to part of the surplus not being recoverable)	473	388
Actuarial gains	(674)	1,044
Benefits paid	(134)	(151)
Fair value of scheme assets at end of period	10,132	10,467

The actual return on the scheme assets over the period ended 31 December 2011 was a loss of £201,000.

Total income recognised in profit and loss account

	Year Ended 31/12/11 £'000	Year Ended 31/12/10 £'000
Current service cost	(162)	(138)
Interest cost	(258)	(250)
Expected return on scheme assets (limit after restriction due to part of the surplus not being recoverable)	473	388
Total income recognised in profit and loss account	53	0

For the period ended 31 December 2011, the expected return on scheme assets would have been £664,000 (2010 - £600,000) if there had been no limit on the expected return on scheme assets due to some of the surplus not being recoverable.

For the period ended 31 December 2010, the surplus did cause the expected return on scheme assets to be restricted.

The current service cost is included in administrative expenses. The interest cost and expected return on scheme assets are included net in other finance income.

NOTES TO THE FINANCIAL STATEMENTS

Statement of total recognised gains and losses

	Year Ended 31/12/11 £'000	Year Ended 31/12/10 £'000
Difference between expected and actual return on scheme assets: Amount : (loss) / gain	(674)	1,044
Experience gains and losses arising on the scheme liabilities: Amount : gain / (loss)	56	11
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: Amount : (loss) / gain	(443)	201
Total actuarial gains and losses (before restriction due to some of the surplus not being recoverable) Amount : (loss) / gain	(1,061)	1,256
Effect on limit of amount of surplus recognised due to some of the surplus not being recoverable: Amount : gain / (loss)	1,061	(1,285)
Total amount recognised in statement of total recognised gains and losses: Amount : (loss)/gain	-	(29)

Assets

The major categories of scheme assets, are as follows:

	2011 £'000	2010 £'000	2009 £'000
Equities	7,072	7,763	6,646
Bonds	2,938	2,585	2,401
Cash	122	119	139
Total Assets	10,132	10,467	9,186

None of the fair values of the assets shown above include any of the company's own financial instruments or any property occupied by, or other assets used by, the company.

Assumptions

	2011 % per annum	2010 % per annum	2009 % per annum
Inflation	2.90	3.60	3.70
Salary increases	3.20	3.90	4.00
Rate of discount	5.00	5.80	5.70
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.50	3.60	3.70
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	1.90	3.60	3.70
Allowance for commutation of pension cash at retirement.	Nil	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

The mortality assumptions adopted at 31 December 2011 imply the following future life expectancies:

Male currently age 40	49 years
Female currently age 40	52 years
Male currently age 60	28 years
Female currently age 60	31 years

Expected long term rates of return

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

The expected long term rates of return applicable at the start of each period are as follows:

	Year Ended 31/12/11 % per annum	Year Ended 31/12/10 % per annum
Equities	6.05	6.85
Bonds	4.25	5.25
Cash	0.50	0.50
Overall for scheme	5.46	6.38

Amounts for the current and previous four periods

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Fair value of assets	10,132	10,467	9,186	7,642	10,069
Present value of scheme liabilities	<u>5,023</u>	<u>4,350</u>	<u>4,325</u>	<u>3,390</u>	<u>3,503</u>
Surplus in scheme	5,109	6,117	4,861	4,252	6,566
Experience adjustment on scheme liabilities	56	11	(102)	(17)	60
Experience adjustment on scheme assets	(674)	1,044	1,191	(2,578)	1,020

Estimate of contributions to be paid to scheme

The best estimate of contributions to be paid by the employer to the scheme for the period beginning 1 January 2012 is £Nil (excluding premiums to insure death in service benefits, costs of levies to the Pension Protection Fund and ongoing administrative and management expenses of running the scheme).

NOTES TO THE FINANCIAL STATEMENTS

24. OPERATING LEASES

Payments due under operating leases at 31 December are as follows:-

	GROUP		PARENT COMPANY	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Expiring within one year	37	151	32	151
Expiring within two to five years	130	75	93	20
Expiring in over 5 years	-	3	-	3
	<u>167</u>	<u>229</u>	<u>125</u>	<u>174</u>

25. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Guarantees given in respect of performance bonds in the normal course of business amounted to £1,927 at 31 December 2011 (2010: £1,725).

The company is a party to an unlimited cross guarantee arrangement with certain other subsidiary undertakings in respect of Group banking arrangements. At 31 December 2011 the company has a contingent liability of £Nil (2010: £Nil) in respect of this guarantee.

Apart from as disclosed above, the company has no other contingent liabilities (2010: £Nil).

26. ULTIMATE CONTROLLING PARTY

Knapdale (Nominees) Ltd, a company controlled by M.L. Wilson, holds 5,114,000 of the Company's issued share capital and is the ultimate controlling party.