# Macalloy Limited (formerly McCalls Special Products Limited)

Directors' report and financial statements

31 December 2002

Registered number 03291921

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COMPANIES HOUSE 14/10/03

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# Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

## Principal activities and business review

The company's principal activity is the design and manufacture of high strength bars and fittings for ground engineering, tension structures and facade applications.

The activities have been strengthened during the year with more activity in Europe and a wider sales effort throughout the rest of the World.

On 28 January 2002 the company changed its name to Macalloy Limited. On the same day the name of the direct subsidiary of the company was changed from Macalloy Limited to McCalls Special Products Limited.

On 24 December 2002 the shares in Macalloy Limited were transferred from Butterley Limited to The Meade Corporation Limited, its immediate parent company.

## Results and dividends

No dividend was paid or proposed for the period (2001: £nil) and the profit for the period of £65,000 (2001: £251,000) is to be transferred to reserves.

## Directors and directors' interests

The directors who held office during the period were as follows:

CM Meade
J Exon (resigned 1 May 2002)
AL Oakey
P Hoy
G Crawshaw (resigned 15 February 2002)

None of the directors who held office during the period held any interests in the ordinary share capital of the company. Any interests in the ordinary share capital of the group are disclosed in the accounts of The Meade Corporation Limited.

## Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

## Employee consultation

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company.

# Directors' report *(continued)*

**Political and charitable donations**

The company made no political or charitable contributions during the period (2001: £nil).

**Auditors**

During the period KPMG resigned as auditors and KPMG LLP were appointed to fill the vacancy arising. In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

**ML Mann**
*Secretary*

Bolton House
Froghall
Stoke-on-Trent
Staffordshire
ST10 2HF

11 April 2003

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

# Report of the independent auditors to the members of Macalloy Limited (formerly McCalls Special Products Limited)

We have audited the financial statements on pages 5 to 21.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

*In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31* December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

**KPMG LLP**
*Chartered Accountants*
*Registered Auditor*

11 April 2003

# Profit and loss account

***for the year ended 31 December 2002***

| | Note | **Year ended 31 December 2002 £000** | 15 months ended 31 December 2001 £000 |
|---|---|---|---|
| **Turnover – continuing operations** | *2* | **6,657** | 10,861 |
| Cost of sales | | **(5,209)** | (8,512) |
| **Gross profit** | | **1,448** | 2,349 |
| Group management fee | | **(250)** | (250) |
| Other administrative expenses | | **(670)** | (690) |
| Administrative expenses | | **(920)** | (940) |
| Distribution costs | | **(438)** | (815) |
| ***Operating profit – continuing operations*** | | **90** | 594 |
| Interest payable and similar charges | *6* | **(69)** | (200) |
| Interest receivable and similar income | *7* | **1** | 5 |
| **Profit on ordinary activities before taxation** | *3-5* | **22** | 399 |
| Taxation on profit on ordinary activities | *8* | **43** | (148) |
| **Retained profit for the financial year** | | **65** | 251 |

There were no recognised gains and losses other than the profit for the period.

# Balance sheet
*at 31 December 2002*

| | Notes | 2002 | | 2001 | |
|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 |
| **Fixed assets** | | | | | |
| Tangible assets | 9 | | **501** | | 632 |
| **Current assets** | | | | | |
| Stocks | 10 | **1,235** | | 1,152 | |
| Debtors | 11 | **2,085** | | 2,407 | |
| Cash at bank and in hand | | **103** | | 685 | |
| | | **3,423** | | 4,244 | |
| **Creditors:** amounts falling due within one year | 12 | **(2,399)** | | (3,410) | |
| **Net current assets** | | | **1,024** | | 834 |
| **Total assets less current liabilities** | | | **1,525** | | 1,466 |
| **Creditors:** amounts falling due after more than one year | 13 | | **(19)** | | (10) |
| **Provisions for liabilities and charges** | 14 | | **(60)** | | (75) |
| **Net assets** | | | **1,446** | | 1,381 |
| **Capital and reserves** | | | | | |
| Called up share capital | 15 | | **500** | | 500 |
| Profit and loss account | 16 | | **946** | | 881 |
| **Equity shareholders' funds** | | | **1,446** | | 1,381 |

These financial statements were approved by the board of directors on 11 April 2003 and were signed on its behalf by:

**CM Meade**
*Director*

## Reconciliation of movements in shareholders' funds

*for the year ended 31 December 2002*

| | Year ended 31 December 2002 £000 | 15 months ended 31 December 2001 £000 |
|---|---|---|
| **Profit for the financial period** | **65** | 251 |
| New share capital subscribed | **-** | 500 |
| **Net addition to shareholders' funds** | **65** | 751 |
| Opening shareholders' funds | **1,381** | 630 |
| **Closing shareholders' funds** | **1,446** | 1,381 |

# Notes

*(forming part of the financial statements)*

## 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The company has adopted Financial Reporting Standard 19 'Deferred tax' in these financial statements. The company has followed the transitional arrangements of Financial Reporting Standard 17 'Retirement benefits' in these financial statements.

### *Basis of preparation*

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

The company is exempt by virtue of S228 of Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of The Meade Corporation Limited (formerly The Meade Corporation Limited) the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | | |
|---|---|---|
| Plant and machinery | - | 10% to 20% per annum |
| Fixtures, fittings and equipment | - | 10% - 25% per annum |
| Motor vehicles | - | 25% per annum |
| Computers | - | 10% - 25% per annum |

### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

## Notes *(continued)*

### 1 Accounting policies (continued)

***Post-retirement benefits***

The Meade Corporation Limited, of which Macalloy Limited is a member, operates a pension scheme which has been split into two sections. The final salary section was closed to new entrants in September 2001. New entrants were invited to join the money purchase section of the pension scheme. From July 2002 the pension contributions of all employees were paid to the money purchase section of the pension scheme. No contributions have been paid by Macalloy Limited into the final salary section of The Meade Group Pension Scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

***Stocks***

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the first in first out basis is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Turnover by geographical area has been disclosed in note 2.

## Notes *(continued)*

### 2 Analysis of turnover

| | Year ended 31 December 2002 £000 | 15 months ended 31 December 2001 £000 |
|---|---|---|
| ***By geographical market*** | | |
| United Kingdom | **2,613** | 5,358 |
| Rest of Europe | **2,892** | 2,450 |
| North America | **56** | 150 |
| Asia | **1,096** | 1,372 |
| Other | **-** | 1,531 |
| | **6,657** | 10,861 |

In the opinion of the directors, the company operates in one class of business.

### 3 Profit on ordinary activities before taxation

| | Year ended 31 December 2002 £000 | 15 months ended 31 December 2001 £000 |
|---|---|---|
| ***Profit on ordinary activities before taxation is stated after charging*** | | |
| Auditors' remuneration: | | |
| Audit | **16** | 14 |
| Depreciation and other amounts written off tangible fixed assets: | | |
| Owned | **141** | 236 |
| Held under finance leases and hire purchase contracts | **19** | 18 |
| Redundancy costs | **60** | 78 |
| Hire of plant and machinery - rentals payable under operating leases | **20** | 12 |
| Hire of other assets - operating leases | **250** | 272 |
| Group management charges | **250** | 250 |

## Notes *(continued)*

### 4 Remuneration of directors

| | Year ended 31 December 2002 £000 | 15 months ended 31 December 2001 £000 |
|---|---|---|
| Directors' emoluments | **62** | 272 |

| | Number of directors | |
|---|---|---|
| | **Year ended 31 December 2002** | 15 months ended 31 December 2001 |
| Retirement benefits are accruing to the following number of directors under: | | |
| Money purchase schemes | **1** | 1 |
| Defined benefit schemes | **-** | 4 |
| | **1** | 5 |

### 5 Staff numbers and costs

The aggregate payroll costs of these persons were as follows:

| | Year ended 31 December 2002 £000 | 15 months ended 31 December 2001 £000 |
|---|---|---|
| Wages and salaries | **1,294** | 1,994 |
| Social security costs | **112** | 148 |
| Other pension costs (see also note 19) | **41** | 14 |
| | **1,447** | 2,156 |

## Notes *(continued)*

### 5 Staff numbers and costs (continued)

The average number of persons employed by the company during the period was as follows:

| | Number of employees | |
|---|---|---|
| | **Year ended 31 December 2002** | 15 months ended 31 December 2001 |
| Production | **17** | 25 |
| Administration and selling | **48** | 50 |
| | **65** | 75 |

### 6 Interest payable and similar charges

| | **Year ended 31 December 2002 £000** | 15 months ended 31 December 2001 £000 |
|---|---|---|
| On bank loans and overdrafts | **65** | 15 |
| Interest paid to group companies | **-** | 175 |
| Finance charges payable in respect of finance leases and hire purchase contracts | **4** | 10 |
| | **69** | 200 |

### 7 Other interest receivable and similar income

| | **Year ended 31 December 2002 £000** | 15 months ended 31 December 2001 £000 |
|---|---|---|
| Other | **1** | 5 |

# Notes (continued)

## 8 Taxation on profit on ordinary activities

a) Analysis of charge in the year

| | Year ended 31 December 2002 £000 | £000 | 15 months ended 31 December 2001 £000 | £000 |
|---|---|---|---|---|
| *UK corporation tax* | | | | |
| Current tax on income for the period | - | | 90 | |
| Adjustments in respect of prior periods | (28) | | - | |
| Total current tax (see (b) below) | | (28) | | 90 |
| *Deferred tax (see note 14)* | | | | |
| Origination and reversal of timing differences | (15) | | - | |
| Adjustment in respect of previous years | - | | 58 | |
| | | (15) | | 58 |
| Total tax (credit) / charge | | (43) | | 148 |

*b) Factors affecting the tax charge for the current period*

The current tax charge for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below.

| | Year ended 31 December 2002 £000 | 15 months ended 31 December 2001 £000 |
|---|---|---|
| *Current tax reconciliation* | | |
| Profit on ordinary activities before tax | 22 | 399 |
| Current tax at 30 % (2001: 30%) | 6 | 120 |
| *Effects of:* | | |
| Expenses not deductible for tax purposes | 2 | 11 |
| Non taxable gains | - | (43) |
| Movement in timing differences | 18 | 30 |
| Group relief | (26) | - |
| Prior years | (28) | (28) |
| Total current tax (credit) / charge (see (a) above) | (28) | 90 |

## Notes *(continued)*

### 9 Tangible fixed assets

| | Plant, machinery, fixtures and fittings £000 | Motor vehicles £000 | Computer equipment £000 | Total £000 |
|---|---|---|---|---|
| ***Cost*** | | | | |
| At beginning of year | 1,377 | 12 | 329 | 1,718 |
| Additions | - | 28 | 1 | 29 |
| Disposals | - | (11) | - | (11) |
| At end of year | 1,377 | 29 | 330 | 1,736 |
| ***Depreciation*** | | | | |
| At beginning of year | 882 | 12 | 192 | 1,086 |
| Charge for year | 131 | 1 | 28 | 160 |
| On disposals | - | (11) | - | (11) |
| At end of year | 1,013 | 2 | 220 | 1,235 |
| ***Net book value*** | | | | |
| **At 31 December 2002** | **364** | **27** | **110** | **501** |
| At 31 December 2001 | 495 | - | 137 | 632 |

Included in the total net book value of tangible fixed assets is £198,000 (2001: £184,000) in respect of assets held under finance leases. Depreciation for the period on these assets was £19,000 (2001: £18,400).

### 10 Stocks

| | 2002 £000 | 2001 £000 |
|---|---|---|
| Raw materials and consumables | **752** | 714 |
| Work in progress | **69** | 94 |
| Finished goods and goods for resale | **414** | 344 |
| | **1,235** | 1,152 |

# Notes (continued)

## 11 Debtors

| | 2002 £000 | 2001 £000 |
|---|---|---|
| Trade debtors | 1,699 | 2,279 |
| Amounts owed by group undertakings | 201 | - |
| Other debtors | 7 | 14 |
| Prepayments and accrued income | 178 | 114 |
| | 2,085 | 2,407 |

## 12 Creditors: amounts falling due within one year

| | 2002 £000 | 2001 £000 |
|---|---|---|
| Bank loans and overdrafts | 1,120 | 1,485 |
| Obligations under finance leases and hire purchase contracts (see note 13) | 16 | 39 |
| Trade creditors | 997 | 1,407 |
| Amounts owed to group undertakings | - | 225 |
| Corporation tax | 62 | 90 |
| Other taxation and social security | 33 | 36 |
| Other creditors | 16 | 12 |
| Accruals and deferred income | 155 | 116 |
| | 2,399 | 3,410 |

## 13 Creditors: amounts falling due after more than one year

| | 2002 £000 | 2001 £000 |
|---|---|---|
| Obligations under finance leases and hire purchase contracts | 19 | 10 |
| | 19 | 10 |

The maturity of obligations under finance leases and hire purchase contracts is as follows:

| | 2002 £000 | 2001 £000 |
|---|---|---|
| Within one year | 16 | 39 |
| In the second to fifth years | 19 | 10 |
| | 35 | 49 |

## Notes *(continued)*

### 14 Provisions for liabilities and charges

| | **Deferred taxation** £000 |
|---|---|
| At beginning of year | 75 |
| Released in the year | (15) |
| At end of year | 60 |

The amounts provided for deferred taxation and the amounts not provided are set out below:

| | **2002** | | 2001 | |
|---|---|---|---|---|
| | **Provided £000** | **Unprovided £000** | Provided £000 | Unprovided £000 |
| Difference between accumulated depreciation and amortisation and capital allowances | **60** | - | 78 | - |
| Other timing differences | - | - | (3) | - |
| | **60** | - | 75 | - |

### 15 Called up share capital

| | **2002 £000** | 2001 £000 |
|---|---|---|
| ***Authorised*** | | |
| Equity: Ordinary shares of £1 each | **500** | 500 |
| ***Allotted, called up and fully paid*** | | |
| Equity: Ordinary shares of £1 each | **500** | 500 |

### 16 Statement of movement in reserves

| | **Profit and loss account** £000 |
|---|---|
| At beginning of year | 881 |
| Retained profit for the year | 65 |
| At end of year | 946 |

## Notes *(continued)*

### 17 Contingent liabilities

Macalloy Limited (formerly McCalls Special Products Limited) has a bank overdraft secured on the external trade debtors of the business.

There is a cross guarantee in place between members of the group. Maximum liability across the group is £7,000,000 (2001: £10,500,000).

At the balance sheet date the company had entered into a performance guarantee on an ongoing contract to the amount of £84,822 (2001: £84,188).

### 18 Commitments

Capital commitments at the end of the financial year for which no provision has been made, are as follows:

| | **2002** | 2001 |
|---|---|---|
| | **£000** | £000 |
| Contracted but not provided for | - | - |

Annual commitments under non-cancellable operating leases are as follows:

| | **2002** | | 2001 | |
|---|---|---|---|---|
| | **Land and buildings** | **Other** | Land and buildings | Other |
| | **£000** | **£000** | £000 | £000 |
| Operating leases which expire: | | | | |
| Within one year | - | 15 | - | 8 |
| In the second to fifth years inclusive | 250 | 8 | 250 | 23 |
| | 250 | 23 | 250 | 31 |

## Notes *(continued)*

### 19 Pension scheme

*The Meade Group Pension Scheme*

The Meade Corporation Limited, of which Macalloy Limited is a member, operates a pension scheme which has been split into two sections. The final salary section was closed to new entrants in September 2001. New entrants were invited to join the money purchase section of the pension scheme. From July 2002 the pension contributions of all employees were paid to the money purchase section of the pension scheme. No contributions have been paid by Macalloy Limited into the final salary section of The Meade Group Pension Scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

The pension costs for the year were £41,198 (2001: £nil) to The Meade Group Pension Scheme- money purchase section. Contributions due at the year end amounted to £7,826 (2001: £nil).

*The McCalls Special Products Pension Scheme*

The Group acquired Macalloy Limited (formerly McCalls Special Products Limited) on 19 November 2001. Macalloy Limited operates a defined benefit pension scheme. The scheme was closed to new entrants prior to the acquisition by The Meade Corporation Limited and subsequent to the acquisition it has been decided to close the scheme. New employees since the date of closure participate in the defined contribution scheme operated by Halifax Industrial Limited, the former parent company of Macalloy Limited. These employees were invited to join the Meade Group Pension Scheme.

The most recent valuation was at 30 September 2000. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rates of increase in salaries and pensions and the rate of dividend growth. It was assumed that the investments would yield a 7% per annum rate of return, salaries would increase at 4.75% per annum, that present and future pensions would increase at the rate of 3% per annum, and that dividend growth would be at 4.25% per annum.

The most recent actuarial valuation showed that the market value of the scheme's assets was £1,880,730 at 30 September 2000 and that the actuarial value of those assets represented 118.7% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company will be £nil for the period from 1 December 2000 to 30 September 2002 and at a rate of 14.8% of earnings thereafter.

The pension charge for the period following the acquisition was £nil. There are no contributions outstanding at the year end.

## Notes *(continued)*

### 19 Pension arrangements *(continued)*

The valuation has been updated on the advice of a qualified actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 December 2002. The plan was closed for the accrual of future benefits at 31 May 2002.

Whilst the Group continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 "Accounting for Pension Costs' under Financial Reporting Standard 17 'Retirement benefits' the following transitional disclosures are required:

The valuation was updated by the actuary on an FRS 17 basis as at 31 December 2002 and 31 December 2001.

The major assumptions used in this valuation were:

| | 2002 | 2001 |
|---|---|---|
| Rate of increase in pensions in payment and deferred pensions | 2.25% | 2.50% |
| Discount rate applied to scheme liabilities | 5.75% | 6.00% |
| Inflation assumption | 2.25% | 2.50% |

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

| | Long term rate of return 2002 | Value at 2002 £000 | Long term rate of return 2001 | Value at 2001 £000 |
|---|---|---|---|---|
| Equities | 8.00% | 1,533 | 8.00% | 2,008 |
| Other – Cash | 2.75% | 6 | 4.00% | 18 |
| Total mark value of assets | | 1,539 | | 2,026 |
| Present value of scheme liabilities | | (2,000) | | (2,122) |
| Deficit in the scheme – Pension liability | | (461) | | (96) |
| Related deferred tax liability | | 138 | | 29 |
| Net pension liability | | (323) | | (67) |

The amount of this net pension liability would have a consequential effect on reserves.

## Notes *(continued)*

### 19 Pension arrangements *(continued)*

Movement in deficit during the year

| | 2002 £000 |
|---|---|
| Deficit in scheme at beginning of year | (96) |
| Current service cost | (53) |
| Contributions paid | - |
| Past service cost | - |
| Other finance income | 35 |
| Actuarial loss | (347) |
| Deficit in the scheme at end of year | **(461)** |

If FRS 17 had been fully adopted in these financial statements the pension costs for defined benefit schemes would have been:

Analysis of other pension costs charged in arriving at operating profit/loss

| | **2002 £000** |
|---|---|
| Current service cost | **53** |

Analysis of amounts included in other finance income

| | **2002 £000** |
|---|---|
| Expected return on pension scheme assets | 161 |
| Interest on pension scheme liabilities | (126) |
| | **35** |