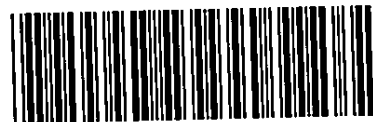


REGISTERED NUMBER: SC118213 (Scotland)

**Report of the Directors and
Financial Statements
for the Year Ended 30 April 2012
for
Scotframe Timber Engineering Limited**

WEDNESDAY



S1ZPO5XF

SCT

09/01/2013

#17

COMPANIES HOUSE

Contents of the Financial Statements
for the Year Ended 30 April 2012

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	11

Scotframe Timber Engineering Limited

Company Information

for the Year Ended 30 April 2012

DIRECTORS:

R T Edwards
M G Cruickshank
A K Milne
D B Barron
M Simpson
A Cruickshank
C Irwin

SECRETARY:

I J McDougall

REGISTERED OFFICE:

Inverurie Business Park
Souterford Avenue
Inverurie
Aberdeenshire
AB51 0ZJ

REGISTERED NUMBER:

SC118213 (Scotland)

AUDITORS:

Campbell Dallas LLP
Chartered Accountants &
Registered Auditors
10 Carden Place
Aberdeen
AB10 1UR

**Report of the Directors
for the Year Ended 30 April 2012**

The directors present their report with the financial statements of the company for the year ended 30 April 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a timber frame manufacturer for the construction industry.

REVIEW OF BUSINESS

The results for the year and the financial position of the Company are as shown in the annexed financial statements.

Our main market, new house builds, has shown a rapid decline in recent years. In 2007/08 there were almost 27,000 new houses built in Scotland. In 2010/11 and 2011/12 new house builds were less than 14,000 each year.

Hopefully we have reached the bottom of the market and new Government initiatives along with less stringent mortgage requirements will help first time buyers get on the property ladder. Although this will help the market we are unlikely to see any noticeable improvement in the short term and 2012/13 is going to be another difficult trading year.

There is a big demand for new homes but this demand is not being met due to a lack of bank and Government funding. Investment in social housing in Scotland by Housing Associations has reduced from 6,500 new homes started in 2009/10 to 2,200 in 2011/12.

Despite the market in 2011/12 being flat we managed to increase our turnover by 9% from £26m to £28.4m and turn an operating loss of £137k in 2011 into an operating profit of £682k.

Average employee numbers increased by 6 to 142 with turnover per employee increasing to £200k (2011- £191k). Employee costs as a percentage of turnover were 17.7% (2011- 18.9%).

The profit % figures were

	2012	2011
Gross profit	15.2%	14.2%
Net profit/(loss) before tax	2.2%	(0.7)%

A margin increase in difficult trading conditions was particularly pleasing.

We are in the fortunate position of having a strong balance sheet with working capital of £5.3m (2011- £4.9m) including cash balances of £1.78m (2011- £654k).

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2012.

Scotframe Timber Engineering Limited (Registered number: SC118213)

**Report of the Directors
for the Year Ended 30 April 2012**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2011 to the date of this report.

R T Edwards
M G Cruickshank
A K Milne
D B Barron
M Simpson
A Cruickshank
C Irwin

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



R T Edwards - Director

20 December 2012

Report of the Independent Auditors to the Members of Scotframe Timber Engineering Limited

We have audited the financial statements of Scotframe Timber Engineering Limited for the year ended 30 April 2012 on pages six to twenty one. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 company's affairs as at 30 April 2012 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Scotframe Timber Engineering Limited

Matters on which we are required to report by exception

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

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



Dugald MacPherson (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP
Chartered Accountants &
Registered Auditors
10 Carden Place
Aberdeen
AB10 1UR

20 December 2012

Scotframe Timber Engineering Limited (Registered number: SC118213)

**Profit and Loss Account
for the Year Ended 30 April 2012**

	Notes	2012 £	2011 £
TURNOVER		28,441,798	26,081,360
Cost of sales		24,115,909	22,364,297
GROSS PROFIT		4,325,889	3,717,063
Administrative expenses		3,723,878	3,924,938
		602,011	(207,875)
Other operating income		80,000	70,959
OPERATING PROFIT/(LOSS)	3	682,011	(136,916)
Interest receivable and similar income		3,238	4,682
		685,249	(132,234)
Interest payable and similar charges	4	67,918	61,375
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		617,331	(193,609)
Tax on profit/(loss) on ordinary activities	5	189,707	(54,850)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		427,624	(138,759)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit the current year and the loss for the previous year.

The notes form part of these financial statements

Scotframe Timber Engineering Limited (Registered number: SC118213)

Balance Sheet
30 April 2012

		2012		2011	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7		8,820		-
Tangible assets	8		2,543,192		2,784,149
Investments	9		45		-
			<u>2,552,057</u>		<u>2,784,149</u>
CURRENT ASSETS					
Stocks	10	1,475,488		986,863	
Debtors	11	9,493,570		10,105,384	
Cash at bank and in hand		1,781,896		654,457	
		<u>12,750,954</u>		<u>11,746,704</u>	
CREDITORS					
Amounts falling due within one year	12	7,443,287		6,823,831	
NET CURRENT ASSETS			<u>5,307,667</u>		<u>4,922,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,859,724</u>		<u>7,707,022</u>
CREDITORS					
Amounts falling due after more than one year	13		(343,566)		(649,713)
PROVISIONS FOR LIABILITIES	16		(152,387)		(121,162)
NET ASSETS			<u><u>7,363,771</u></u>		<u><u>6,936,147</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		20,000		20,000
Capital redemption reserve	18		30,000		30,000
Profit and loss account	18		7,313,771		6,886,147
SHAREHOLDERS' FUNDS	24		<u><u>7,363,771</u></u>		<u><u>6,936,147</u></u>

The financial statements were approved by the Board of Directors on 20 December 2012 and were signed on its behalf by:



R T Edwards - Director

The notes form part of these financial statements

Scotframe Timber Engineering Limited (Registered number: SC118213)

**Cash Flow Statement
for the Year Ended 30 April 2012**

		2012		2011	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		1,600,679		(1,172,441)
Returns on investments and servicing of finance	2		(64,680)		(56,693)
Taxation			-		(146,047)
Capital expenditure and financial investment	2		(101,538)		(165,887)
			1,434,461		(1,541,068)
Financing	2		(307,022)		(346,950)
Increase/(decrease) in cash in the period			<u>1,127,439</u>		<u>(1,888,018)</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase/(decrease) in cash in the period		1,127,439		(1,888,018)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>306,147</u>		<u>(513,125)</u>	
Change in net debt resulting from cash flows			<u>1,433,586</u>		<u>(2,401,143)</u>
Movement in net debt in the period			1,433,586		(2,401,143)
Net (debt)/funds at 1 May			<u>(301,403)</u>		<u>2,099,740</u>
Net funds/(debt) at 30 April			<u>1,132,183</u>		<u>(301,403)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 April 2012

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit/(loss)	682,011	(136,916)
Depreciation charges	312,231	343,805
Loss on disposal of fixed assets	21,399	8,375
Increase in stocks	(488,625)	(278,378)
Decrease/(increase) in debtors	611,814	(833,481)
Increase/(decrease) in creditors	461,849	(275,846)
Net cash inflow/(outflow) from operating activities	<u>1,600,679</u>	<u>(1,172,441)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	3,238	4,682
Interest paid	(24,455)	(25,507)
Interest element of hire purchase payments	(43,463)	(35,868)
Net cash outflow for returns on investments and servicing of finance	<u>(64,680)</u>	<u>(56,693)</u>
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(8,820)	-
Purchase of tangible fixed assets	(113,574)	(180,387)
Purchase of fixed asset investments	(45)	-
Sale of tangible fixed assets	20,901	14,500
Net cash outflow for capital expenditure and financial investment	<u>(101,538)</u>	<u>(165,887)</u>
Financing		
Capital repayments in year	(306,147)	(279,719)
Amount introduced by directors	200,000	350,000
Amount withdrawn by directors	(200,875)	(417,231)
Net cash outflow from financing	<u>(307,022)</u>	<u>(346,950)</u>

Notes to the Cash Flow Statement
for the Year Ended 30 April 2012

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.11 £	Cash flow £	At 30.4.12 £
Net cash:			
Cash at bank and in hand	654,457	1,127,439	1,781,896
	<u>654,457</u>	<u>1,127,439</u>	<u>1,781,896</u>
Debt:			
Hire purchase	(955,860)	306,147	(649,713)
	<u>(955,860)</u>	<u>306,147</u>	<u>(649,713)</u>
Total	<u>(301,403)</u>	<u>1,433,586</u>	<u>1,132,183</u>

Notes to the Financial Statements
for the Year Ended 30 April 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover consists of the invoiced sales value, excluding value added tax, of timber frame kits on a supply only basis to third parties. It includes the relevant proportion of contract value for performance up to the year end.

Goodwill

Goodwill is amortised over the three years commencing with the first complete year after acquisition.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 2% on reducing balance
Plant and machinery	- 10% to 20% on reducing balance
Fixtures and fittings	- 20% on cost and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is provided at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligation is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Patents

The costs of patents are capitalised when incurred. The patents are being amortised at 5% per annum on a straight line basis in order to write off each patent over its estimated useful life.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

2. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	4,477,574	4,371,525
Social security costs	484,738	487,085
Other pension costs	80,587	60,262
	<u>5,042,899</u>	<u>4,918,872</u>

The average monthly number of employees during the year was as follows:

	2012	2011
Sales and administration	35	35
Production	107	101
	<u>142</u>	<u>136</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2011 - operating loss) is stated after charging:

	2012	2011
	£	£
Other operating leases	129,062	119,549
Depreciation - owned assets	191,783	216,751
Depreciation - assets on hire purchase contracts	120,448	127,052
Loss on disposal of fixed assets	21,399	8,375
Auditors' remuneration	20,910	20,550
Operating leases - land and buildings	<u>588,401</u>	<u>584,474</u>
Directors' remuneration	681,074	655,265
Directors' pension contributions to money purchase schemes	<u>40,526</u>	<u>19,707</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2012	2011
Money purchase schemes	<u>7</u>	<u>7</u>

Information regarding the highest paid director is as follows:

	2012	2011
	£	£
Emoluments etc	181,712	226,784
Pension contributions to money purchase schemes	<u>20,000</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank interest	455	-
Corporation tax interest paid	-	1,507
Loan	24,000	24,000
Hire purchase	43,463	35,868
	<u>67,918</u>	<u>61,375</u>

5. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2012 £	2011 £
Current tax:		
UK corporation tax	158,482	(68,473)
Underprovision in prior years	-	36,884
Overprovision in prior years	-	(7,899)
Total current tax	<u>158,482</u>	<u>(39,488)</u>
Deferred tax	<u>31,225</u>	<u>(15,362)</u>
Tax on profit/(loss) on ordinary activities	<u>189,707</u>	<u>(54,850)</u>

Factors affecting the tax charge/(credit)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	<u>617,331</u>	<u>(193,609)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.836% (2011 - 21%)	159,494	(40,658)
Effects of:		
Expenses not deductible for tax purposes	25,457	10,285
Capital allowances in excess of depreciation	(14,193)	(24,563)
Utilisation of tax losses	(30)	(13,537)
Adjustments to tax charge in respect of previous periods	-	28,985
Marginal relief	<u>(12,246)</u>	<u>-</u>
Current tax charge/(credit)	<u>158,482</u>	<u>(39,488)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

6. AUDITORS REMUNERATION

	2012 £	2011 £
Audit Services	20,910	20,550
Other services supplied	5,460	1,640
Other services relating to taxation	6,070	3,325

7. INTANGIBLE FIXED ASSETS

	Goodwill £	Patents £	Totals £
COST			
At 1 May 2011	155,000	-	155,000
Additions	-	8,820	8,820
At 30 April 2012	155,000	8,820	163,820
AMORTISATION			
At 1 May 2011	155,000	-	155,000
and 30 April 2012	-	-	-
NET BOOK VALUE			
At 30 April 2012	-	8,820	8,820
At 30 April 2011	-	-	-

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

8. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 May 2011	80,000	961,674	2,582,891
Additions	-	-	4,876
Disposals	-	(22,217)	(2,947)
At 30 April 2012	80,000	939,457	2,584,820
DEPRECIATION			
At 1 May 2011	-	75,416	997,482
Charge for year	-	18,796	196,806
Eliminated on disposal	-	(5,032)	(2,672)
At 30 April 2012	-	89,180	1,191,616
NET BOOK VALUE			
At 30 April 2012	80,000	850,277	1,393,204
At 30 April 2011	80,000	886,258	1,585,409
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 May 2011	599,725	66,448	4,290,738
Additions	31,661	77,037	113,574
Disposals	(5,816)	(66,448)	(97,428)
At 30 April 2012	625,570	77,037	4,306,884
DEPRECIATION			
At 1 May 2011	394,065	39,626	1,506,589
Charge for year	83,329	13,300	312,231
Eliminated on disposal	(4,128)	(43,296)	(55,128)
At 30 April 2012	473,266	9,630	1,763,692
NET BOOK VALUE			
At 30 April 2012	152,304	67,407	2,543,192
At 30 April 2011	205,660	26,822	2,784,149

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 May 2011 and 30 April 2012	1,477,615
DEPRECIATION	
At 1 May 2011	273,137
Charge for year	120,448
At 30 April 2012	393,585
NET BOOK VALUE	
At 30 April 2012	1,084,030
At 30 April 2011	1,204,478

9. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
Additions	45
At 30 April 2012	45
NET BOOK VALUE	
At 30 April 2012	45

The company's investments at the balance sheet date in the share capital of companies include the following:

Associated Company

Val-U-Therm Limited

Nature of business: construction

	% holding
Class of shares:	
Ordinary A shares	45.00

	31.3.12
	£
Aggregate capital and reserves	(62,704)
Loss for the year	(62,804)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

10. STOCKS

	2012 £	2011 £
Stocks	<u>1,475,488</u>	<u>986,863</u>

11. DEBTORS

	2012 £	2011 £
Amounts falling due within one year:		
Trade debtors	6,181,068	6,905,168
Amounts owed by group undertakings	1,855	1,856
Other debtors	260,406	232,526
Tax	68,473	68,473
Prepayments and accrued income	342,499	358,092
	<u>6,854,301</u>	<u>7,566,115</u>

Amounts falling due after more than one year:

Other debtors	<u>2,639,269</u>	<u>2,539,269</u>
---------------	------------------	------------------

Aggregate amounts

	<u>9,493,570</u>	<u>10,105,384</u>
--	------------------	-------------------

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Hire purchase contracts (see note 14)	306,147	306,147
Trade creditors	3,867,082	3,867,840
Tax	158,482	-
Social security and other taxes	161,053	233,831
VAT	430,164	262,480
Other creditors	1,306,824	1,151,853
Directors' current accounts	48,122	48,997
Accrued expenses	1,165,413	952,683
	<u>7,443,287</u>	<u>6,823,831</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Hire purchase contracts (see note 14)	<u>343,566</u>	<u>649,713</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2012	2011
	£	£
Net obligations repayable:		
Within one year	306,147	306,147
Between one and five years	343,566	649,713
	<u>649,713</u>	<u>955,860</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring:				
Within one year	5,167	5,167	48,966	34,924
Between one and five years	-	-	108,160	143,817
In more than five years	505,000	555,000	-	-
	<u>510,167</u>	<u>560,167</u>	<u>157,126</u>	<u>178,741</u>

15. SECURED DEBTS

The bank holds a bond and floating charge over the whole assets of the company.

16. PROVISIONS FOR LIABILITIES

	2012	2011
	£	£
Deferred tax	<u>152,387</u>	<u>121,162</u>
		Deferred tax
		£
Balance at 1 May 2011		121,162
Charge to profit and loss account during year		31,225
Balance at 30 April 2012		<u>152,387</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2012 £ <u>20,000</u>	2011 £ <u>20,000</u>
20,000	Ordinary			

18. RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 May 2011	6,886,147	30,000	6,916,147
Profit for the year	427,624		427,624
At 30 April 2012	<u>7,313,771</u>	<u>30,000</u>	<u>7,343,771</u>

19. PENSION COMMITMENTS

The company operates a defined contribution scheme on behalf of it's directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual commitment under this scheme is for contributions of £77,779 (2011 - £63,946).

20. ULTIMATE PARENT COMPANY

The directors consider Scotframe Limited to be the ultimate parent company. Mr Edwards is the sole director of that company.

21. CONTINGENT LIABILITIES

Included within fixed assets is a heating system acquired at a cost of £132,448 of which a grant of £50,864 was received from the Forestry Commission Scotland. In the event of this asset being disposed of prior to 31 January 2015, any proceeds will be due and payable to the Forestry Commission Scotland.

22. RELATED PARTY DISCLOSURES

McDee 6 Limited

R T Edwards children are Directors

	30.4.12 £ <u>275,000</u>	30.4.11 £ <u>275,000</u>
Rent paid to McDee 6 Limited		

22. RELATED PARTY DISCLOSURES - continued

Meldrum House Estates Limited

R T Edwards is a Director

	30.4.12 £	30.4.11 £
Purchases	6,189	5,547
Sales	840	1,452
Debtor	2,539,269	2,539,269
Creditor	5,185	5,295

Supawall Limited

R T Edwards was a Director until 18.4.11

	30.4.12 £	30.4.11 £
Purchases	-	369,648

Val-U-Therm Limited

R T Edwards and M Simpson are directors

	30.4.12 £	30.4.11 £
Purchases	201,630	-
Creditor	69,676	-
Amount due from related party at the balance sheet date	2012 £ 100,000	2011 £ -

The above loan is interest free, is not repayable within one year but otherwise has no fixed terms of repayment. All of the above transactions were in the ordinary course of business and on normal commercial terms.

22. RELATED PARTY DISCLOSURES - continued

R T Edwards
Director

	30.4.12	30.4.11
	£	£
Rent paid	<u>200,000</u>	<u>200,000</u>

Included within Other Creditors is a director current account balance of £48,122 (2011: £48,997). No interest has been charged on this and meantime there are no fixed terms of repayment.

Also included within Other Creditors is a director loan account balance of £800,000 (2011: £800,000). Interest has been charged at a normal commercial rate and there are no fixed terms of repayment.

The above transactions were in the ordinary course of business and on normal commercial terms.

No related party transactions have been disclosed in respect of the parent undertaking, Scotframe Limited due to the exemption taken as details are included within the consolidated accounts available from Inverurie Business Park, Souterford Avenue, Inverurie, Aberdeenshire, AB51 OZJ.

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R T Edwards.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit/(loss) for the financial year	<u>427,624</u>	<u>(138,759)</u>
Net addition/(reduction) to shareholders' funds	427,624	(138,759)
Opening shareholders' funds	<u>6,936,147</u>	<u>7,074,906</u>
Closing shareholders' funds	<u>7,363,771</u>	<u>6,936,147</u>