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07/02/2012 #472
COMPANIES HOUSE

BARR + WRAY GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

Company Registration Number SC276252

BARR + WRAY GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

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BARR + WRAY GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 SEPTEMBER 2011

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

BARR + WRAY GROUP LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 2011

The directors present their report and the financial statements of the group for the year ended 30 September 2011.

Principal activities and business review

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

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

The results for the year to 30 September are in line with forecast. The directors believe the results for the year are commendable and that the closing order-book at the end of September 2011 provides an opportunity for 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 (formerly Barr + Wray FZ LLC), and Hong Kong, Barr & Wray (H.K.) Limited the directors believe this further mitigates this risk by creating new income streams for the group.

Key performance indicators

Gross margin in the year was 18.2% against 17.4% in 2010. The profit on ordinary activities before tax was 6.8% against 6.2% in 2010. These margins are satisfactory and reflect the continuing profitability and success of the group.

Results and dividends

The profit for the year, after taxation, amounted to £843,253 (2010 - £675,942). Particulars of dividends paid are detailed in note 10 to the financial statements.

Financial instruments

The group is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The group manages these risks by financing its operations through retained profits, supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes.

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 group.

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

Directors

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

N MacDonald
A A MacDonald
D Gunn
I Montgomerie

BARR + WRAY GROUP LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 SEPTEMBER 2011

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

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

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

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

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

Donations

During the year the company made the following contributions:

	2011	2010
	£	£
Charitable	<u>2,490</u>	<u>2,090</u>

Purchase of own shares

The company purchased 8,000 of its £1 shares on 7 July 2011 for a consideration of £192,320. The shares were purchased from a former director and his spouse for the purposes of their exit from the business. At the time of purchase this represented 4.4% of the called up share capital.

BARR + WRAY GROUP LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 SEPTEMBER 2011

Auditor

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

Signed on behalf of the directors

.....
I Montgomerie
Company Secretary

Approved by the directors on 31/12/.....

BARR + WRAY GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARR +
WRAY GROUP LIMITED
YEAR ENDED 30 SEPTEMBER 2011

We have audited the group and parent company financial statements ("the financial statements") of Barr + Wray Group Limited for the year ended 30 September 2011 on pages 7 to 29. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 September 2011 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BARR + WRAY GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARR +
WRAY GROUP LIMITED *(continued)*
YEAR ENDED 30 SEPTEMBER 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark McRae

Mark McRae, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
48 St Vincent Street
Glasgow
G2 5TS

Date:- *6/2/12*

BARR + WRAY GROUP LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2011

	Note	2011 £	2010 £
Group turnover	2	17,026,642	14,961,751
Cost of sales		(13,920,492)	(12,363,832)
Gross profit		3,106,150	2,597,919
Administrative expenses		(2,068,095)	(1,730,857)
Operating profit	3	1,038,055	867,062
Interest receivable and similar income	6	130,478	81,532
Interest payable and similar charges	7	(14,080)	(18,721)
Profit on ordinary activities before taxation		1,154,453	929,873
Tax on profit on ordinary activities	8	(311,200)	(253,931)
Profit for the financial year	9	843,253	675,942

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

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 12 to 29 form part of these financial statements.

BARR + WRAY GROUP LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30 SEPTEMBER 2011

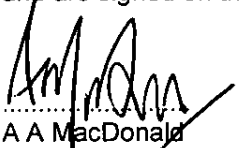
	2011 £	2010 £
Profit for the financial year attributable to the shareholders of the parent company	843,253	675,942
Actuarial loss in respect of defined benefit pension scheme	(111,000)	(78,000)
Related movement in deferred taxation	28,860	21,840
Foreign exchange difference arising on consolidation	<u>1,210</u>	<u>(4,514)</u>
Total gains and losses recognised since the last annual report	<u>762,323</u>	<u>615,268</u>

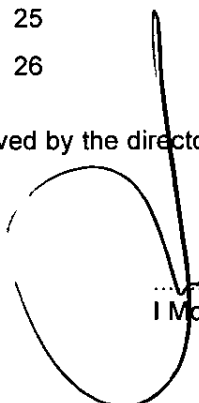
The notes on pages 12 to 29 form part of these financial statements.

BARR + WRAY GROUP LIMITED
GROUP BALANCE SHEET
YEAR ENDED 30 SEPTEMBER 2011

	Note	2011 £	2010 £
Fixed assets			
Intangible assets	11	415,024	446,347
Tangible assets	12	2,402,404	2,320,855
		<u>2,817,428</u>	<u>2,767,202</u>
Current assets			
Stocks	14	628,080	490,193
Debtors	15	5,441,429	3,945,443
Cash at bank and in hand		3,041,538	2,625,149
		<u>9,111,047</u>	<u>7,060,785</u>
Creditors: Amounts falling due within one year	16	<u>(8,037,712)</u>	<u>(6,740,779)</u>
Net current assets		<u>1,073,335</u>	<u>320,006</u>
Total assets less current liabilities		<u>3,890,763</u>	<u>3,087,208</u>
Creditors: Amounts falling due after more than one year	17	(794,792)	(429,638)
Provisions for liabilities			
Deferred taxation	19	(97,618)	(75,310)
Government grants	20	(193,280)	(177,890)
Net assets excluding pension asset		<u>2,805,073</u>	<u>2,404,370</u>
Defined benefit pension scheme asset	21	179,820	155,520
Net assets including pension asset		<u>2,984,893</u>	<u>2,559,890</u>
Capital and reserves			
Called-up share capital	24	173,250	181,250
Capital redemption reserve	25	26,750	18,750
Foreign exchange reserve	25	(24,057)	(25,267)
Profit and loss account	25	2,808,950	2,385,157
Shareholders' funds	26	<u>2,984,893</u>	<u>2,559,890</u>

These financial statements were approved by the directors and authorised for issue on 31/1/12, and are signed on their behalf by:


A A MacDonald


I Montgomerie

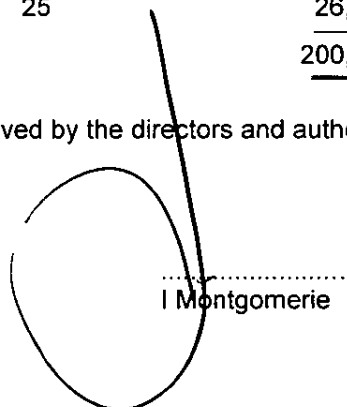
The notes on pages 12 to 29 form part of these financial statements.

BARR + WRAY GROUP LIMITED
BALANCE SHEET
YEAR ENDED 30 SEPTEMBER 2011

		2011		2010	
	Note	£	£	£	£
Fixed assets					
Investments	13		771,799		771,799
Current assets					
Debtors	15	-		29,735	
Cash at bank		-		4	
		-		29,739	
Creditors: Amounts falling due within one year	16	-		(103,673)	
Net current liabilities			-		(73,934)
Total assets less current liabilities			771,799		697,865
Creditors: Amounts falling due after more than one year	17		(571,799)		(497,865)
			200,000		200,000
Capital and reserves					
Called-up share capital	24		173,250		181,250
Capital redemption reserve	25		26,750		18,750
Shareholders' funds			200,000		200,000

These financial statements were approved by the directors and authorised for issue on 31/11/12, and are signed on their behalf by:


A A MacDonald


I Montgomerie

The notes on pages 12 to 29 form part of these financial statements.

BARR + WRAY GROUP LIMITED
GROUP CASH FLOW
YEAR ENDED 30 SEPTEMBER 2011

	Note	2011 £	£	2010 £	£
Net cash inflow from operating activities	27		686,125		695,548
Returns on investments and Servicing of finance					
Interest received		20,478		12,532	
Interest paid		(14,080)		(18,721)	
Net cash inflow/(outflow) from returns on investments and servicing of finance			6,398		(6,189)
Taxation			(195,147)		(157,787)
Capital expenditure					
Payments to acquire tangible fixed assets		(249,040)		(337,406)	
Receipts from sale of fixed assets		650		-	
Net cash outflow from capital expenditure			(248,390)		(337,406)
Equity dividends paid			(145,000)		(120,000)
Cash inflow before financing			103,986		74,166
Financing					
Purchase of own equity shares		(8,000)		-	
Premium on purchase of own equity shares		(184,320)		-	
Increase in/(repayment of) bank loans		459,362		(100,000)	
Capital element of hire purchase		(4,639)		9,277	
New grants received		50,000		100,000	
Net cash inflow from financing			312,403		9,277
Increase in cash	27		416,389		83,443

The notes on pages 12 to 29 form part of these financial statements.

BARR + WRAY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

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

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

Goodwill

Goodwill is stated at cost less accumulated amortisation and any impairment in value. Cost is the difference between the fair value of the consideration paid on the acquisition of a business and the fair value of the separable net assets acquired. Amortisation is calculated to write off the cost of goodwill on a straight-line basis over its estimated useful life up to a maximum of 20 years.

Impairment tests on the carrying value of goodwill are undertaken in accordance with Financial Reporting Standard 11: "Impairment of fixed assets and goodwill" as follows:

- at the end of the first full year following acquisition;
- and annually thereafter if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

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

Goodwill - 20 years

BARR + WRAY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

1. Accounting policies *(continued)*

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

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

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

Stocks

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

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

Work in progress

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

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

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

Hire purchase agreements

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

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

BARR + WRAY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

1. Accounting policies *(continued)*

Operating lease agreements

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

Pension costs and other post-retirement benefits

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

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

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

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

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

BARR + WRAY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

1. Accounting policies *(continued)*

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at a contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

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

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

The financial statements of the overseas subsidiary are translated into sterling at the rate of exchange ruling at the balance sheet date. The exchange differences arising on retranslation of opening net assets are taken directly to other reserves. All other differences are taken to the profit and loss account.

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.

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 group's turnover on the basis that they consider it seriously prejudicial to the interests of the group.

BARR + WRAY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

3. Operating profit

Operating profit is stated after charging/(crediting):

	2011	2010
	£	£
Amortisation of government grants	(34,610)	(22,110)
Operating leases		
- Land and buildings	39,348	42,637
- Other	185,148	167,085
Amortisation of intangible assets	31,323	31,323
Depreciation of owned fixed assets	161,351	133,619
Depreciation of assets held under hire purchase agreements	2,783	2,087
Loss on disposal of fixed assets	2,707	-
Net loss on foreign currency translation	39,004	53,644
Auditor's remuneration - audit of the financial statements	20,729	16,425
Auditor's remuneration - other fees	<u>7,300</u>	<u>7,300</u>

RSM Tenon Audit Limited

	2011	2010
	£	£
Auditor's remuneration - audit of the financial statements	<u>12,050</u>	<u>12,400</u>

Auditor's remuneration - other fees:

- Taxation services	2,250	2,300
- Accounting services	<u>5,050</u>	<u>5,000</u>
	<u>7,300</u>	<u>7,300</u>

Morison Menon Chartered Accountants

	2011	2010
	£	£
Auditor's remuneration - audit of the financial statements	<u>5,765</u>	<u>4,025</u>

RSM Nelson Wheeler Certified Public Accountants

	2011	2010
	£	£
Auditor's remuneration - audit of the financial statements	<u>2,914</u>	<u>-</u>

BARR + WRAY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

4. Particulars of employees

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

	2011	2010
	No	No
Production	37	35
Administration, sales and distribution	56	54
	<u>93</u>	<u>89</u>

The aggregate payroll costs of the above were:

	2011	2010
	£	£
Wages and salaries	3,308,991	2,953,066
Social security costs	317,734	280,167
Other pension costs	78,310	80,303
	<u>3,705,035</u>	<u>3,313,536</u>

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income (see note 6) and amounts recognised in the statement of recognised gains and losses.

5. Directors' remuneration

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

	2011	2010
	£	£
Aggregate remuneration	301,366	281,184
Value of company pension contributions to money purchase schemes	20,660	19,552
	<u>322,026</u>	<u>300,736</u>

Remuneration of highest paid director:

	2011	2010
	£	£
Total remuneration (excluding pension contributions)	126,672	117,927
Value of company pension contributions to money purchase schemes	4,720	4,368
	<u>131,392</u>	<u>122,295</u>

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

	2011	2010
	No	No
Defined contribution schemes	<u>3</u>	<u>3</u>

BARR + WRAY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

6. Interest receivable and similar income

	2011 £	2010 £
Bank interest receivable	20,478	12,532
Net finance income in respect of defined benefit pension schemes	110,000	69,000
	<u>130,478</u>	<u>81,532</u>

7. Interest payable and similar charges

	2011 £	2010 £
Interest payable on bank borrowing	14,080	16,847
Other similar charges	—	1,874
	<u>14,080</u>	<u>18,721</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
In respect of the year:		
UK Corporation tax based on the results for the year	268,458	206,273
Over provision in prior year	(11,126)	(1,490)
	<u>257,332</u>	<u>204,783</u>
Deferred tax:		
Origination and reversal of timing differences	53,868	49,148
Tax on profit on ordinary activities	<u>311,200</u>	<u>253,931</u>

BARR + WRAY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

8. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

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 26% (2010 - 28%).

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>1,154,453</u>	<u>929,873</u>
Profit on ordinary activities by rate of tax	300,158	260,364
Effects of:		
Expenses not deductible for tax purposes	9,476	15,449
Capital allowances for period in excess of depreciation	(1,758)	(12,929)
Tax chargeable at lower rates	1,776	(33,091)
Adjustments to tax charge in respect of previous periods	(11,126)	(1,490)
Effect of movement in defined benefit pension scheme liability	(35,879)	(23,520)
Double taxation relief	(5,315)	-
Total current tax (note 8(a))	<u>257,332</u>	<u>204,783</u>

9. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £337,320 (2010 - £120,000).

10. Dividends

Equity dividends

	2011 £	2010 £
Paid during the year		
Equity dividends on ordinary shares	<u>145,000</u>	<u>120,000</u>

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11. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 October 2010 and 30 September 2011	626,454
Amortisation	
At 1 October 2010	180,107
Charge for the year	31,323
At 30 September 2011	211,430
Net book value	
At 30 September 2011	415,024
At 30 September 2010	446,347

Goodwill arising on acquisitions is amortised over a period of 20 years.

12. Tangible fixed assets

Group	Heritable property £	Tools and equipment £	Motor vehicles £	Office furniture and equipment £	Total £
Cost					
At 1 October 2010	2,078,027	95,620	52,926	823,229	3,049,802
Additions	46,866	6,305	66,257	129,612	249,040
Disposals	—	—	—	(18,566)	(18,566)
At 30 September 2011	2,124,893	101,925	119,183	934,275	3,280,276
Depreciation					
At 1 October 2010	156,042	72,588	30,528	469,789	728,947
Charge for the year	52,942	8,649	24,367	78,176	164,134
On disposals	—	—	—	(15,209)	(15,209)
At 30 September 2011	208,984	81,237	54,895	532,756	877,872
Net book value					
At 30 September 2011	1,915,909	20,688	64,288	401,519	2,402,404
At 30 September 2010	1,921,985	23,032	22,398	353,440	2,320,855

One of the heritable properties was valued on an open market basis in December 2004 by Jones Lang LaSalle, Chartered Surveyors.

The directors are satisfied that the value certified in December 2004 is not materially different from the open market value at 30 September 2011 and this was confirmed with a firm of surveyors during the year. The valuation is appropriately included in the financial statements at 30 September 2011.

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

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12. Tangible fixed assets (continued)

Hire purchase agreements

Included within the net book value of £2,402,404 is £9,045 (2010 - £11,828) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,783 (2010 - £2,087).

13. Investments

Company	Group companies £
Cost	
At 1 October 2010 and 30 September 2011	771,799
Net book value	
At 30 September 2011 and 30 September 2010	771,799

The company holds 100% of the issued share capital of the following companies:

Company name	Nature of Business
Barr + Wray Holdings Limited	Intermediate holding company
Barr + Wray Limited*	Provision of water engineering services
Barr + Wray FZE (formerly Barr + Wray FZ LLC)**	Provision of water engineering services
Barr & Wray (H.K.) Limited**	Provision of water engineering services

Barr + Wray Holdings Limited and Barr + Wray Limited are registered in Scotland. Barr + Wray FZE (formerly Barr + Wray FZ LLC) is registered in Dubai, United Arab Emirates and Barr & Wray (H.K.) Limited is registered in Hong Kong. Barr & Wray (H.K.) Limited was incorporated on 25 November 2010.

On 22 February 2011 Barr + Wray FZE was incorporated and took over all of the assets, liabilities, revenue and costs of Barr + Wray FZ LLC, which is under the process of liquidation, on the date of its incorporation with Dubai Silicon Oasis Authority. The same set of books of account were maintained as if the same entity continued its operations throughout the year. This is due to common shareholding in both the entities and only the change in the physical location of the company from one Free Zone to another Free Zone within Dubai, United Arab Emirates.

* A subsidiary of Barr + Wray Holdings Limited

** A subsidiary of Barr + Wray Limited

All subsidiaries are included in the consolidated financial statements and have an accounting reference date of 30 September.

14. Stocks

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Materials	365,867	121,887	-	-
Work in progress	262,213	368,306	-	-
	<u>628,080</u>	<u>490,193</u>	<u>-</u>	<u>-</u>

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15. Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,898,149	926,138	-	-
Amounts owed by group undertakings	-	-	-	29,735
Amounts recoverable on contracts	3,409,493	2,897,587	-	-
Other debtors	59,785	37,393	-	-
Prepayments and accrued income	74,002	84,325	-	-
	<u>5,441,429</u>	<u>3,945,443</u>	<u>-</u>	<u>29,735</u>

16. Creditors: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loan	189,570	100,000	-	100,000
Trade creditors	1,969,634	2,177,318	-	-
Hire purchase agreements	4,638	4,639	-	-
Corporation tax	268,458	206,273	-	-
Other taxation	281,443	246,895	-	-
Other creditors	40,553	32,760	-	-
Contract accruals	3,466,658	2,701,930	-	-
Payments on account on long term contracts	1,160,570	676,017	-	-
Accruals and deferred income	656,188	594,947	-	3,673
	<u>8,037,712</u>	<u>6,740,779</u>	<u>-</u>	<u>103,673</u>

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

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loan	189,570	100,000	-	100,000
Hire purchase agreements	4,638	4,639	-	-
	<u>194,208</u>	<u>104,639</u>	<u>-</u>	<u>100,000</u>

Details of securities over the above liabilities are disclosed in note 17.

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

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loan	794,792	425,000	-	425,000
Amounts owed to group undertakings	-	-	571,799	72,865
Hire purchase agreements	-	4,638	-	-
	<u>794,792</u>	<u>429,638</u>	<u>571,799</u>	<u>497,865</u>

BARR + WRAY GROUP LIMITED
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17. Creditors: Amounts falling due after more than one year (continued)

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

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loan	794,792	425,000	-	425,000
Hire purchase agreements	-	4,638	-	-
	<u>794,792</u>	<u>429,638</u>	<u>-</u>	<u>425,000</u>

The bank loan to Barr + Wray Limited is secured by way of an unlimited multilateral guarantee between Barr + Wray Limited, Barr + Wray Holdings Limited and Barr + Wray Group Limited.

Obligations under hire purchase agreements are secured on the assets to which they relate.

18. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts payable within 1 year	4,638	4,639	-	-
Amounts payable between 1 and 2 years	-	4,638	-	-
	<u>4,638</u>	<u>9,277</u>	<u>-</u>	<u>-</u>

19. Deferred taxation

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

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Provision brought forward	75,310	49,659	-	-
Increase in provision	22,308	25,651	-	-
Provision carried forward	<u>97,618</u>	<u>75,310</u>	<u>-</u>	<u>-</u>

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

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>97,618</u>	<u>-</u>	<u>75,310</u>	<u>-</u>

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20. Government grants

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Received:				
At 1 October 2010	200,000	100,000	-	-
Received during year	50,000	100,000	-	-
	<u>250,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
At 30 September 2011				
Amortisation:				
At 1 October 2010	22,110	-	-	-
Credit to profit and loss account	34,610	22,110	-	-
	<u>56,720</u>	<u>22,110</u>	<u>-</u>	<u>-</u>
At 30 September 2011				
Net balance at 30 September 2011	<u>193,280</u>	<u>177,890</u>	<u>-</u>	<u>-</u>

21. Pensions and other post retirement benefits

The group operates a pension scheme for certain employees providing benefits based on final pensionable pay. The scheme closed to further accrual in September 2006. No other post-retirement benefits are provided. The scheme is a funded scheme.

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

	2011	2010
	£	£
Amounts included in other finance income:		
Expected return on scheme assets	452,000	430,000
Interest on scheme liabilities	(342,000)	(361,000)
Other finance income	<u>110,000</u>	<u>69,000</u>
Total credit to the profit and loss account	<u>110,000</u>	<u>69,000</u>
Actual return on scheme assets	<u>(82,000)</u>	<u>690,000</u>

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

Actuarial losses of (£111,000) (2010: (£78,000)) have been recognised in the statement of total recognised gains and losses. At 30 September 2011 the cumulative amount of actuarial gains recognised in the statement of total recognised gains and losses is £496,000.

The amounts recognised in the balance sheet are as follows:

	2011	2010
	£	£
Present value of funded obligations	(6,665,000)	(6,915,000)
Fair value of scheme assets	<u>6,908,000</u>	<u>7,131,000</u>
	<u>243,000</u>	<u>216,000</u>
Related deferred tax liability	<u>(63,180)</u>	<u>(60,480)</u>
Net pension asset	<u>179,820</u>	<u>155,520</u>

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

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

	2011	2010
	£	£
Opening defined benefit obligation	6,915,000	6,649,000
Interest on scheme liabilities	342,000	361,000
Actuarial (gain)/loss	(423,000)	338,000
Benefits paid	(169,000)	(433,000)
Closing defined benefit obligation	<u>6,665,000</u>	<u>6,915,000</u>

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

	2011	2010
	£	£
Opening fair value of scheme assets	7,131,000	6,859,083
Expected return on scheme assets	452,000	430,000
Contributions by employer	28,000	14,917
Actuarial (loss)/gain	(534,000)	260,000
Benefits paid	(169,000)	(433,000)
Closing fair value of scheme assets	<u>6,908,000</u>	<u>7,131,000</u>

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

	Expected return		Fair value of assets	
	2011	2010	2011	2010
	%	%	£	£
European equities	6.50	7.00	4,693,000	4,987,000
European bonds	5.00	5.00	1,072,000	1,233,000
Other assets	1.00	5.00	1,143,000	911,000
Fair value of scheme assets			<u>6,908,000</u>	<u>7,131,000</u>

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

	2011	2010
	%	%
Discount rate	5.10	5.00
Expected return on scheme assets	5.40	6.40
Rate of increase in pensions in payment	3.20	3.00
Rate of increase in deferred pensions	2.50	3.00

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

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

	2011 £	2010 £	2009 £	2008 £	2007 £
Defined benefit obligation	(6,665,000)	(6,915,000)	(6,649,000)	(5,727,000)	(6,188,000)
Fair value of scheme assets	6,908,000	7,131,000	6,859,083	5,846,000	6,181,000
Surplus/(deficit) in the scheme	<u>243,000</u>	<u>216,000</u>	<u>210,083</u>	<u>119,000</u>	<u>(7,000)</u>
Experience adjustments on scheme liabilities (£)	<u>206,000</u>	<u>175,000</u>	<u>268,000</u>	<u>110,000</u>	<u>(260,000)</u>
Experience adjustments on scheme assets (£)	<u>(534,000)</u>	<u>260,000</u>	<u>714,000</u>	<u>(774,000)</u>	<u>251,000</u>

22. Commitments under operating leases

At 2011 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2011		2010	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	27,757	14,742	12,709	43,547
Within 2 to 5 years	41,637	106,372	-	63,830
	<u>69,394</u>	<u>121,114</u>	<u>12,709</u>	<u>107,377</u>

23. Related party transactions

The group has taken advantage of the exemptions available under Financial Reporting Standard 8, not to disclose transactions or balances between group entities that have been eliminated on consolidation.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

24. Share capital

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
Ordinary shares of £1 each	<u>173,250</u>	<u>173,250</u>	<u>181,250</u>	<u>181,250</u>

BARR + WRAY GROUP LIMITED
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24. Share capital (continued)

Purchase of own shares

The company purchased 8,000 of its £1 shares on 7 July 2011 for a consideration of £192,320. The shares were purchased from a director and his spouse for the purposes of their exit from the business. At the time of purchase this represented 4.4% of the called up share capital.

25. Reserves

Group	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £
Balance brought forward	18,750	(25,267)	2,385,157
Profit for the year	—	—	843,253
Equity dividends	—	—	(145,000)
Defined benefit pension scheme	—	—	(111,000)
Related movement of deferred taxation	—	—	28,860
Purchase of own shares	8,000	—	(192,320)
Exchange rate difference arising on consolidation	—	1,210	—
Balance carried forward	<u>26,750</u>	<u>(24,057)</u>	<u>2,808,950</u>

Company	Capital redemption reserve £	Profit and loss account £
Balance brought forward	18,750	—
Profit for the year	—	337,320
Equity dividends	—	(145,000)
Purchase of own shares	8,000	(192,320)
Balance carried forward	<u>26,750</u>	<u>—</u>

26. Reconciliation of movements in shareholders' funds

	2011 £	£	2010 £	£
Profit for the financial year		843,253		675,942
Purchase of own ordinary shares	(8,000)		—	
Premium on purchase of own ordinary shares	(184,320)		—	
Equity dividends	<u>(145,000)</u>		<u>(120,000)</u>	
		(337,320)		(120,000)
Defined benefit pension scheme		(111,000)		(78,000)
Related movement in deferred taxation		28,860		21,840
Exchange differences arising on consolidation		1,210		(4,514)
Net addition to shareholders' funds		<u>425,003</u>		<u>495,268</u>
Opening shareholders' funds		2,559,890		2,064,622
Closing shareholders' funds		<u>2,984,893</u>		<u>2,559,890</u>

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27. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2011	2010
	£	£
Operating profit	1,038,055	867,062
Amortisation	31,323	31,323
Depreciation	164,134	135,706
Loss on disposal of fixed assets	2,707	—
Amortisation of government grants	(34,610)	(22,110)
Increase in stocks	(137,887)	(209,921)
Increase in debtors	(1,495,986)	(999,350)
Increase in creditors	1,145,179	912,269
Defined benefit pension scheme contributions paid	(28,000)	(14,917)
Exchange differences arising on consolidation	1,210	(4,514)
Net cash inflow from operating activities	<u>686,125</u>	<u>695,548</u>

Reconciliation of net cash flow to movement in net funds

	2011	2010
	£	£
Increase in cash in the period	416,389	83,443
Net cash (inflow) from/outflow from bank loans	(459,362)	100,000
Cash outflow in respect of hire purchase	<u>4,639</u>	<u>(9,277)</u>
Change in net funds	<u>(38,334)</u>	<u>174,166</u>
Net funds at 1 October 2010	2,090,872	1,916,706
Net funds at 30 September 2011	<u>2,052,538</u>	<u>2,090,872</u>

Analysis of changes in net funds

	At 1 October 2010 £	Cash flows £	At 30 September 2011 £
Net cash:			
Cash in hand and at bank	2,625,149	416,389	3,041,538
Debt:			
Debt due within 1 year	(100,000)	(89,570)	(189,570)
Debt due after 1 year	(425,000)	(369,792)	(794,792)
Hire purchase agreements	(9,277)	4,639	(4,638)
	<u>(534,277)</u>	<u>(454,723)</u>	<u>(989,000)</u>
Net funds	<u>2,090,872</u>	<u>(38,334)</u>	<u>2,052,538</u>

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28. Ultimate controlling party

The group was under the control of the shareholders throughout the current and previous year. There was no individual with a controlling stake in the group.