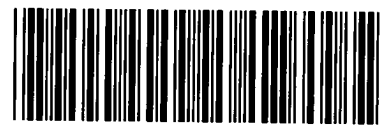


Westcrowns Contracting Services Limited

Report and Financial Statements

31 March 2016

THURSDAY



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COMPANIES HOUSE

Directors

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

Chairman
Managing Director

Secretary

R J Heggie

Auditors

Ernst & Young LLP
G1
5 George Square
Glasgow G2 1DY

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

Strategic report

The directors present their strategic report for the year ended 31 March 2016.

Principal activity and review of the business

The business has continued its disciplined policy of pursuing profitable and sustainable growth through a focus on investing in product development and the consequent market leading products and competitive advantages this is producing. The UK remains a highly competitive marketplace, however export growth of the patented Lumaglass Glazing System into North America and The Middle East is proceeding in a structured manner and has resulted in a continuing gross profit growth of some 3.5% in the year. Increased investment in research and development has impacted on the years operating profit, which has reduced to £474,000 (previous year £514,000) and the Directors look forward to a return on this investment in the years ahead. In line with plans net current assets have increased by 8% to £4,106,000 and funds available to shareholders to facilitate the on-going development of the business increased by 10.3% to £4,845,000.

Future developments

The company considers that its current strategy affords it an excellent opportunity to continue to grow the business in a disciplined and structured manner with a customer focus through new innovative products and an increasing export portfolio.

Financial risk management objectives and policies

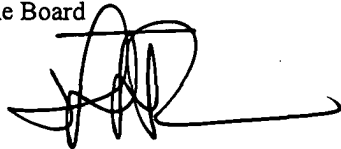
Although the company's policy does permit trading in any financial instruments, the company's principal financial instruments comprise of cash, short and long term deposits and/or borrowings, the main purpose of which is to provide finance for its normal trading operations. These borrowings are taken 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.

On behalf of the Board



J F Haran
Director

3 October 2016

Directors' report

The directors present their report for the year ended 31 March 2016.

Directors

The directors who served during the year were as follows:

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

Results and dividends

The profit for the year attributable to shareholders amounted to £440,000 (2015 – £476,000). A dividend to the ordinary shareholders (net of waivers) of £60,000 (2015 – £62,000) was paid during the financial year as note 8 to the financial statements.

Future developments

The directors have highlighted in the Strategic report on page 2 their plans to continue to grow in a disciplined and structured manner.

Going concern

In line with the FRC guidance on Going Concern issued in April 2016, the Directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis, and taking into account the FRC's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014, 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.

As a consequence of the review exercise, the directors believe the company is well placed to manage its business risks successfully and that the company has adequate resources to meet their liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Disclosure of information to the auditors

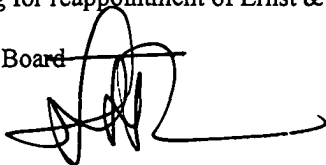
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's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



3 October 2016

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 including Financial Reporting Standard 102 'the financial reporting standard applicable to the UK and Republic of Ireland').

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 Independent Glass Company Limited for the year ended 31 March 2016 which comprise the Income Statement, Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related Notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Standards and applicable law including Financial Reporting Standard 102 'the financial reporting standard applicable to the UK and Republic of Ireland).

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'the financial reporting standard applicable to the UK and Republic of Ireland; 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 Strategic Report and 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

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

Janie McMinn (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

3 October 2016

Income statement

for the year ended 31 March 2016

	<i>Notes</i>	<i>2016</i> <i>£000</i>	<i>2015</i> <i>£000</i>
Turnover	2	6,749	6,064
Cost of sales		(4,515)	(3,909)
Gross profit		2,234	2,155
Administrative expenses		(1,760)	(1,641)
Operating profit	3	474	514
Interest payable	6	(4)	(28)
Profit on ordinary activities before taxation		470	486
Tax	7	(30)	(10)
Profit for the financial year	19	440	476

The figures above represent amounts relating to continuing operations only.

Statement of comprehensive income

for the year ended 31 March 2016

	<i>Notes</i>	<i>2016</i> <i>£000</i>	<i>2015</i> <i>£000</i>
Profit for the financial year		440	476
Revaluation of land and buildings		80	-
Tax on items relating to components of other comprehensive income		(7)	2
Total other comprehensive income		73	2
Total comprehensive income for the year		513	478

Statement of changes in equity

for the year ended 31 March 2016

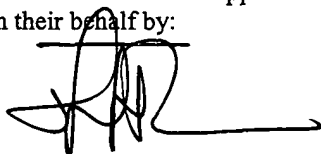
	<i>Share capital £000</i>	<i>Revaluation reserve £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 1 April 2014	224	227	3,525	3,976
Profit for the year	-	-	476	476
Other comprehensive income	-	2	-	2
Total comprehensive income for the year	-	2	476	478
Transfer in respect of depreciation on revalued property	-	(9)	9	-
Dividends	-	-	(62)	(62)
At 1 April 2015	224	220	3,948	4,392
Profit for the year	-	-	440	440
Other comprehensive income	-	73	-	73
Total comprehensive income for the year	-	73	440	513
Transfer in respect of depreciation on revalued property	-	(9)	9	-
Dividends	-	-	(60)	(60)
At 31 March 2016	224	284	4,337	4,845

Statement of financial position

at 31 March 2016

	Notes	2016 £000	2015 £000
Fixed assets			
Tangible assets	9	1,357	1,351
Current assets			
Stocks	10	1,535	1,607
Debtors – due within one year	11	4,322	3,664
– due after one year	11	565	565
		6,422	5,836
Creditors: amounts falling due within one year	12	(2,316)	(2,036)
Net current assets		4,106	3,800
Total assets less current liabilities		5,463	5,151
Creditors: amounts falling due after more than one year	13	(424)	(571)
Provision for liabilities and charges	7(d)	(44)	(33)
Accruals and deferred income			
Deferred government grants	17	(150)	(155)
Total assets less total liabilities		4,845	4,392
Capital and reserves			
Called up equity share capital	18	224	224
Revaluation reserve	19	284	220
Profit and loss account	19	4,337	3,948
Equity shareholders' funds	19	4,845	4,392

These financial statements were approved by the directors and authorised for issue on 3 October 2016 and are signed on their behalf by:



J F Haran
Director

Notes to the financial statements

at 31 March 2016

1. Accounting policies

Statement of compliance

Westcrowns Contracting Services Limited is a limited liability company incorporated in Scotland. The registered office is Quay House, Quay Road North, Rutherglen, Glasgow, G73 1LD.

The Company's financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the Company for the year ended 31 March 2016.

The Company transitioned from previously extant UK GAAP to FRS102 as at 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain freehold property and are prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £000.

Statement of cash flows

The company has taken advantage of the exemption conferred by FRS 102 with the requirements of section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key source of estimation uncertainty at the statement of financial position date, are contract outcomes. Valuations which include an estimation of cost to complete and remaining revenues are carried out at regular intervals throughout the year. These assessments may include a degree of inherent uncertainty when estimating contract profitability and any impairment provisions that may be required.

Tangible fixed assets

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:

Freehold property	–	40 years
Motor vehicles	–	4 years
Plant and machinery	–	5 years
Fixtures and fittings	–	5 years
Computer equipment	–	3 years

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

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.

Notes to the financial statements

at 31 March 2016

1. Accounting policies (continued)

Revaluation of tangible fixed assets

Individual properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

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.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, with the exception of deferred tax assets which are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Notes to the financial statements

at 31 March 2016

1. Accounting policies (continued)

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 income statement.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the statement of financial position and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the income statement 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 income statement on a defined contribution basis.

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.

Turnover is generated within the UK except for £10,000 (2015 - £779,000) and £106,000 (2015 - £105,000) which were generated from Asia and other EEC countries respectively.

3. Operating profit

(a) This is stated after charging:

	2016 £000	2015 £000
Auditors remuneration – audit services	12	12
Depreciation of tangible owned assets	54	44
Depreciation of assets held under finance leases and hire purchase contracts	21	22
	<u>75</u>	<u>66</u>
Gain on sale of tangible fixed assets	(5)	(2)
Grant release	(5)	(5)
Operating lease rentals – plant, vehicles and other equipment	45	45
	<u></u>	<u></u>

Notes to the financial statements

at 31 March 2016

4. Directors' remuneration

	2016 £000	2015 £000
Aggregate remuneration in respect of qualifying services	372	397
Money purchase pension scheme contributions	53	50
Members of money purchase pension scheme	No. 3	No. 3
Members of defined benefit pension scheme	3	3

Four other directors do not perform any qualifying services to the company, therefore their remuneration are £nil (2015 - £nil).

The emoluments of the highest paid director for the year ended 31 March 2016 were £215,000 (2015 - £209,000). He was a member of the group's defined benefit pension scheme and his accrued pension at 31 March 2016 was £31,000 (2015 - £29,000) per annum. In addition, pension contributions amounting to £35,000 (2015 - £33,000) were paid into a money purchase pension scheme.

5. Staff costs

	2016 £000	2015 £000
Wages and salaries	1,812	1,578
Social security costs	128	107
Other pension costs	176	185
	2,116	1,870

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

	No.	No.
Administration	24	23
Other	30	32
	54	55

Notes to the financial statements

at 31 March 2016

6. Net interest payable

	2016 £000	2015 £000
Bank overdraft and loan interest	16	26
Finance charges payable under finance leases and hire purchase contracts	3	2
	<u>19</u>	<u>28</u>
Interest received from group undertaking	(15)	-
	<u>4</u>	<u>28</u>

7. Tax

(a) Tax charged in the income statement

The tax charge is made up as follows:

	2016 £000	2015 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	87	63
Adjustment in respect of previous periods	(61)	(70)
Total current tax	<u>26</u>	<u>(7)</u>
<i>Deferred tax (note 7(d)):</i>		
Origination and reversal of timing differences	2	8
Effect of changes in tax rate	2	-
Adjustment in respect of previous periods	-	9
Tax expense in the income statement (note 7(c))	<u>30</u>	<u>10</u>

(b) Tax relating to items charged or credited to other comprehensive income

Deferred tax

	2016 £000	2015 £000
Property revaluation	7	(2)

Notes to the financial statements

at 31 March 2016

7. Tax (continued)

(c) Reconciliation of the total tax charge

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015 – 21%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	470	486
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	94	102
<i>Effects of:</i>		
Expenses not deductible for tax purposes	7	7
Group relief received for nil payment	(12)	(38)
Overprovision in previous periods	(61)	(61)
Adjustment for change in deferred tax rate	2	-
Total current tax (note 7(a))	30	10

(d) Factors that may affect future tax charges

The Finance Act (No 2) 2015 which was substantively enacted on 26 October 2015 includes legislation reducing the main rate of corporation tax from 20% to 18%. This decrease is to be phased in with a reduction to 19% effective from 1 April 2017 and a reduction to 18% effective from 1 April 2020. Subsequently, the Finance Bill (No 2) 2016 proposed a change to reduce this rate further to 17% from 1 April 2020.

As the impact on the reversal of the deferred tax liability is not material, all timing differences at the balance sheet date have been calculated at 18%.

(e) Deferred tax

The deferred tax, calculated at 18% (2015 – 20%), included in the balance sheet is as follows:

	2016 £000	2015 £000
Fixed asset timing differences	(17)	(20)
Short term timing differences	(1)	(2)
Property revaluation	(18) 62	(22) 55
Deferred tax liability	44	33
		£000
At 1 April 2015		33
Charge in income statement		4
Statement of comprehensive income		7
At 31 March 2016		44

Notes to the financial statements

at 31 March 2016

8. Dividends

	<i>Total £000</i>	<i>2016 Net of waiver £000</i>	<i>Total £000</i>	<i>2015 Net of waiver £000</i>
Declared and paid in year 35.5p (2015 – 36.6p)	80	60	82	62

The holders of 54,338 ordinary shares waived their rights to the dividend in both years.

9. Tangible fixed assets

	<i>Freehold property £000</i>	<i>Motor vehicles £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures and fittings £000</i>	<i>Computer equipment £000</i>	<i>Total £000</i>
Cost or valuation:						
At 1 April 2015	1,566	207	615	28	69	2,485
Additions	-	-	1	-	-	1
Disposals	-	(47)	-	-	-	(47)
Transfer	-	-	(6)	6	-	-
Revaluation	(266)	-	-	-	-	(266)
At 31 March 2016	1,300	160	610	34	69	2,173
Cost	-	160	610	34	69	873
Valuation	1,300	-	-	-	-	1,300
	1,300	160	610	34	69	2,173
Depreciation:						
At 1 April 2015	307	146	593	28	60	1,134
Charge for the year	39	23	8	-	5	75
Disposals	-	(47)	-	-	-	(47)
Transfer	-	-	(6)	6	-	-
Revaluation	(346)	-	-	-	-	(346)
At 31 March 2016	-	122	595	34	65	816
Net book value:						
At 31 March 2016	1,300	38	15	-	4	1,357
At 1 April 2015	1,259	61	22	-	9	1,351

Notes to the financial statements

at 31 March 2016

9. Tangible fixed assets (continued)

The company's freehold property was revalued as at 31 March 2016 by Gerald Eve, Chartered Surveyors and Property Consultants, at its open market value for existing use basis at £1,300,000. The valuation was carried out in accordance with the Valuation Practice Statements and Practice Guidance within the Valuation - Professional Standards, incorporating the International Valuation Standards ("the Standards") of the Royal Institution of Chartered Surveyors (RICS) January 2014.

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

	£000
Cost	1,250
Cumulative depreciation based on cost	(296)
Net book amount	954

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

	2016 £000	2015 £000
Plant and machinery	13	21
Motor vehicles	37	61

10. Stocks

	2016 £000	2015 £000
Work in progress:		
Costs less loss provisions	1,323	1,258
Progress payments received/receivable	(1,295)	(1,198)
	28	60
Raw materials and consumables	1,507	1,547
	1,535	1,607

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

Stocks recognised as an expense in the year were £2,269,000 (2015 - £2,151,000).

Notes to the financial statements

at 31 March 2016

11. Debtors

	2016	2015
	£000	£000
Trade debtors	4,245	3,540
Amounts owed by group undertakings	565	565
Other debtors	77	117
Corporation tax recoverable	-	7
	<u>4,887</u>	<u>4,229</u>

'Amounts owed by group undertakings' of £565,000 (2014 – £565,000) is due after one year.

12. Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Bank borrowings (note 14)	408	240
Obligations under finance leases and hire purchase contracts (note 15)	23	34
Trade creditors	970	905
Excess progress payments	169	238
Corporation tax	86	-
Amounts owed to group undertakings	51	67
Other taxes and social security costs	173	160
Accruals and deferred income	436	392
	<u>2,316</u>	<u>2,036</u>

13. Creditors: amounts falling due after one year

	2016	2015
	£000	£000
Bank borrowings (note 14)	413	536
Obligations under finance leases and hire purchase contracts (note 15)	11	35
	<u>424</u>	<u>571</u>

Notes to the financial statements

at 31 March 2016

14. Bank borrowings

	2016 £000	2015 £000
Not wholly repayable within five years (see below)	492	620
Wholly repayable within five years	329	156
Total secured bank borrowings	821	776
Less: included in creditors: amounts falling due within one year (note 12)	(408)	(240)
Included in creditors: amounts falling due after more than one year (note 13)	413	536

Not wholly repayable within five years

£1m bank loan at 5.95063% per annum, repayable in variable monthly instalments

	2016 £000	2015 £000
Amounts repayable:		
In one year or less	79	84
In more than one year, but not more than two years	79	84
In more than two years, but not more than five years	237	246
In more than five years	97	206
	492	620

The bank borrowings are secured by standard securities over all of the properties owned by the group, floating charges over all the assets of the group and by cross guarantees between all companies within the group.

Notes to the financial statements

at 31 March 2016

15. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2016 £000	2015 £000
Amounts payable:		
Within one year	25	37
In two to five years	12	38
	<u>37</u>	<u>75</u>
Less: finance charges allocated to future periods	(3)	(6)
	<u>34</u>	<u>69</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations (note 12)	23	34
Non-current obligations (note 13)	11	35
	<u>34</u>	<u>69</u>

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

	2016 £000	2015 £000
At 1 April	69	44
Inception of finance leases and hire purchase contracts	-	53
Capital element of finance leases and hire purchase payments	(35)	(28)
	<u>34</u>	<u>69</u>

16. Deferred government grants

	£000
At 1 April 2015	155
Released in year	(5)
	<u>150</u>
At 31 March 2016	

17. Issued share capital

	No.	2016 £000	No.	2015 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	224,422	224,422	224,422	224,422

Notes to the financial statements

at 31 March 2016

18. Reserves

Revaluation reserve

This reserve is used to record the excess value over the original cost of freehold land and properties, release of the element of depreciation above the historic cost depreciation and the deferred tax liability against the revaluation.

19. Capital commitments

No future capital expenditure has been contracted at 31 March 2016 (2015 – £nil).

20. Pension arrangements

FRS102 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. The scheme was closed to future accrual on 31 December 2009.

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 for this scheme was £25,000 (2015 – £nil).

A full actuarial valuation of the scheme was carried out as at 31 March 2014 by a qualified actuary. An updated valuation of this scheme for FRS 102 purposes was carried out by a qualified independent actuary as at 31 March 2016.

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.

Westcrowns Limited paid a shortfall-correction contribution of £100,000 (2015: £160,000) during the year. Following the 31 March 2014 actuarial valuation, Westcrowns Limited will continue to pay shortfall-correction contributions through to March 2036 with £160,000 payable in the year to 31 March 2017.

The fair value of the assets of the scheme at 31 March 2016 relates wholly to equity securities, fixed interest bonds and cash.

The following disclosures do not impact the primary statements in accordance with FRS 102.

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

Change in benefit obligation

	2016 £000	2015 £000
Benefit obligation at 1 April	10,199	8,042
Interest cost	342	368
Benefits paid	(288)	(254)
Actuarial (gain)/loss	(183)	2,043
Benefit obligation at 31 March	10,070	10,199

Notes to the financial statements

at 31 March 2016

20. Pensions arrangements (continued)

Change in scheme assets

Fair value of scheme assets at 1 April	7,070	6,213
Expected return on scheme assets	237	287
Contributions by employer	100	160
Benefits paid	(288)	(254)
Return on scheme assets less interest income	(248)	664
	<hr/>	<hr/>
Fair value of scheme assets at 31 March	6,871	7,070
	<hr/>	<hr/>
Deficit in the scheme	3,199	3,129
	<hr/>	<hr/>

Main assumptions

	2016	2015
Rate of increased in deferred pensions pre 1/4/05	2.00%	1.95%
Rate of increased in deferred pensions post 1/4/05	2.90%	2.95%
Discount rate	3.50%	3.40%
Inflation assumption	3.00%	2.95%

Post retirement morality

2016	2015
S2PA tables	S2PA tables
CMI_2015 [1.25%]	CMI_2015 1.25%
projections	projections
with a +1 year age	with a +1 year age
rating for female	rating for female
pensioners and	pensioners and
deferreds	deferreds

Scheme asset information

	Allocation percentage 2016 %	Allocation percentage 2015 %
Equity securities	52.19	53.91
Bond securities	45.45	45.74
Insured pensions	0.52	-
Cash	1.84	0.35

None of the scheme assets include any direct investment in the group's own financial instruments or any property occupied or other assets of the group.

	£000	£000
Actual return on scheme assets	(11)	951
	<hr/>	<hr/>

Notes to the financial statements

at 31 March 2016

20. Pensions arrangements (continued)

The company's parent company, Westcrowns Limited also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £81,000 (2015 - £81,000). Contributions amounting to £7,000 (2015 - £7,000) were payable to the fund at 31 March 2016 and are included in creditors.

21. Other financial commitments

At 31 March 2016, the company the company had future minimum rentals payable under non-cancellable operating leases as follows:

	<i>Plant, vehicles and other equipment</i>	
	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Within one year	41	45
Within two to five years	37	78
	<u>78</u>	<u>123</u>

22. Contingent liabilities

Cross guarantees exist between all group companies in favour of the group's bankers. At 31 March 2016 the combined group bank borrowings subject to the guarantee amounted to £6,870,000 gross and £3,862,000 net of credit balances (2015 – £7,350,000 gross; £4,398,000 net).

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

23. Financial instruments

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
<i>Financial assets that are debt instruments measured at cost</i>		
Debtors	4,887	4,222
<i>Financial liabilities measured at amortised cost</i>		
Finance leases and hire purchase contracts	34	69
Bank loans	492	620
Bank overdraft	329	156
Trade creditors	970	905

Notes to the financial statements

at 31 March 2016

24. Related party transactions

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

Fellow subsidiary companies

	2016	2015
	£000	£000
Sales	4	-

Entities with significant influence over the company

Administrative expenses	346	325
Interest received	16	-

There are no other related party transactions which require to be notified under the provisions of FRS 102.

25. Transition to FRS 102

For all periods up to and including the year ended 31 March 2015, the company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practices (UK GAAP). These financial statements, for the year ended 31 March 2016, are the first the company has prepared in accordance with FRS 102.

Accordingly, the company has prepared financial statements which comply with FRS 102 applicable for the period beginning on 1 April 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the company has started from an opening balance sheet as at 1 April 2014, the company's date of transition to FRS 102, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 102. As such, this note explains the principal adjustments made by the company in restating its balance sheet at 1 April 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 March 2015.

On transition to FRS 102, the company has applied the requirements of paragraph 35.12 of FRS 102.

The impact from the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2014

	£000
Equity shareholders' funds at 1 April 2014 under previous UK GAAP	4,033
Recognition of deferred taxation on property revaluation reserve	(57)
Equity shareholders' funds at 1 April 2014 under FRS 102	3,976

Notes to the financial statements

at 31 March 2016

25. Transition to FRS 102 (continued)

Reconciliation of equity at 31 March 2015

	£000
Equity shareholders' funds at 31 March 2015 under previous UK GAAP	4,447
Recognition of deferred taxation on property revaluation reserve	(55)
Equity shareholders' funds at 31 March 2015 under FRS 102	<u>4,392</u>

The following is a change in accounting policy arising from the transition to FRS 102

Recognition of deferred taxation on property revaluation reserve

FRS 102 defines deferred tax in relation to temporary differences between carrying values and their related tax bases, rather than timing differences in the profit and loss account. Therefore, an adjustment of £57,000 has been recognised as a deferred tax liability against the property revaluation reserve and this has been netted off against the previous UK GAAP balance on the revaluation reserve at 1 April 2014.

Reconciliation of profit and loss for the year ended 31 March 2015

There is no change to the previously reported UK GAAP profit for the year ended 31 March 2015 on transition to FRS 102.

26. 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.