

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013
FOR
BARR + WRAY LIMITED

FRIDAY



SCT *S31843RV*
07/02/2014 #580
COMPANIES HOUSE

BARR + WRAY LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	Page
Company Information	1
Report of the Directors	2 to 3
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Financial Statements	8 to 19

BARR + WRAY LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2013

DIRECTORS:	N Macdonald A A Macdonald D Gunn I Montgomerie
SECRETARY:	I Montgomerie
REGISTERED OFFICE:	1 Buccleuch Avenue Hillington Park Glasgow G52 4NR
REGISTERED NUMBER:	SC040952 (Scotland)
AUDITORS:	Consilium Audit Limited 169 West George Street Glasgow G2 2LB

BARR + WRAY LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report with the financial statements of the Company for the year ended 30 September 2013.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of providers of water engineering services.

REVIEW OF BUSINESS

The Company's principal activity is in 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 in line with the forecasted figures. The directors believe the results for the year are commendable and that the closing order-book at the end of September 2013 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 higher than that for the prior year at 18.9% (2012 - 15.9%). The operating margin in the year was 9.7% against 8.4% in 2012. These margins are satisfactory and reflect the continuing profitability and success of the company.

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2013 was £862,524.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2012 to the date of this report.

N Macdonald
A A Macdonald
D Gunn
I Montgomerie

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.

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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

BARR + WRAY LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

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 Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Baker Tilly Audit Limited (formerly RSM Tenon Audit Limited) resigned as auditors in October 2013 and Consilium Audit Limited were appointed as the company's new auditors.

Consilium Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
I Montgomerie - Secretary

Date:

28/1/14

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BARR + WRAY LIMITED**

We have audited the financial statements of Barr + Wray Limited for the year ended 30 September 2013 on pages five to nineteen. 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 pages two and three, 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 2013 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 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, 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.

Consilium Audit Limited

David Holt (Senior Statutory Auditor)
for and on behalf of Consilium Audit Limited
169 West George Street
Glasgow
G2 2LB

Date: 4/2/14

BARR + WRAY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	2013 £	2012 £
TURNOVER	2	13,742,575	15,609,832
Cost of sales		<u>11,150,482</u>	<u>13,128,720</u>
GROSS PROFIT		2,592,093	2,481,112
Administrative expenses		<u>1,276,140</u>	<u>1,168,694</u>
		1,315,953	1,312,418
Other operating income	3	<u>21,916</u>	<u>4,899</u>
OPERATING PROFIT	6	1,337,869	1,317,317
Interest receivable and similar income	7	9,885	14,744
Other finance income	23	<u>43,000</u>	<u>30,000</u>
		52,885	44,744
		1,390,754	1,362,061
Interest payable and similar charges	8	<u>22,279</u>	<u>28,746</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,368,475	1,333,315
Tax on profit on ordinary activities	9	<u>340,596</u>	<u>331,010</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,027,879</u>	<u>1,002,305</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

The notes on pages 8 to 19 form part of these financial statements

BARR + WRAY LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	2013	2012
	£	£
PROFIT FOR THE FINANCIAL YEAR	1,027,879	1,002,305
Actuarial gains/(losses) on pension scheme	21,000	(27,000)
Movement on deferred tax relating to pension asset/(liability)	(4,830)	6,060
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>1,044,049</u>	<u>981,365</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	2013	2012
	£	£
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,368,475	1,333,315
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	10,031	11,631
	<hr/>	<hr/>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1,378,506</u>	<u>1,344,946</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u>1,037,910</u>	<u>1,013,936</u>

The notes on pages 8 to 19 form part of these financial statements

BALANCE SHEET
30 SEPTEMBER 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	11	2,039,254	2,219,380
Investments	12	<u>22,334</u>	<u>22,334</u>
		2,061,588	2,241,714
CURRENT ASSETS			
Stocks	13	135,004	155,473
Debtors	14	5,943,941	6,283,676
Cash at bank and in hand		<u>3,818,837</u>	<u>2,856,690</u>
		9,897,782	9,295,839
CREDITORS			
Amounts falling due within one year	15	<u>6,925,294</u>	<u>6,307,484</u>
NET CURRENT ASSETS		<u>2,972,488</u>	<u>2,988,355</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,034,076	5,230,069
CREDITORS			
Amounts falling due after more than one year	16	(422,088)	(674,476)
PROVISIONS FOR LIABILITIES	20	(241,660)	(293,270)
PENSION ASSET	23	<u>277,200</u>	<u>203,680</u>
NET ASSETS		<u>4,647,528</u>	<u>4,466,003</u>
CAPITAL AND RESERVES			
Called up share capital	21	115,000	115,000
Share premium	22	82,287	82,287
Revaluation reserve	22	277,766	342,797
Capital redemption reserve	22	13,000	13,000
Profit and loss account	22	<u>4,159,475</u>	<u>3,912,919</u>
SHAREHOLDERS' FUNDS	27	<u>4,647,528</u>	<u>4,466,003</u>

The financial statements were approved by the Board of Directors on 28/11/14 and were signed on its behalf by:

I Montgomerie - Director

A A Macdonald - Director

The notes on pages 8 to 19 form part of these financial statements

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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.

Preparation of consolidated financial statements

The financial statements contain information about Barr + Wray Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Barr + Wray Group Limited, a company registered in Scotland.

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

In respect of long-term contracts and contracts for ongoing services, turnover represents the value of work done in the year, including estimates of amounts not invoiced, net of Value Added Tax. The value of work done in respect of long term contracts and contracts for ongoing 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 have been transferred to the customer.

Tangible fixed assets

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

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

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 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES - continued

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.

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 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating leases

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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 vested. If the benefit 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 loss 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.

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 a 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

	2013	2012
	£	£
Rents received	<u>21,916</u>	<u>4,899</u>

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

4. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	2,982,849	3,273,464
Social security costs	341,583	353,451
Other pension costs	<u>107,496</u>	<u>82,931</u>
	<u>3,431,928</u>	<u>3,709,846</u>

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

	2013	2012
Production	39	38
Administration, sales and distribution	<u>48</u>	<u>52</u>
	<u>87</u>	<u>90</u>

5. DIRECTORS' EMOLUMENTS

	2013	2012
	£	£
Directors' remuneration	293,241	287,095
Directors' pension contributions to money purchase schemes	<u>21,706</u>	<u>21,177</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	-----------------	-----------------

Information regarding the highest paid director is as follows:

	2013	2012
	£	£
Emoluments	133,233	129,603
Pension contributions to money purchase schemes	<u>4,959</u>	<u>4,838</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Other operating leases	184,506	186,773
Depreciation - owned assets	117,432	114,368
Auditors' remuneration	15,000	20,250
Foreign exchange differences	51,748	(10,521)
Amortisation of government grants	<u>(47,110)</u>	<u>(47,110)</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Bank interest receivable	<u>9,885</u>	<u>14,744</u>

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	18,679	23,920
Other interest	<u>3,600</u>	<u>4,826</u>
	<u><u>22,279</u></u>	<u><u>28,746</u></u>

9. TAXATION

Analysis of the tax charge

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

	2013	2012
	£	£
Current tax:		
UK corporation tax	321,903	324,328
Under provision in prior year	<u>9,543</u>	<u>-</u>
Total current tax	<u><u>331,446</u></u>	<u><u>324,328</u></u>
Deferred tax:		
Origination and reversal of timing difference	(4,500)	(518)
Deferred tax relating to defined benefit pension scheme	<u>13,650</u>	<u>7,200</u>
Total deferred tax	<u><u>9,150</u></u>	<u><u>6,682</u></u>
Tax on profit on ordinary activities	<u><u>340,596</u></u>	<u><u>331,010</u></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:

	2013	2012
	£	£
Profit on ordinary activities before tax	<u><u>1,368,475</u></u>	<u><u>1,333,315</u></u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 24%)	314,749	319,996
Effects of:		
Expenses not deductible for tax purposes	337	2,124
Depreciation in excess of capital allowances	16,316	12,215
Adjustments to tax charge in respect of previous periods	9,543	-
Tax chargeable at higher rates	6,831	12,973
Effect of movement in defined benefit pension scheme liability	(16,330)	(12,480)
Lower tax rates on overseas earnings	<u>-</u>	<u>(10,500)</u>
Current tax charge	<u><u>331,446</u></u>	<u><u>324,328</u></u>

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

10. DIVIDENDS

	2013	2012
	£	£
Ordinary shares of £1 each		
Interim paid	<u>862,524</u>	<u>293,690</u>

11. TANGIBLE FIXED ASSETS

	Heritable property £	Tools and equipment £	Office furniture and equipment £	Totals £
COST OR VALUATION				
At 1 October 2012	2,130,223	104,570	883,087	3,117,880
Additions	7,887	3,767	20,652	32,306
Disposals	<u>(139,706)</u>	<u>-</u>	<u>-</u>	<u>(139,706)</u>
At 30 September 2013	<u>1,998,404</u>	<u>108,337</u>	<u>903,739</u>	<u>3,010,480</u>
DEPRECIATION				
At 1 October 2012	266,925	85,872	545,703	898,500
Charge for year	58,569	6,746	52,117	117,432
Eliminated on disposal	<u>(44,706)</u>	<u>-</u>	<u>-</u>	<u>(44,706)</u>
At 30 September 2013	<u>280,788</u>	<u>92,618</u>	<u>597,820</u>	<u>971,226</u>
NET BOOK VALUE				
At 30 September 2013	<u>1,717,616</u>	<u>15,719</u>	<u>305,919</u>	<u>2,039,254</u>
At 30 September 2012	<u>1,863,298</u>	<u>18,698</u>	<u>337,384</u>	<u>2,219,380</u>

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 2013. The valuation is appropriately included in the financial statements at 30 September 2013.

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:

	2013	2012
	£	£
Net book value at end of year	<u>264,624</u>	<u>381,624</u>
Historical cost	<u>219,232</u>	<u>259,232</u>
Depreciation		
At 1 October 2012	220,405	210,036
Charge for year	10,369	10,369
Disposal	<u>(24,684)</u>	<u>-</u>
At 30 September 2013	<u>206,090</u>	<u>220,405</u>
Net historical cost value:		
At 30 September 2013	<u>13,142</u>	<u>38,827</u>
At 1 October 2012	<u>38,827</u>	<u>49,196</u>

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 October 2012 and 30 September 2013	<u>22,334</u>
NET BOOK VALUE	
At 30 September 2013	<u>22,334</u>
At 30 September 2012	<u>22,334</u>

The Company's investments at the balance sheet date in the share capital of companies include the following:

Barr + Wray FZE

Country of incorporation: United Arab Emirates

Nature of business: Provision of water engineering services

Class of shares:	%
Ordinary	holding 100.00

Barr & Wray (H.K.) Limited

Country of incorporation: Hong Kong

Nature of business: Provision of water engineering services

Class of shares:	%
Ordinary	holding 100.00

13. STOCKS

	2013 £	2012 £
Stocks	103,406	113,793
Work-in-progress	<u>31,598</u>	<u>41,680</u>
	<u>135,004</u>	<u>155,473</u>

14. DEBTORS

	2013 £	2012 £
Amounts falling due within one year:		
Trade debtors	589,822	1,142,503
Amounts recoverable on contract	3,718,685	3,712,155
Other debtors	16,885	35,004
Prepayments and accrued income	<u>76,782</u>	<u>40,980</u>
	<u>4,402,174</u>	<u>4,930,642</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>1,541,767</u>	<u>1,353,034</u>
Aggregate amounts	<u>5,943,941</u>	<u>6,283,676</u>

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Bank loans and overdrafts (see note 17)	195,084	202,713
Payments on account	1,148,395	275,059
Trade creditors	1,218,207	1,519,072
Tax	258,622	280,578
Social security and other taxes	87,441	92,308
VAT	509,510	261,481
Other creditors	44,149	33,232
Accruals and deferred income	617,005	435,243
Contract accruals	<u>2,846,881</u>	<u>3,207,798</u>
	<u>6,925,294</u>	<u>6,307,484</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Bank loans (see note 17)	422,088	609,543
Amounts owed to group undertakings	<u>-</u>	<u>64,933</u>
	<u>422,088</u>	<u>674,476</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>195,084</u>	<u>202,713</u>
Amounts falling due between one and two years:		
Bank loans	<u>195,084</u>	<u>205,916</u>
Amounts falling due between two and five years:		
Bank loans	<u>227,004</u>	<u>403,627</u>

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. OPERATING LEASE COMMITMENTS

At 30 September 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	Other operating leases	
	2013	2012
	£	£
Expiring:		
Within one year	11,262	7,391
Between one and five years	<u>118,126</u>	<u>126,994</u>
	<u>129,388</u>	<u>134,385</u>

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

19. SECURED DEBTS

The following secured debts are included within creditors:

	2013	2012
	£	£
Bank loans	<u>617,172</u>	<u>812,256</u>

20. PROVISIONS FOR LIABILITIES

	2013	2012
	£	£
Deferred tax		
Accelerated capital allowances	92,600	97,100
Deferred Government grants	<u>149,060</u>	<u>196,170</u>
	<u>241,660</u>	<u>293,270</u>

	Deferred tax	Deferred Government grants
	£	£
Balance at 1 October 2012	97,100	196,170
Credit to profit and loss account during year	<u>(4,500)</u>	<u>(47,110)</u>
Balance at 30 September 2013	<u>92,600</u>	<u>149,060</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013	2012
			£	£
115,000	Ordinary	£1	<u>115,000</u>	<u>115,000</u>

22. RESERVES

	Profit and loss account	Share premium	Revaluation reserve	Capital redemption reserve	Totals
	£	£	£	£	£
At 1 October 2012	3,912,919	82,287	342,797	13,000	4,351,003
Profit for the year	1,027,879	-	-	-	1,027,879
Dividends	(862,524)	-	-	-	(862,524)
Transfer on realisation	65,031	-	(65,031)	-	-
Defined benefit pension scheme	21,000	-	-	-	21,000
Related movement in deferred tax	<u>(4,830)</u>	-	-	-	<u>(4,830)</u>
At 30 September 2013	<u>4,159,475</u>	<u>82,287</u>	<u>277,766</u>	<u>13,000</u>	<u>4,532,528</u>
Profit and loss account excluding pension asset	3,882,275				
Pension asset	<u>277,200</u>				
Profit and loss account	<u>4,159,475</u>				

BARR + WRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013

23. EMPLOYEE BENEFIT OBLIGATIONS

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 balance sheet are as follows:

	Defined benefit pension plans	
	2013	2012
	£	£
Present value of funded obligations	(7,634,000)	(7,242,000)
Fair value of plan assets	<u>7,994,000</u>	<u>7,510,000</u>
Surplus	360,000	268,000
Deferred tax liability	<u>(82,800)</u>	<u>(64,320)</u>
Net asset	<u><u>277,200</u></u>	<u><u>203,680</u></u>

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

	Defined benefit pension plans	
	2013	2012
	£	£
Interest cost	328,000	334,000
Expected return on scheme assets	<u>(371,000)</u>	<u>(364,000)</u>
Other finance income	<u>(43,000)</u>	<u>(30,000)</u>
Actual return on plan assets	<u><u>708,000</u></u>	<u><u>818,000</u></u>

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

	Defined benefit pension plans	
	2013	2012
	£	£
Opening defined benefit obligation	7,242,000	6,665,000
Interest cost	328,000	334,000
Actuarial losses	316,000	481,000
Benefits paid	<u>(252,000)</u>	<u>(238,000)</u>
	<u><u>7,634,000</u></u>	<u><u>7,242,000</u></u>

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2013	2012
	£	£
Opening fair value of scheme assets	7,510,000	6,908,000
Contributions by employer	28,000	22,000
Expected return	371,000	364,000
Actuarial gains	337,000	454,000
Benefits paid	<u>(252,000)</u>	<u>(238,000)</u>
	<u>7,994,000</u>	<u>7,510,000</u>

Actuarial gains of £21,000 (2012: £(27,000)) have been recognised in the statement of total recognised gains and losses. At 30 September 2013 the cumulative amount of actuarial gains recognised in the statement of total recognised gains and losses is £490,000.

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Expected return		Defined benefit pension plans	
	2013	2012	2013	2012
	%	%	£	£
Equities	7.00%	6.00%	5,860,000	5,107,000
Bonds	4.25%	4.10%	1,191,000	1,472,000
Cash	1.00%	1.00%	<u>943,000</u>	<u>931,000</u>
			<u>7,994,000</u>	<u>7,510,000</u>

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 at the balance sheet date (expressed as weighted averages) were:

	2013	2012
Discount rate	4.75%	4.60%
Expected return on scheme assets	5.90%	5.00%
Rate of increase in pensions in payment	3.40%	2.70%
Rate of increase in deferred pensions	2.90%	2.20%

BARR + WRAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	2013	2012	2011	2010	2009
	£	£	£	£	£
Defined benefit pension plans					
Defined benefit obligation	(7,634,000)	(7,242,000)	(6,665,000)	(6,915,000)	(6,649,000)
Fair value of scheme assets	<u>7,994,000</u>	<u>7,510,000</u>	<u>6,908,000</u>	<u>7,131,000</u>	<u>6,859,083</u>
Surplus	<u>360,000</u>	<u>268,000</u>	<u>243,000</u>	<u>216,000</u>	<u>210,083</u>
 Experience adjustments on scheme liabilities	 <u>(176,000)</u>	 <u>(142,000)</u>	 <u>206,000</u>	 <u>175,000</u>	 <u>268,000</u>
 Experience adjustments on scheme assets	 <u>337,000</u>	 <u>454,000</u>	 <u>(534,000)</u>	 <u>260,000</u>	 <u>714,000</u>

24. ULTIMATE PARENT COMPANY

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

25. RELATED PARTY DISCLOSURES

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.

26. 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.

27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	1,027,879	1,002,305
Dividends	<u>(862,524)</u>	<u>(293,690)</u>
	165,355	708,615
Other recognised gains and (losses) relating to the year (net)	<u>16,170</u>	<u>(20,940)</u>
Net addition to shareholders' funds	181,525	687,675
Opening shareholders' funds	<u>4,466,003</u>	<u>3,778,328</u>
Closing shareholders' funds	<u>4,647,528</u>	<u>4,466,003</u>