

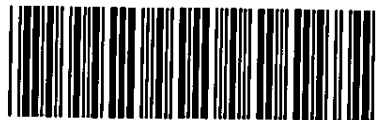
Bowater Building Products Limited

Report And Accounts

31 December 2009

Registered Number 5088708

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DIRECTORS' REPORT

The Directors present their Report and Financial Statements for the year to 31 December 2009

Results and Dividends

The Directors report an Operating Profit of £910,000 for the year (2008 Operating Loss £8,776,000) and consider this to be an excellent result in a year when the building products sector has suffered from the economic downturn

After tax and interest, the net profit for the year amounted to £955,000 (2008 loss £9,023,000), which will be transferred to reserves. The Directors do not recommend payment of a dividend

Principal Activity and Review of the Business

The principal activity of the Company during the year was the extrusion, distribution and sale of PVCu profiles used in the manufacture of replacement windows. The Company's products, sold under the WHS Halo banner are regarded as market-leading and are sold to a network of approximately 100 contracted window making organisations in the UK and Ireland under the System 10, Rustique, Eclipse and Esthetique product brands. The Company also manufactures composite doors, curtain walling and vertical sliding windows and has a contracting business that installs all types of predominantly windows and doors

The key metrics used by the Directors to manage the business are as follows

	2009 £000	2008 £000	Change %
Turnover	53,675	62,518	(14)%
Operating profit before exceptional items and goodwill amortisation	2,111	1,200	76%
Operating profit/(loss)	910	(8,776)	110%
Profit/(loss) before and after tax	955	(9,023)	111%
Shareholders' funds	10,067	19,012	(47)%
Average number of employees	285	349	(18)%
Current assets as % of current liabilities	135%	190%	(55)%

A number of factors contributed to the significant improvement in profitability compared to 2008, most notably the combination of securing sales in a difficult market together with cost cutting initiatives

New product development has been and will continue to be a key driver of growth and profits for the Company. Investment in upgrading the System 10 branded products which support our customers in both the commercial and public sector market, was significant in both 2008 and 2009. The Company invested £775,000 in new product tooling and £184,000 in customer tooling in 2009 thus completing a £3.2 million investment in System 10 over the past two years. The result is a state of the art PVCu window and door system which provides the basis for the ongoing R&D programme aimed at extending the product portfolio for our fabricator customers to take to market

The focus on energy efficiency continued throughout 2009 with further significant investment in energy saving equipment at the extrusion plant, in the manufacture of composite doors and in leading edge new energy efficient product developments. These new products are due to be launched through 2010

On 25 November 2009 the Company was sold to a new holding company, Broomco (4207) Limited, as part of a refinancing agreement. This agreement has significantly reduced the debt levels of the ultimate parent group. Broomco (4207) Limited has available financing facilities of up to £15,150,000, which are secured on the assets of the Company

The cost cutting initiatives to improve efficiencies mentioned above, together with the costs of the financial restructuring resulted in exceptional costs of £1.2 million

As part of the refinancing, the Company carried out a capital reduction on 20 November 2009 whereby its share premium account was reduced by £9.9 million and cash of the same amount distributed to Squarepink Limited, the holding company at that time. Net assets were accordingly reduced by £9.9 million on that date

DIRECTORS' REPORT

Principal Risks and Uncertainties

The Company is now well invested and has substantially reduced its fixed cost base. This together with its diversified customer base across a number of market sectors and the availability of a stream of new energy efficient building products to bring to market will assist our window fabricator customers to grow sales and underpin profitability.

Likely Future Developments

The Company is expecting to continue its strong performance in 2010 despite the on-going weakness in the market.

The WHS Halo brands are market leaders supported by very high levels of customer service – for example, on-time delivery in full is consistently better than 99.7% and delivering a high quality core product to our customer base continues remains one of our highest priorities.

Reviewing our business processes will continue throughout 2010 in the search for further efficiencies and to reduce complexity in the business.

Following the refinancing arrangements described above, the directors believe that the balance sheet underpins the Company's position as an ongoing profitable, cash generative business that is unusually well placed amongst its peers to take advantage of improvements in UK market conditions when they occur.

Ultimate Parent Undertaking

At 31 December 2009 the immediate and ultimate parent undertaking is Broomco (4207) Limited.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in this Directors' Report.

The Company is expected to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Broomco (4207) Limited Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company, together with its parent and fellow subsidiaries is a party to cross guarantees under the Group's banking arrangements.

The Directors, having assessed the responses of the Directors of the Company's parent Broomco (4207) Limited to their enquiries have no reason to believe that material uncertainty exists that may cast significant doubt about the ability of the Broomco (4207) Limited Group to continue as a going concern or its ability to continue with the current banking arrangements.

Directors

The Directors of the Company during the year were as follows:

C J Baranowski

J M Holland

P D Maurice

(appointed 2 November 2009, resigned 8 December 2009)

During the year the company purchased and maintained directors' liability insurance as permitted by Section 233 of the Companies Act 2006.

DIRECTORS' REPORTDisclosure 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 is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Employee Involvement

The Directors attach considerable importance to the maintenance and development of good labour relations and employee involvement and training. The results are discussed at meetings held with senior management and the opportunity is taken to inform them of developments. Employees everywhere are encouraged to be aware of the performance of their business and of the Company as a whole. The diverse nature of the Company's activities places the responsibility for such matters with local management in a manner appropriate to the particular circumstances of each business.

Employee involvement in the Company's profitability is encouraged through locally based bonus and executive bonus schemes.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Auditors

Ernst & Young LLP will be re-appointed as Company auditor in accordance with an elective resolution passed by the Company under section 487 of the Companies Act 2006.

On behalf of the board



C J Baranowski
Director

31 March 2010

Bowater Building Products Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 group will continue in business.

The directors are responsible for keeping proper accounting records that 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 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.

Bowater Building Products Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOWATER BUILDING PRODUCTS LIMITED

We have audited the financial statements of Bowater Building Products Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. 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 Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on 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 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Bowater Building Products Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOWATER BUILDING PRODUCTS LIMITED (*continued*)

Matters on which we are required to report by exception

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

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



Ronald John Bowker (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
~~31 March~~ 2010
~~1 April~~

Bowater Building Products Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2009

	<i>Notes</i>	<i>2009 £000</i>	<i>2008 £000</i>
TURNOVER	3	53,675	62,518
Operating charges		(51,564)	(61,318)
Operating profit before exceptional costs and amortisation of goodwill		2,111	1,200
Amortisation of goodwill	4	-	(378)
Exceptional costs	4	(1,201)	(9,598)
Total operating costs	4	(52,765)	(71,294)
OPERATING PROFIT/(LOSS)		910	(8,776)
Interest receivable and similar income	7	64	1
Interest payable and similar charges	8	(19)	(248)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		955	(9,023)
Taxation	9	-	-
NET PROFIT/(LOSS) FOR THE YEAR	19	955	(9,023)

The results set out above are in respect of continuing operations

There are no recognised gains or losses other than those reported above

Bowater Building Products Limited

BALANCE SHEET

at 31 December 2009

	Notes	2009 £000	2008 £000
FIXED ASSETS			
Tangible assets	11	7,762	9,377
CURRENT ASSETS			
Stocks	12	3,611	4,048
Debtors	13	9,868	11,082
Cash at bank and in hand		321	9,798
		<u>13,800</u>	<u>24,928</u>
CREDITORS amounts falling due within one year	14	(10,221)	(13,088)
NET CURRENT ASSETS		<u>3,579</u>	<u>11,840</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,341</u>	<u>21,217</u>
PROVISIONS FOR LIABILITIES AND CHARGES	16	(1,274)	(2,205)
		<u>10,067</u>	<u>19,012</u>
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Share premium account	19	13,600	23,500
Profit and loss account	19	(3,533)	(4,488)
SHAREHOLDERS' FUNDS	19	<u>10,067</u>	<u>19,012</u>

Approved by the Board



C J Baranowski
Director

31 March 2010

Bowater Building Products Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention, in accordance with applicable accounting standards

Cash Flow Statement

The Company has taken advantage of the exemption under FRS1 not to prepare a cashflow statement as its ultimate parent undertaking, Broomco (4207) Limited, publishes consolidated financial statements

Related Party Transactions

The Company has taken advantage of the exemption conferred by FRS8 in that transactions with other wholly own companies within the group headed by Broomco (4207) Limited are not disclosed

Turnover

Turnover is defined as the net amount receivable (excluding VAT) for goods supplied and services provided

Goodwill

Goodwill arising on acquisitions, representing the excess of the fair value of the consideration over the fair values attributed to the Company's share of identifiable net assets acquired, is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its estimated useful economic life of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Depreciation

Depreciation is calculated to write-off the book value of tangible assets over their expected lives by equal annual instalments, except that depreciation is not provided on assets under construction

Tangible assets are depreciated at the following rates

Short leasehold property	-	life of lease
Plant, machinery and vehicles	-	10% to 50%

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

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials, consumables 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 prior to completion and disposal

Foreign currencies

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

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end

All differences are taken to the profit and loss account

Bowater Building Products Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, except that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

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

Leasing

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term

Pensions

The Company operates a money purchase pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

2. ULTIMATE PARENT UNDERTAKING

At 31 December 2008 the Company's immediate and ultimate parent undertaking was Squarepink Limited. From 25 November 2009 the Company's immediate and ultimate parent undertaking is Broomco (4207) Limited

3. TURNOVER

All of the Company's turnover and loss before taxation arises from the manufacture, distribution and sale of extruded PVCu profile, door units, double-glazed windows, and related products and all of the Company's operating assets are used for this purpose. With the exception of £2,052,000 (2008 £2,360,000) of turnover to the Irish Republic, the destination of all turnover is the United Kingdom

4. OPERATING PROFIT

	2009	2008
	£000	£000
This is stated after charging/(crediting)		
(Increase)/decrease in overhead element of stocks of finished goods and work in progress	(130)	465
Raw materials	26,143	32,117
Staff costs (note 5)	9,104	10,634
Depreciation - owned assets	2,390	2,082
Amortisation of goodwill	-	378
Operating lease rentals - equipment	1,315	1,596
- land and buildings	1,497	1,767
Auditors' remuneration - audit services	65	47
- taxation and other services	24	8
Other operating charges	12,932	23,056
Other operating income	(575)	(856)
	<u>52,765</u>	<u>71,294</u>

Other operating income includes rentals receivable of £338,000 (2008 £494,000)

Bowater Building Products Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

4 OPERATING PROFIT (continued)

Exceptional items included in other operating charges are

	2009 £000	2008 £000
Business restructuring	962	2,735
Property closure provision	239	1,055
Impairment of goodwill	-	5,808
	<u>1,201</u>	<u>9,598</u>

Business restructuring during 2009 principally comprises the cost of achieving further efficiencies and reductions in overhead and costs associated with the re-financing and change of ownership of the Company

Property closure provisions relate to ongoing lease commitments on premises that the company has vacated

5. EMPLOYEES

	2009 £000	2008 £000
(a) Staff costs		
Wages and salaries	8,020	9,151
Social security costs	783	1,012
Other pension costs	301	471
	<u>9,104</u>	<u>10,634</u>

(b) Number of employees

Monthly average number of employees
Manufacturing and production
Selling and administration

No	No
136	158
149	191
<u>285</u>	<u>349</u>

6. DIRECTORS' EMOLUMENTS

	2009 £000	2008 £000
Emoluments	516	540
Compensation for loss of office	-	811
Company contributions to money purchase pension schemes	23	56
	<u>2009 No</u>	<u>2008 No</u>
Members of the money purchase pension schemes	1	4

Bowater Building Products Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

6. DIRECTORS' EMOLUMENTS (continued)

The amounts in respect of the highest paid director are as follows

	2009 £000	2008 £000
Emoluments	339	144
Company contributions paid to money purchase pension schemes	-	17

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £000	2008 £000
Exchange gains	64	-
Bank interest	-	1
	64	1

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £000	2008 £000
Bank interest	19	-
Exchange losses	-	248
	19	248

9. TAXATION

There is no charge or credit for taxation for the year

The tax assessed for the year ended 31 December 2008 varies from the standard rate of corporation tax in the UK of 28% (2008 28.5%) The differences are explained below

	2009 £000	2008 £000
Profit/(loss) on ordinary activities before tax	955	(9,023)
Expected credit at UK average tax rate of 28.5% (2007 30%)	267	(2,572)
Effects of		
Expenses not deductible for tax purposes	77	107
Non-deductible impairment of goodwill	-	1,655
Capital allowances lower than depreciation	(189)	582
Net (decrease) in general provisions	(17)	(5)
Unrelieved tax losses carried forward	-	233
Utilisation of tax losses brought forward	(138)	-
Current tax credit	-	-

Bowater Building Products Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

10. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i> £000
Cost	
At 1 January 2009 and 31 December 2009	7,677
Amortisation	
At 1 January 2009 and 31 December 2009	7,677
Net book value at 1 January 2009 and 31 December 2009	-

An impairment provision of £5,808,000 was made as at 31 December 2008, and this is included within accumulated amortisation

11. TANGIBLE FIXED ASSETS

	<i>Short leasehold buildings</i> £000	<i>Plant, machinery and vehicles</i> £000	<i>Total</i> £000
Cost			
At 1 January 2009	1,599	18,394	19,993
Additions	-	775	775
Disposals	-	(93)	(93)
At 31 December 2009	1,599	19,076	20,675
Depreciation			
Opening balance	546	10,070	10,616
Charge for year	189	2,201	2,390
Disposals	-	(93)	(93)
At 31 December 2009	735	12,178	12,913
Net book value			
At 31 December 2009	864	6,898	7,762
At 31 December 2008	1,053	8,324	9,377

Bowater Building Products Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

12. STOCKS

	2009 £000	2008 £000
Raw materials	659	905
Work in progress and finished goods	2,952	3,143
	<u>3,611</u>	<u>4,048</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

13. DEBTORS

	2009 £000	2008 £000
Trade debtors	8,384	9,456
Prepayments and accrued income	1,484	1,626
Total debtors due within one year	<u>9,868</u>	<u>11,082</u>

14. CREDITORS

	2009 £000	2008 £000
Amounts falling due within one year		
Trade creditors	7,836	9,934
Other taxes and social security costs	770	1,080
Amounts due to fellow group undertakings	336	576
Other creditors	1,179	741
Fixed asset creditors	100	757
	<u>10,221</u>	<u>13,088</u>

15. OBLIGATIONS UNDER OPERATING LEASE CONTRACTS

Operating lease rentals payable in 2010 relate to commitments expiring

	2009 £000	2008 £000
Land and buildings		
Within one year	39	124
Between two and five years	1,236	117
After five years	170	1,406
	<u>1,445</u>	<u>1,647</u>
Equipment		
Within one year	141	67
Between two and five years	785	917
After five years	-	4
	<u>926</u>	<u>988</u>

Bowater Building Products Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

16. PROVISIONS FOR LIABILITIES AND CHARGES

Movements on the provisions during the year were as follows

	<i>Property Closure £000</i>	<i>Warranty £000</i>	<i>Restructuring £000</i>	<i>Other £000</i>	<i>Total £000</i>
Balance at 1 January 2009	1,289	17	809	90	2,205
Charge for the year	239	34	-	-	273
Utilised during the year	(455)	-	(659)	(90)	(1,204)
Balance at 31 December 2009	<u>1,073</u>	<u>51</u>	<u>150</u>	<u>-</u>	<u>1,274</u>

Property Closure

Provision has been made for anticipated costs likely to be incurred under the terms of the various leases, until such time as the leases expire or may be assigned. These costs are expected to be incurred over periods up to the next eight years.

Restructuring

Provision has been made for restructuring within the business. These costs are expected to be incurred primarily within one year.

17. DEFERRED TAX

The potential deferred tax asset not provided is

	<i>2009 £000</i>	<i>2008 £000</i>
Capital allowances	1,350	1,540
Short-term timing differences	53	105
Tax losses	15	229
	<u>1,418</u>	<u>1,874</u>

The deferred tax asset (which principally comprises decelerated capital allowances) has not been recognised, as this balance is not expected to crystallise, and thus benefit current tax charges, in the foreseeable future. This is due to the capital allowances (principally at the recently reduced rate of writing down allowance of 20%) not being expected to exceed the company's annual depreciation charges in the medium term.

18. SHARE CAPITAL

	<i>2009 No</i>	<i>2008 No</i>	<i>2009 £</i>	<i>2008 £</i>
Ordinary shares of £1 each				
Authorised, allotted, called up and fully paid	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Bowater Building Products Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

19. STATEMENT OF RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<i>Share Premium £000</i>	<i>Profit and loss £000</i>	<i>Shareholders' Funds £000</i>
At 1 January 2008	23,500	4,535	28,035
Loss for the year	-	(9,023)	(9,023)
At 31 December 2008	23,500	(4,488)	19,012
Capital reduction	(9,900)	-	(9,900)
Profit for the year	-	955	955
At 31 December 2009	13,600	(3,533)	10,067

On 25 November 2009 the company carried out a capital reduction whereby its share premium was reduced by £9.9m and cash of the same amount distributed to the holding company at the time, Squarepink Limited

20. CAPITAL EXPENDITURE COMMITMENTS

	<i>2009 £000</i>	<i>2008 £000</i>
Amounts contracted for but not provided	195	525

21. CONTINGENT LIABILITIES

As at 31 December 2009, together with its parent undertaking at that date, the Company was a party at the year end to cross guarantees under group banking arrangements with Barclays Bank PLC. These totalled £9,650,000 at the year-end (2008: £10,050,000).

22. PENSIONS

The Company operates a money purchase pension scheme. Amounts due to the scheme at the year end were £34,000 (2008: £62,000).