BARR + WRAY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Company Registration Number SC040952

BARR + WRAY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2012

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BARR + WRAY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 30 SEPTEMBER 2012

The board of directors	N MacDonald A A MacDonald D Gunn I Montgomerie
Company secretary	I Montgomerie
Business address	1 Buccleuch Avenue Hillington Park Glasgow G52 4NR
Registered office	1 Buccleuch Avenue Hillington Park Glasgow G52 4NR
Auditor	RSM Tenon Audit Limited 48 St Vincent Street Glasgow G2 5TS
Accountants	RSM Tenon Limited Accountants and Business Advisers 48 St Vincent Street Glasgow G2 5TS
Bankers	HSBC Bank plc 2 Buchanan Street Glasgow G1 3LB

The directors present their report and the financial statements of the company for the year ended 30 September 2012.

Principal activity and business review

The principal activity of the company during the year was the provision of water engineering services.

The company's principal activity is within two distinct markets - "Sport + Leisure" and "Process + Environmental Engineering", where it utilises its core skills in water engineering. Its experience and expertise built up over the past 50 years is combined with state of the art engineering to provide its customers with products and services of the highest quality.

The results for the year to 30 September are above the forecasted figures. The directors believe the results for the year are commendable and that the closing order-book at the end of September 2012 provides an opportunity for further future growth.

The directors believe the main risk facing the business is the downturn in the global economy. The healthy financial position of the business, its standing as a market leader, the recognised quality of the company brand and the strong order book at the year end in the directors' opinion significantly mitigates this risk. With the establishment of the subsidiaries in the United Arab Emirates, Barr + Wray FZE, and Hong Kong, Barr & Wray (H.K.) Limited, the directors believe this further mitigates this risk by creating new income streams for the company.

Key performance indicators

Gross margin for the year was in line with the prior year at 15.9%. The operating margin in the year was 8.4% against 7.4% in 2011. These margins are satisfactory and reflect the continuing profitability and success of the company.

Results and dividends

The profit for the year, after taxation, amounted to £1,002,305 (2011 - £842,513). Particulars of dividends paid are detailed in note 10 to the financial statements.

Financial risk management objectives and policies

The company finances its operations through its retained profits. Management's objective is to retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due.

Hedge accounting is not used by the company.

The company's surplus funds are held primarily in short term fixed rate deposit accounts, which the directors believe gives the company the flexibility to release cash resources at short notice.

Directors

The directors who served the company during the year were as follows:

N MacDonald
A A MacDonald
D Gunn
I Montgomerie

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 law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors

....

I Montgomerie
Company Secretary

Approved by the directors on 29/1/13

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BARR + WRAY LIMITED

YEAR ENDED 30 SEPTEMBER 2012

We have audited the financial statements of Barr + Wray Limited for the year ended 30 September 2012 on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Holt, Senior Statutory Auditor
For and on behalf of
RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
48 St Vincent Street
Glasgow
G2 5TS
29/1/13

BARR + WRAY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2012

	Note	2012 £	*2011* *£*
Turnover	2	15,609,832	*14,053,901*
Cost of sales		(13,128,720)	*(11,816,394)*
Gross profit		2,481,112	*2,237,507*
Administrative expenses		(1,168,694)	*(1,200,192)*
Other operating income	3	4,899	*–*
Operating profit	4	1,317,317	*1,037,315*
Interest receivable and similar income	7	44,744	*130,478*
Interest payable and similar charges	8	(28,746)	*(14,080)*
Profit on ordinary activities before taxation		1,333,315	*1,153,713*
Tax on profit on ordinary activities	9	(331,010)	*(311,200)*
Profit for the financial year		1,002,305	*842,513*

All of the activities of the company are classed as continuing.

The notes on pages 9 to 23 form part of these financial statements.

BARR + WRAY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 SEPTEMBER 2012

	2012	*2011*
	£	*£*
Profit for the financial year attributable to the shareholder	1,002,305	*842,513*
Actuarial loss in respect of defined benefit pension scheme	(27,000)	*(111,000)*
Related movement in deferred taxation	6,060	*28,860*
Total gains recognised since the last annual report	981,365	*760,373*

Note of historical cost profits and losses

	2012	*2011*
	£	*£*
Reported profit on ordinary activities before taxation	1,333,315	*1,153,713*
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	11,631	*11,631*
Historical cost profit on ordinary activities before taxation	1,344,946	*1,165,344*
Historical cost profit for the year after taxation	1,013,936	*854,144*

The notes on pages 9 to 23 form part of these financial statements.

BARR + WRAY LIMITED

Registered Number SC040952

BALANCE SHEET

30 SEPTEMBER 2012

	Note	2012 £	2012 £	*2011 £*	*2011 £*
Fixed assets					
Tangible assets	11		2,219,380		*2,285,141*
Investments	12		22,334		*22,334*
			2,241,714		*2,307,475*
Current assets					
Stocks	13	155,473		*628,080*	
Debtors	14	6,283,676		*6,909,575*	
Cash at bank		2,856,690		*2,884,347*	
		9,295,839		*10,422,002*	
Creditors: Amounts falling due within one year	15	(6,307,484)		*(8,045,279)*	
Net current assets			2,988,355		*2,376,723*
Total assets less current liabilities			5,230,069		*4,684,198*
Creditors: Amounts falling due after more than one year	16		(674,476)		*(794,792)*
Provisions for liabilities					
Deferred taxation	19		(97,100)		*(97,618)*
Government grants	20		(196,170)		*(193,280)*
Net assets excluding pension asset			4,262,323		*3,598,508*
Defined benefit pension scheme asset	21		203,680		*179,820*
Net assets including pension asset			4,466,003		*3,778,328*
Capital and reserves					
Called-up share capital	24		115,000		*115,000*
Share premium account	25		82,287		*82,287*
Revaluation reserve	26		342,797		*354,428*
Other reserves	27		13,000		*13,000*
Profit and loss account	28		3,912,919		*3,213,613*
Shareholder's funds	29		4,466,003		*3,778,328*

These financial statements were approved by the directors and authorised for issue on ...23/1/13........, and are signed on their behalf by:

....
I Montgomerie

....
A A MacDonald

The notes on pages 9 to 23 form part of these financial statements.

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is a subsidiary, where 90 per cent or more of the voting rights are controlled within the group and the parent company has prepared publicly available consolidated financial statements which include a consolidated cash flow statement incorporating the company's cash flows.

Turnover

In respect of long-terms contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Value of work done in respect of long-term contracts and contracts for on-going services is determined by reference to the stage of completion.

In respect of goods sold during the year turnover represents sales price, less returns received, exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

Tangible fixed assets

Tangible fixed assets are stated at valuation or cost less depreciation.

Cost represents purchase price together with any incidental costs of acquisition.

Assets that have been revalued are subject to subsequent revaluations in the fifth year following the previous revaluation, or when there are indications of a significant change in the value of the revalued assets. The valuations are performed by a qualified external valuer and internally in the interim years. The basis of the valuation is open market value.

Revaluation surpluses are taken to the revaluation reserve. Deficits on subsequent revaluations are charged to the profit and loss account if they are considered to arise as a result of the consumption of the economic benefits provided by the asset. Other deficits on revaluation are charged to the revaluation reserve up to the amount of the associated revaluation surplus. Any excess deficits are charged to the profit and loss account.

1. **Accounting policies** ***(continued)***

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Heritable property	-	2 - 4% straight line
Tools and equipment	-	20% straight line
Office furniture and equipment	-	10 - 25% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

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

Cost is calculated using the first-in first-out method and includes the normal cost of transporting stock to its present location and condition.

Work in progress

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on a normal level of activity.

For long term contracts, profit is recognised by reference to the stage of completion of each contract where there is reasonable certainty that the contract will be profitable. Where the outcome of the contract cannot be established with reasonable certainty, no profit is recognised. Foreseeable losses are provided for in full at the point at which the loss is anticipated.

Where amounts invoiced exceed the value of work done, the excess is accounted for as payments received on account and is included within creditors. Where the value of work done exceeds the amounts invoiced, the excess is accounted for as amounts recoverable on contracts and is included within debtors.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1. Accounting policies ***(continued)***

Pension costs and other post-retirement benefits

The company operates three pension schemes; one defined benefit and two defined contribution schemes. For the defined benefit scheme, the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at an AA corporate bond rate. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset (to the extent that it can be recovered) or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. The contributions are determined by a qualified actuary on the basis of triennial valuations.

The defined benefit pension scheme was closed to future accrual with effect from 30 September 2006.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Deferred taxation

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 tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it 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 assets and liabilities recognised have not been discounted.

Deferred tax is measured on a non-discounted basis at the average 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.

1. Accounting policies *(continued)*

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

Fixed asset investments

Investments are stated at cost less provision for any diminution of value, if such reduction is deemed to be of a permanent nature.

Deferred government grants

Deferred government grants in respect of capital and personnel expenditure are treated as deferred income and credited to the profit and loss account over the estimated useful life of the assets or employment period to which they relate. The assets estimated useful life is deemed to be 50 years whilst the average employment length is 5 years.

2. Turnover

The directors have chosen not to disclose further information on the company's turnover on the basis that they consider it seriously prejudicial to the interests of the company.

3. Other operating income

	2012	*2011*
	£	*£*
Other operating income	4,899	–

4. Operating profit

Operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Amortisation of government grants	(47,110)	(34,610)
Depreciation of owned fixed assets	114,368	115,231
Operating leases - other	186,773	185,140
Depreciation of assets held under hire purchase agreements	–	2,783
Profit on disposal of fixed assets	–	(650)
Auditors remuneration	20,250	19,350
Net profit on foreign currency translation	(10,521)	(5,728)

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2012	2011
	No	No
Production	38	37
Administration, sales and distribution	52	50
	90	87

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	3,273,464	2,876,536
Social security costs	353,451	317,734
Other pension costs	82,931	77,561
	3,709,846	3,271,831

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income (see note 7) and amounts recognised in the statement of recognised gains and losses in respect of the defined benefit pension scheme.

6. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2012	2011
	£	£
Aggregate emoluments	287,095	282,230
Value of company pension contributions to defined contribution schemes	21,177	20,660
	308,272	302,890

6. Directors' emoluments *(continued)*

Emoluments of highest paid director:

	2012	*2011*
	£	*£*
Total emoluments (excluding pension contributions)	129,603	*126,672*
Value of company pension contributions to defined contribution schemes	4,838	*4,720*
	134,441	*131,392*

The number of directors on whose behalf the company made pension contributions was as follows:

	2012	*2011*
	No	*No*
Defined contribution schemes	3	*3*

7. Interest receivable and similar income

	2012	*2011*
	£	*£*
Bank interest receivable	14,744	*20,478*
Net finance income in respect of defined benefit pension schemes	30,000	*110,000*
	44,744	*130,478*

8. Interest payable and similar charges

	2012	*2011*
	£	*£*
Interest payable on loan	23,920	*14,080*
Other similar charges payable	4,826	*–*
	28,746	*14,080*

9. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	*2011* *£*
UK taxation		
In respect of the year:		
UK Corporation tax	324,328	*268,458*
Over provision in prior year	-	*(11,126)*
	324,328	*257,332*
Deferred tax:		
Deferred tax relating to defined benefit pension scheme	7,200	*31,560*
Origination and reversal of timing differences (note 16)	(518)	*22,308*
Tax on profit on ordinary activities	331,010	*311,200*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2011 - 26%).

	2012 £	*2011* *£*
Profit on ordinary activities before taxation	1,333,315	*1,153,713*
Profit on ordinary activities by rate of tax	319,996	*299,965*
Effects of:		
Expenses not deductible for tax purposes	2,124	*1,331*
Capital allowances for period in excess of depreciation	12,215	*(1,758)*
Tax chargeable at higher rates	12,973	*10,113*
Adjustments to tax charge in respect of previous periods	-	*(11,126)*
Effect of movement in defined benefit pension scheme liability	(12,480)	*(35,879)*
Double taxation relief	-	*(5,314)*
Lower tax rates on overseas earnings	(10,500)	-
Total current tax (note 9(a))	324,328	*257,332*

10. Dividends

Equity dividends

	2012 £	*2011 £*
Paid during the year		
Dividends on ordinary shares	293,690	*337,320*

11. Tangible fixed assets

	Heritable Property £	Tools and equipment £	Office furniture and equipment £	Total £
Cost or valuation				
At 1 October 2011	2,124,893	98,722	845,658	3,069,273
Additions	5,330	5,848	37,429	48,607
At 30 September 2012	2,130,223	104,570	883,087	3,117,880
Depreciation				
At 1 October 2011	208,984	79,470	495,678	784,132
Charge for the year	57,941	6,402	50,025	114,368
At 30 September 2012	266,925	85,872	545,703	898,500
Net book value				
At 30 September 2012	1,863,298	18,698	337,384	2,219,380
At 30 September 2011	*1,915,909*	*19,252*	*349,980*	*2,285,141*

One of the heritable properties was valued on an open market basis in July 2011 by Knight Frank, Chartered Surveyors.

The directors are satisfied that the value certified in July 2011 is not materially different from the open market value at 30 September 2012. The valuation is appropriately included in the financial statements at 30 September 2012.

No corporation tax would arise if the property was disposed at its revalued amount.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2012 £	*2011 £*
Net book value at end of year	381,624	403,624
Historical cost	259,232	259,232
Depreciation:		
At 1 October 2011	210,036	199,667
Charge for year	10,369	10,369
At 30 September 2012	220,405	210,036
Net historical cost value:		
At 30 September 2012	38,827	49,196
At 1 October 2011	49,196	59,565

11. Tangible fixed assets *(continued)*

Hire purchase agreements

Included within the net book value of £2,219,380 is £Nil (2011 - £9,045) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2011 - £2,783).

12. Investments

	Investment in subsidiary undertakings £
Cost	
At 1 October 2011 and 30 September 2012	22,334
Net book value	
At 30 September 2012 and 30 September 2011	22,334

The company owns 100% of the issued ordinary share capital of the companies listed below:

Barr + Wray FZE

The company is incorporated in Dubai - United Arab Emirates. The principal activity is that of the provision of water engineering services.

Barr & Wray (H.K.) Limited

The company is incorporated in Hong Kong. The principal activity is that of the provision of water engineering services.

13. Stocks

	2012 £	*2011 £*
Stock	113,793	*365,867*
Long term contract work in progress	41,680	*262,213*
	155,473	*628,080*

14. Debtors

	2012 £	*2011 £*
Trade debtors	1,142,503	*1,242,205*
Amounts owed by group undertakings	1,353,034	*1,368,983*
Amounts recoverable on contracts	3,712,155	*4,220,759*
Other debtors	35,004	*36,630*
Prepayments and accrued income	40,980	*40,998*
	6,283,676	*6,909,575*

The debtors above include the following amounts falling due after more than one year:

	2012 £	*2011 £*
Amounts owed by group undertakings	1,353,034	*1,368,983*

15. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Bank loans	202,713	189,570
Trade creditors	1,519,072	1,945,597
Taxation	634,367	549,901
Hire purchase agreements	–	4,638
Other creditors	33,232	40,553
Contract accruals	3,207,798	3,900,314
Payments on account on long term contracts	275,059	856,778
Accruals and deferred income	435,243	557,928
	6,307,484	8,045,279

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2012	2011
	£	£
Bank loans	202,713	189,570
Hire purchase agreements	–	4,638
	202,713	194,208

16. Creditors: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans and overdrafts	609,543	794,792
Amounts owed to group undertakings	64,933	–
	674,476	794,792

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2012	2011
	£	£
Bank loans and overdrafts	609,543	794,792

17. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	2012	2011
	£	£
Amounts repayable:		
In one year or less or on demand	202,713	189,570
In more than one year but not more than two years	205,916	195,002
In more than two years but not more than five years	403,627	599,790
	812,256	984,362

Bank borrowings are secured by way of a standard security over the company's heritable property and a floating charge over the company's assets. Interest is charged at 2.15% above base rate.

18. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2012	2011
	£	£
Amounts payable within 1 year	-	4,638
	-	4,638

19. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2012	2011
	£	£
At 1 October 2011	97,618	75,310
Profit and loss account movement arising during the year	(518)	22,308
At 30 September 2012	97,100	97,618

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	97,100	97,618

20. Government grants

	2012	2011
	£	£
Received and receivable:		
At 1 October 2011	250,000	200,000
Receivable during year	50,000	50,000
At 30 September 2012	300,000	250,000
Amortisation:		
At 1 October 2011	56,720	22,110
Released to profit and loss account during year	47,110	34,610
At 30 September 2012	103,830	56,720
Net balance at 30 September 2012	196,170	193,280

21. Pensions and other post retirement benefits

The company operates a pension scheme for certain employees providing benefits based on final pensionable pay. The scheme closed to further accrual in September 2006. The scheme is a funded scheme.

The amounts recognised in the profit and loss account are as follows:

	2012	*2011*
	£	£
Amounts included in other finance income:		
Expected return on scheme assets	364,000	*452,000*
Interest on scheme liabilities	(334,000)	*(342,000)*
Other finance income	30,000	*110,000*
Total credit to the profit and loss account	30,000	*110,000*
Actual return on scheme assets	818,000	*(82,000)*

Other finance income is included in the profit and loss account within interest receivable and similar income.

Actuarial losses of £(27,000) (2011: £(111,000)) have been recognised in the statement of total recognised gains and losses. At 30 September 2012 the cumulative amount of actuarial gains recognised in the statement of total recognised gains and losses is £469,000.

The amounts recognised in the balance sheet are as follows:

	2012	*2011*
	£	£
Present value of funded obligations	(7,242,000)	*(6,665,000)*
Fair value of scheme assets	7,510,000	*6,908,000*
	268,000	*243,000*
Related deferred tax liability	(64,320)	*(63,180)*
Net pension asset	203,680	*179,820*

21. Pensions and other post retirement benefits *(continued)*

Changes in the present value of the defined benefit obligation scheme are as follows:

	2012	*2011*
	£	£
Opening defined benefit obligation	6,665,000	*6,915,000*
Interest on scheme liabilities	334,000	*342,000*
Actuarial loss/(gain)	481,000	*(423,000)*
Benefits paid	(238,000)	*(169,000)*
Closing defined benefit obligation	7,242,000	*6,665,000*

Changes in the fair value of scheme assets are as follows:

	2012	*2011*
	£	£
Opening fair value of scheme assets	6,908,000	*7,131,000*
Expected return on scheme assets	364,000	*452,000*
Contributions by employer	22,000	*28,000*
Actuarial gain/(loss)	454,000	*(534,000)*
Benefits paid	(238,000)	*(169,000)*
Closing fair value of scheme assets	7,510,000	*6,908,000*

The fair value of the major categories of scheme assets and the expected rate of return at the balance sheet date are as follows:

	Expected return		**Fair value of assets**	
	2012	*2011*	**2012**	*2011*
	%	%	**£**	£
Equities	6.00	*6.50*	5,107,000	*4,693,000*
Bonds	4.10	*5.00*	1,472,000	*1,072,000*
Other assets	1.00	*1.00*	931,000	*1,143,000*
Fair value of scheme assets			7,510,000	*6,908,000*

The expected return on assets assumption reflects the average of the company's best estimates for the long-term expected rates of return on the scheme's main asset classes, having taken professional advice.

The principal actuarial assumptions as at the balance sheet date were:

	2012	*2011*
	%	%
Discount rate	4.60	*5.10*
Expected return on scheme assets	5.00	*5.40*
Rate of increase in pensions in payment	2.70	*3.20*
Rate of increase in deferred pensions	2.20	*2.50*

21. Pensions and other post retirement benefits *(continued)*

Amounts for the current and previous four periods are as follows:

	2012	2011	2010	2009	2008
	£	£	£	£	£
Defined benefit obligation	(7,242,000)	*(6,665,000)*	*(6,915,000)*	*(6,649,000)*	*(5,727,000)*
Fair value of scheme assets	7,510,000	*6,908,000*	*7,131,000*	*6,859,083*	*5,846,000*
Surplus in the scheme	268,000	*243,000*	*216,000*	*210,083*	*119,000*
Experience adjustments on scheme liabilities (£)	(142,000)	*206,000*	*175,000*	*268,000*	*110,000*
Experience adjustments on scheme assets (£)	454,000	*(534,000)*	*260,000*	*714,000*	*(774,000)*

The company expects to contribute £24,000 to its defined benefit scheme during the year to 30 September 2013.

22. Commitments under operating leases

At 30 September 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	Other 2012	*Other 2011*
	£	*£*
Operating leases which expire:		
Within 1 year	7,391	*14,742*
Within 2 to 5 years	126,994	*106,372*
	134,385	*121,114*

23. Related party transactions

The company has taken advantage of the provisions of Financial Reporting Standard 8 not to disclose transactions with other group companies as Barr + Wray Limited is included in the consolidated financial statements of Barr + Wray Group Limited.

Copies of the consolidated financial statements are available from the Registrar of Companies, Companies House, 4th floor, 139 Fountainbridge, Edinburgh, EH3 9FF.

No other transactions such as are required to be disclosed under Financial Reporting Standard 8 were undertaken during the year.

24. Share capital

Allotted, called up and fully paid:

	2012 No	2012 £	*2011 No*	*2011 £*
Ordinary shares of £1 each	115,000	115,000	*115,000*	*115,000*

25. Share premium account

	2012	2011
	£	£
Share premium account	82,287	82,287

26. Revaluation reserve

	2012	2011
	£	£
Balance brought forward	354,428	366,059
Transfer to the profit and loss account on realisation	(11,631)	(11,631)
Balance carried forward	342,797	354,428

27. Other reserves

	2012	2011
	£	£
Capital redemption reserve	13,000	13,000

28. Profit and loss account

	2012	2011
	£	£
Balance brought forward	3,213,613	2,778,929
Profit for the financial year	1,002,305	842,513
Equity dividends	(293,690)	(337,320)
Defined pension benefit scheme	(27,000)	(111,000)
Related movement in deferred taxation	6,060	28,860
Transfer from revaluation reserve	11,631	11,631
Balance carried forward	3,912,919	3,213,613

29. Reconciliation of movements in shareholder's funds

	2012	2011
	£	£
Profit for the financial year	1,002,305	842,513
Equity dividends	(293,690)	(337,320)
Defined benefit pension scheme	(27,000)	(111,000)
Related movement in deferred taxation	6,060	28,860
Net addition to shareholder's funds	687,675	423,053
Opening shareholder's funds	3,778,328	3,355,275
Closing shareholder's funds	4,466,003	3,778,328

30. Ultimate parent company

The immediate parent company is Barr + Wray Holdings Limited. The ultimate parent company is Barr + Wray Group Limited.

31. Ultimate controlling party

The company was under the control of the shareholders of the ultimate parent company in the year. There was no individual with a controlling interest in the ultimate parent company.