Westcrowns Contracting Services Limited

Report and Financial Statements

31 March 2010

Directors

J W Haran Chairman
J F Haran
L E M Haran
S Haran
W A M McBride
R McDonald
A D McIndoe
A W Brown

Secretary

I K Finlayson

Auditors

Ernst & Young LLP
George House
50 George Square
Glasgow G2 1RR

Bankers

Clydesdale Bank PLC
30 St Vincent Place
Glasgow G1 2HL

Solicitors

MacRoberts
152 Bath Street
Glasgow G2 4TB

Registered office

Quay House
Quay Road North
Rutherglen
Glasgow G73 1LD

Directors' report (continued)

The directors present their report and financial statements for the year ended 31 March 2010.

Results and dividends

The profit for the year attributable to shareholders amounted to £688,000 (2009 – £525,000). A dividend to the ordinary shareholders (net of waivers) of £96,000 (2009 – £81,000) was paid during the financial year as per note 8 to the financial statements.

Principal activity and review of the business

The principal activity of the company is that of flooring contractors and the supply and fitting of both Profilit glass products and the patented Lumaglass illuminated glazing system.

The Directors are pleased to report another year of satisfactory performance with year on year operating profit increasing by some 12% to £815,000, net current assets increasing by some 29% and funds available to shareholders to develop the business further increasing by some 27%.

Whilst UK market conditions proved to be as challenging as predicted, the stated business policy of sustained ongoing investment in all aspects of business efficiency have continued to provide a stable and profitable platform for sustainable business growth.

As expected, our policy of investment in new product lines and increasing operational effectiveness have produced increased opportunities both in our existing UK market and targeted international markets.

The resulting robust forward order book reinforces the directors' view that the company is in a favourable condition to deal effectively with existing UK economic pressures whilst also having the ability to capitalise on the opportunities which will arise therefrom.

Financial risk management objectives and policies

Although the company's policy does permit trading in any financial instruments, the company's principal financial instruments comprise of cash, short and long term deposits and/or borrowings, the main purpose of which is to provide finance for its normal trading operations. These borrowings are taken out at either normal commercial variable or fixed rates of interest. The company's interest payable can therefore be affected by movements in interest rates. The company assessing such position does not undertake active hedging of this risk.

The company has various other financial instruments such as trade debtors and creditors that arise directly from its trading operations.

The company aims to mitigate credit risk by continuing to trade with their key customers. In addition, the company performs credit checks on its customers and tailors its credit terms accordingly.

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. Investment and ongoing expansion is carefully controlled, with authorization limits operating at different levels up to board level.

Going concern

In line with the FRC guidance on Going Concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis.

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to credit, liquidity, cash flow and foreign currency risk are described above.

Directors' report (continued)

Going concern (continued)

The company has considerable financial resources with sound business relationships with a number of customers and suppliers across different geographic areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

Directors

All the directors listed on page 1 have held office throughout the year under review. In accordance with the Articles of Association no director is required to retire by rotation.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

On behalf of the Board

J F Haran
Director

22/9/ 2010

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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.

Independent auditors' report

to the members of Westcrowns Contracting Services Limited

We have audited the financial statements of Westcrowns Contracting Services Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 25. 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 Directors' Responsibilities Statement 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 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

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.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Westcrowns Contracting Services Limited (continued)

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.

Ernst & Young LLP

Walter B Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Glasgow

22\9\2010

Profit and loss account

for the year ended 31 March 2010

	Notes	2010 £000	2009 £000
Turnover	2	9,066	9,126
Cost of sales		(6,108)	(6,255)
Gross profit		2,958	2,871
Administrative expenses		(2,143)	(2,144)
Operating profit	3	815	727
Interest payable	6	(55)	(88)
Profit on ordinary activities before taxation	7(b)	760	639
Tax	7(a)	(72)	(114)
Profit for the financial year	19	688	525

The figures above represent amounts relating to continuing operations only.

Statement of total recognised gains and losses

for the year ended 31 March 2010

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £688,000 in the year ended 31 March 2010 (2009– £525,000).

Balance sheet

at 31 March 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Tangible assets	9	1,646	1,809
Current assets			
Stocks	10	663	681
Debtors – due within one year	11	3,260	3,339
– due after one year	11	322	300
Cash at bank and in hand	16	1,001	278
		5,246	4,598
Creditors: amounts falling due within one year	12	(2,808)	(2,705)
Net current assets		2,438	1,893
Total assets less current liabilities		4,084	3,702
Creditors: amounts falling due after more than one year	13	(1,136)	(1,326)
Accruals and deferred income			
Deferred government grants	17	(195)	(215)
Total assets less total liabilities		2,753	2,161
Capital and reserves			
Called up equity share capital	18/19	224	224
Revaluation reserve	19	320	328
Profit and loss account	19	2,209	1,609
Shareholders' funds		2,753	2,161

J F Haran

Director

22/9/2010

Statement of cash flows

for the year ending 31 March 2010

	Note	2010 £000	2009 £000
Net cash inflow from operating activities	3(b)	1,228	321
Returns on investments and servicing of finance			
Interest element of finance leases and hire purchase payments		(19)	(19)
Bank overdraft and loan interest		(36)	(69)
		(55)	(88)
Taxation			
Corporation tax paid		(133)	(12)
Capital expenditure and financial investment			
Proceeds on sale of tangible fixed assets		-	7
Equity dividends paid		(96)	(81)
Net cash inflow before financing		944	147
Financing			
Repayments of capital element of finance leases and hire purchase contracts		(137)	(148)
Repayment of long term loans		(84)	(79)
		(221)	(227)
Increase/(decrease) in cash	16	723	(80)

Reconciliation of net cash movement in net (debt)

	2010 £000	2009 £000
Increase/(decrease)in cash in the year	723	(80)
Cash flow from hire purchase financing	137	148
Repayment of loans	84	79
	944	147
New hire purchase agreements	(30)	(107)
Movement in net debt in the year	914	40
Net debt at 1 April	(1,264)	(1,304)
Net debt)at 31 March	(350)	(1,264)

Non cash transactions

During the year, the company entered into finance lease and hire purchase arrangements in respect of assets with a total capital value of £30,000 (2009 – £107,000).

Notes to the financial statements

at 31 March 2010

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of heritable property and are prepared in accordance with applicable accounting standards.

Fixed assets

Fixed assets are initially recorded at cost. Freehold property was revalued, the most recent valuation incorporated in the financial statements being at 14 March 2007, with the revaluation surplus taken to the revaluation reserve.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life by equal annual instalments, as follows:

Buildings	-	40 years from revaluation in 2007
Motor vehicles	-	4 years
Plant and machinery	-	5 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 years

Freehold land is considered to be an integral part of heritable properties and, accordingly, is depreciated along with buildings.

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

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

Government grants

Government grants on capital expenditure are credited to a deferred income account and are released to profit over the expected useful life, of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match the expenditure to which they relate.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows:

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 March 2010

1. Accounting policies (continued)

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 or a right to pay less or to receive more tax, with the exception of deferred tax assets which are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

Employees are members of a defined benefit pension scheme operated by the Westcrowns Group. The scheme requires contributions to be made to an independently administered fund. Contributions to this fund are charged to the profit and loss account on a defined contribution basis.

Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs (as defined in Stocks above) as contract activity progresses Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long-term contracts where turnover represents the sales value of work done in the year, including estimates in respect of amounts not invoiced. Turnover in respect of long-term contracts is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Turnover is attributable to continuing activities, namely glazing and flooring contracting.

Notes to the financial statements

at 31 March 2010

3. Operating profit

(a) This is stated after charging/(crediting):

	2010	2009
	£000	£000
Depreciation of tangible owned assets	50	50
Depreciation of assets held under finance leases and hire purchase contracts	143	155
	193	205
Gain on sale of tangible fixed assets	-	(7)
Grant release	(15)	(15)
Auditors' remuneration – audit services	10	11
Operating lease rentals – plant, vehicles and other equipment	67	217

(b) Net cash inflow from operating activities:

	£000	£000
Operating profit	815	727
Depreciation	193	205
Gain on sale of fixed assets	-	(7)
Grant release	(15)	(15)
Decrease/(increase) in stocks	18	(269)
Decrease/(increase) in debtors	64	(106)
Increase/(decrease) in creditors	153	(214)
Net cash inflow from operating activities	1,228	321

4. Directors' emoluments

	2010	2009
	£000	£000
Emoluments	418	393
	No.	No.
Members of defined benefit pension scheme	6	6

The emoluments of the highest paid director for the year ended 31 March 2010 were £229,000 (2009 – £212,000). He was a member of the group's defined benefit pension scheme and his accrued pension at 31 March 2010 was £24,000 (2009 – £21,000) per annum.

Notes to the financial statementat 31 March 2010

5. Staff costs

	2010 £000	2009 £000
Wages and salaries	2,686	2,388
Social security costs	242	268
Other pension costs	135	104
	3,063	2,760

The average monthly number of persons employed by the company, including directors, during the year was as follows:

	2010 No.	2009 No.
Administration	26	26
Other	67	63
	93	89

6. Interest payable

	2010 £000	2009 £000
Bank overdraft and loan interest	36	69
Finance charges payable under finance leases and hire purchase contracts	19	19
	55	88

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2010 £000	2009 £000
Current tax:		
UK corporation tax on the profit for the year (note 7(b))	84	121
Deferred tax (note 7(d)):		
Origination and reversal of timing differences	(12)	(7)
Tax on profit on ordinary activities	72	114

Notes to the financial statements

at 31 March 2010

7. Tax

(b) Factors affecting current tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% . The differences are explained below:

	2010	*2009*
	£000	*£000*
Profit on ordinary activities before tax	760	639
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	213	179
Effects of:		
Expenses not deductible for tax purposes	(12)	6
Fixed asset timing differences	12	8
Group relief for nil payment	(129)	(72)
Total current tax (note 7 (a))	84	121

(c) Factors that may affect future tax charges

In his budget of 22 June 2010, the Chancellor of the Exchequer announced Budget tax changes, which, if enacted in the proposed manner, will have an impact on the company's future tax position. As at 31 March 2010, the tax changes announced in the Budget are not yet regarded as 'substantively enacted' and as such, in accordance with accounting standards, the changes have not been reflected in the company's financial statements as at 31 March 2010.

The budget proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year, from April 2011, which will be enacted annually. The effect of the reduction in the tax rate to 24% on the company's deferred tax asset would be to reduce the deferred tax asset by £10,000. The rate change will also impact the amount of the future cash tax payment to be made by the company.

The effect on the company of these proposed changes to the UK tax system will be reflected in the company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

(d) Deferred tax

The deferred tax asset, calculated at 28%, included in the balance sheet is as follows:

	2010	*2009*
	£000	*£000*
Fixed asset timing differences	67	55

	£000
At 1 April 2009	55
Deferred tax credit in profit and loss account (note 7(a))	12
At 31 March 2010	67

Notes to the financial statements
at 31 March 2010

8. Dividends

	2010 Total £000	2010 Net of waiver £000	2009 Total £000	2009 Net of waiver £000
Declared and paid in year 56.8p (2009 – 47.7p)	127	96	107	81

The holders of 54,338 ordinary shares waived their rights to the dividend (2009 – 54,338 ordinary shares).

9. Tangible fixed assets

	Heritable property £000	*Motor vehicles £000*	*Plant and machinery £000*	*Fixtures, and fittings £000*	*Computer equipment £000*	*Total £000*
Cost or valuation:						
At 1 April 2009	1,506	356	576	27	44	2,509
Additions	–	29	1	–	–	30
Disposals	–	(25)	–	(1)	–	(26)
At 31 March 2010	1,506	360	577	26	44	2,513
Cost	6	360	577	26	44	1,013
Valuation	1,500	–	–	–	–	1,500
	1,506	360	577	26	44	2,513
Depreciation:						
At 1 April 2009	76	260	297	27	40	700
Charge for the year	39	42	108	–	4	193
Disposals	–	(25)	–	(1)	–	(26)
At 31 March 2010	115	277	405	26	44	867
Net book value:						
At 31 March 2010	1,391	83	172	–	–	1,646
At 1 April 2009	1,430	96	279	–	4	1,809

Notes to the financial statements

at 31 March 2010

9. Tangible fixed assets (continued)

The company's freehold property was valued as at 31 March 2010 by Johnston Waddell, Commercial Property Consultants, at its open market value for existing use basis at £1,350,000. This valuation is less than the net book value of the property, but as there is no material difference, the directors have not adjusted the value. The valuation was carried out in accordance with the RICS Valuation Standards (Sixth Edition) as amended. The directors have ascertained from the valuers that the value of the land included in the valuation above amounts to £128,250.

Had it not been revalued, the heritable property would have been included on the historical cost basis as follows:

	£000
Cost	1,191
Cumulative depreciation based on cost	120
Net book amount	1,071

The net book value of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2010	*2009*
	£000	*£000*
Plant and machinery	164	263
Motor vehicles	80	93

10. Stocks

	2010	*2009*
	£000	*£000*
Work in progress:		
Costs less loss provisions	2,110	1,879
Progress payments received/receivable	(2,107)	(1,860)
	3	19
Raw materials and consumables	660	662
	663	681

In the opinion of the directors the replacement cost of stocks is not materially different from that stated in the balance sheet.

Notes to the financial statements

at 31 March 2010

11. Debtors

	2010	2009
	£000	£000
Trade debtors	2,910	2,988
Amounts owed by group undertakings	565	565
Other debtors	40	31
Deferred tax (note 7(d))	67	55
	3,582	3,639

Included within 'Amounts owed by group undertakings' is £322,000 (2008 - £300,000) due after one year.

12. Creditors: amounts falling due within one year

	2010	2009
	£000	£000
Bank borrowings (note 14)	89	84
Obligations under finance leases and hire purchase contracts (note 15)	126	132
Trade creditors	1,716	1,572
Excess progress payments	167	198
Corporation tax	84	133
Amounts owed to group undertakings	65	120
Other taxes and social security costs	321	227
Other creditors	40	-
Accruals and deferred income	200	239
	2,808	2,705

13. Creditors: amounts falling due after one year

	2010	2009
	£000	£000
Bank borrowings (note 14)	944	1,033
Obligations under finance leases and hire purchase contracts (note 15)	192	293
	1,136	1,326

Notes to the financial statements
at 31 March 2010

14. Bank borrowings

	2010	*2009*
	£000	*£000*
Not wholly repayable within five years (see below)	887	941
Wholly repayable within five years	146	176
Total secured bank borrowings	1,033	1,117
Less: included in creditors: amounts falling due within one year (note 12)	(89)	(84)
Included in creditors: amounts falling due after more than one year (note 13)	944	1,033

Not wholly repayable within five years
£1m bank loan at 5.95063% per annum, repayable in variable monthly instalments

	2010	*2009*
	£000	*£000*
Amounts repayable:		
In one year or less	56	54
In more than one year, but not more than two years	56	56
In more than two years, but not more than five years	168	191
In more than five years	607	640
	887	941

The bank borrowings are secured by a floating charge over all the assets of the company, by cross guarantees between all Scottish registered group companies, and by a standard security over the company's heritable property.

Notes to the financial statements

at 31 March 2010

15. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2010	*2009*
	£000	*£000*
Amounts payable:		
Within one year	145	150
In two to five years	221	340
	366	490
Less: finance charges allocated to future periods	48	65
	318	425

Finance leases and hire purchase contracts are analysed as follows:

Current obligations (note 12)	126	132
Non-current obligations (note 13)	192	293
	318	425

Analysis of changes in finance leases and hire purchase contracts during the current and previous years:

	2010	*2009*
	£000	*£000*
At 1 April	425	466
Inception of finance leases and hire purchase contracts	30	107
Capital element of finance leases and hire purchase payments	(137)	(148)
At 31 March	318	425

16. Analysis of net debt

	At 1 April 2009	*Cash flow*	*Non cash changes*	*At 31 March 2010*
	£000	*£000*	*£000*	*£000*
Cash at bank and in hand	278	723	-	1,001
Loans	(1,117)	84	-	(1,033)
Finance leases	(425)	137	(30)	(318)
	(1,264)	944	(30)	(350)

Notes to the financial statements
at 31 March 2010

17. Deferred government grants

	£000
At 1 April 2009	215
Released in year	(15)
Amount reversed	(5)
At 31 March 2010	195

18. Issued share capital

		2010		2009
Allotted, called up and fully paid	*No.*	*£000*	*No.*	*£000*
Ordinary shares of £1 each	224,422	224,422	224,422	224,422

19. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	*Capital redemption reserve £000*	*Revaluation reserve £000*	*Profit and loss account £000*	*Total £000*
At 1 April 2008	224	–	337	1,156	1,717
Profit for the year	–	–	–	525	525
Dividends	–	–	–	(81)	(81)
Transfer in respect of depreciation on revalued property	–	–	(9)	9	–
At 1 April 2009	224	–	328	1,609	2,161
Profit for the year	–	–	–	688	688
Dividends	–	–	–	(96)	(96)
Transfer in respect of depreciation on revalued property	–	–	(8)	8	-
At 31 March 2010	224	–	320	2,209	2,753

20. Capital commitments

No future capital expenditure has been contracted at 31 March 2010 (2009 – £nil).

Notes to the financial statements

at 31 March 2010

21. Pension arrangements

FRS17 disclosures

The parent company sponsors the Westcrowns Limited Pension and Life Assurance Scheme which is an arrangement which provides benefits on a "defined benefit" basis.

Although the scheme is a defined deferred benefit scheme, the company is unable to identify its share of underlying assets and liabilities therefore the company has accounted for the contributions to the scheme as if it were a defined contribution scheme. The company's pension cost for the year was £135,000 (2009 – £104,000).

A full actuarial valuation of the scheme was carried out as at 31 March 2008 by a qualified actuary. An updated valuation of this scheme for FRS17 purposes was carried out by a qualified independent actuary as at 31 March 2010.

With effect from 31 December 2009, this defined benefit scheme was closed to new members and accrual of defined benefits ceased for existing active members.

The fair value of the assets of the scheme at 31 March 2010 relates wholly to equity securities, fixed interest bonds and cash.

The following disclosures do not impact the primary statements in accordance with FRS 17.

The movements in assets and liabilities in the year are as follows:

Change in benefit obligation

	2010	*2009*
	£000	*£000*
Benefit obligation at 1 April	4,711	5,221
Interest cost	337	331
Current service cost	137	251
Scheme participants' contributions	91	118
Benefits paid	(243)	(161)
Actuarial gain/(loss)	1,287	(1,049)
Benefit obligation at 31 March	6,320	4,711

Change in scheme assets

Fair value of scheme assets at 1 April	4,050	4,845
Expected return on scheme assets	199	264
Contributions by employer	373	364
Scheme participants' contributions	91	118
Benefits paid	(243)	(161)
Actuarial gain/(loss)	1,254	(1,380)
Benefit obligation at 31 March	5,724	4,050
Deficit in the scheme	596	661

Notes to the financial statements

at 31 March 2010

21. Pension arrangements (continued)

Main assumptions

	2010	*2009*
Rate of increase in deferred pensions	3.4%	3.1%
Rate of increase in pensions in deferment	3.4%	3.1%
Discount rate	5.7%	7.0%
Inflation assumption	3.4%	3.1%
Expected rates of return on scheme assets:		
Equity securities	5.0%	5.6%
Bond securities	2.0%	2.1%
Cash	2.0%	2.1%

Weighted average life expectancy on post-retirement mortality table used to determine benefit obligations for:

1. Member age 65 (current life expectancy)	85.0	84.9
2. Member age 45 (life expectancy at age 65)	85.3	85.3

The mortality assumption used reflects a reasonable estimate of likely future experience by adjusting standard projected tables for the geographical location of the membership.

Scheme asset information

	Allocation percentage 2010 %	*Allocation percentage 2009 %*
Equity securities	78.2	76.7
Bond securities	15.6	17.6
Cash	6.2	5.7
Actual return on scheme assets	1,440	(1,116)

Five year history

	2010 £000	*2009 £000*	*2008 £000*	*2007 £000*	*2006 £000*
Fair value of scheme assets	5,724	4,050	4,845	6,548	5,898
Present value of defined benefit obligation	(6,320)	(4,711)	(5,221)	(7,142)	(6,509)
Deficit in the scheme	(596)	(661)	(376)	(594)	(611)
Difference between actual and expected return on scheme assets	(1,254)	(1,380)	(814)	(7)	962
Experience gains and losses on scheme liabilities	86	(309)	238	59	(166)

Notes to the financial statements

at 31 March 2010

22. Other financial commitments

At 31 March 2010, the company had annual commitments under non-cancellable operating leases as follows:

	Plant, vehicles and other equipment	
	2010	*2009*
	£000	*£000*
Operating leases which expire:		
Within one year	21	7
Within two to five years	53	58
	74	65

23. Contingent liabilities

Cross guarantees exist between all Scottish registered group companies in favour of the group's bankers. At 31 March 2010 the combined group bank borrowings subject to the guarantee amounted to £5,291,000 gross and £2,954,000 net of credit balances (2009 – £5,645,000 gross; £3,230,000 net).

Other contingent liabilities are those arising in the ordinary course of business in connection with the completion of contracts in accordance with specifications.

24. Related parties

Included in the profit and loss account are the following amounts relating to transactions with group companies:

	2010	*2009*
	£000	*£000*
Sales	1	1
Administrative expenses	194	160

There are no other related party transactions which require to be notified under the provisions of FRS 8.

25. Ultimate parent undertaking and controlling party

The directors regard Westcrowns Limited, a company registered in Scotland, as the controlling party and ultimate parent undertaking. Copies of the Westcrowns Limited's group financial statements may be obtained from Westcrowns Limited, Quay House, Quay Road North, Rutherglen, Glasgow G73 1LD.