

**BROWN McFARLANE LIMITED**

**REPORT AND ACCOUNTS**

**Year ended 31 March 2012**

***Company number: SC121113***

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COMPANIES HOUSE

**BROWN McFARLANE LIMITED**

**REPORT AND ACCOUNTS**  
**Year ended 31 March 2012**

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**Directors**

R T Brown  
K E L Brown  
S E Eaton  
B L Morse  
A Keizer  
A Webster  
J Riddell

**Secretary and registered office**

S E Eaton, Unit 7 Lonmay Place, Panorama Business Village, Queenslie, Glasgow, G33 4ER

**DIRECTORS' REPORT**

The directors submit their report and the audited accounts of the company for the year ended 31 March 2012.

**1. 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 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 apply them consistently;
- make judgements and accounting 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;
- 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.

**2. Principal activities, business review and key performance indicators**

The principal activities of the company is quality steel distribution and processing.

2011/12 was an improved year for both domestic and export markets as trading conditions experienced in 2010/11 continued into the financial year, although the market became more challenging as the year progressed and this has continued into 2012/13. Prices continued to rise in the first quarter and then remained at this level for the remainder of the year and the market is indicating prices will remain flat in the new financial year.

Various key performance indicators are used by the directors to monitor and compare the performance of the various businesses within the group. The directors do not wish to reveal any detailed information as they believe this is commercially sensitive and could be prejudicial to the interests of the group.

**DIRECTORS' REPORT (continued)****3. Results and dividend**

The results for the year are as follows:

|                                | £'000 |
|--------------------------------|-------|
| Profit before taxation         | 3,798 |
| Taxation                       | 993   |
| Profit for year                | 2,805 |
| Dividends paid during the year | -     |
| Transfer to reserves           | 2,805 |

The directors recommend the payment of a final dividend of £2.50 per share.

**4. Future prospects**

Domestic and Export sales both had a good year through a strategy of focusing and targeting new customers whilst protecting existing markets and this strategy is continuing in 2012/13.

**5. Directors**

All of the directors served throughout the year.

**6. Directors' and officers' liability insurance**

The company has provided insurance to cover directors' and officers' liability.

**7. Auditors**

The auditors, Scott-Moncrieff, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**8. Disclosure of information to auditors**

As far as each of the directors at the time the report is approved are aware:

- a) there is no relevant information of which the company's auditors are unaware, and
- b) 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 auditors are aware of the information.

By Order of the Board

  
\_\_\_\_\_  
**S E EATON**  
Secretary

Date: 26.09.2012

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROWN McFARLANE LIMITED**

We have audited the financial statements of Brown McFarlane Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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 1, 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 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 directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material mis-statements 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 31 March 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**

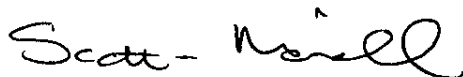
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROWN MCFARLANE 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.



**Bernadette Higgins (Senior Statutory Auditor)**  
**for and on behalf of Scott-Moncrieff, Statutory Auditor**  
**Chartered Accountants**  
25 Bothwell Street  
Glasgow  
G2 6NL

Date: 26 September 2012

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2012**

|                                                  | Note | 2012<br>£'000 | 2011<br>£'000 |
|--------------------------------------------------|------|---------------|---------------|
| TURNOVER                                         | 1    | 42,598        | 35,525        |
| Cost of sales                                    |      | (32,945)      | (27,313)      |
| GROSS PROFIT                                     |      | 9,653         | 8,212         |
| Distribution and warehouse costs                 |      | (2,838)       | (1,980)       |
| Selling and administrative expenses              |      | (3,002)       | (3,351)       |
|                                                  |      | (5,840)       | (5,331)       |
| OPERATING PROFIT                                 | 2    | 3,813         | 2,881         |
| Interest receivable                              |      | -             | -             |
| Interest payable and similar charges             | 3    | (15)          | (77)          |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION |      | 3,798         | 2,804         |
| Tax on profit on ordinary activities             | 5    | (993)         | (771)         |
| TRANSFER TO RESERVES                             | 14   | 2,805         | 2,033         |

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the profit for the year.

**BALANCE SHEET**  
**31 March 2012**

|                                                         | Note | 2012<br>£'000       | 2011<br>£'000       |
|---------------------------------------------------------|------|---------------------|---------------------|
| <b>FIXED ASSETS</b>                                     |      |                     |                     |
| Tangible assets                                         | 7    | 776                 | 696                 |
| <b>CURRENT ASSETS</b>                                   |      |                     |                     |
| Stocks                                                  | 8    | 8,514               | 8,464               |
| Debtors                                                 | 9    | 10,053              | 8,866               |
| Cash at bank and in hand                                |      | 775                 | 469                 |
|                                                         |      | <u>19,342</u>       | <u>17,799</u>       |
| CREDITORS: amounts falling due within one year          | 10   | (10,119)            | (11,306)            |
| <b>NET CURRENT ASSETS</b>                               |      | <u>9,223</u>        | <u>6,493</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |      | <u>9,999</u>        | <u>7,189</u>        |
| CREDITORS: amounts falling due after more than one year | 11   | -                   | (3)                 |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>           | 12   | (37)                | (29)                |
| <b>NET ASSETS</b>                                       |      | <u><u>9,962</u></u> | <u><u>7,157</u></u> |
| <b>CAPITAL AND RESERVES</b>                             |      |                     |                     |
| Called up share capital                                 | 13   | 1,000               | 1,000               |
| Profit and loss account                                 | 14   | 8,962               | 6,157               |
| <b>SHAREHOLDERS' FUNDS - EQUITY</b>                     | 15   | <u><u>9,962</u></u> | <u><u>7,157</u></u> |

The financial statements were authorised for issue by the Board of Directors on 26 September 2012 and signed on their behalf by:



**R T BROWN**  
**Director**

**Company number: SC121113**

**STATEMENT OF ACCOUNTING POLICIES****For the year ended 31 March 2012****Going concern**

The company has considerable financial resources together with a solid base of existing customers, and acknowledged expertise in its field of operations. As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Basis of presentation**

The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

**Turnover**

Turnover represents the value of goods despatched during the year.

**Tangible fixed assets**

Depreciation is provided on all tangible fixed assets in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost of the assets.

The following principal rates are used:

|                       |               |
|-----------------------|---------------|
| Plant and machinery   | 10% - 40%     |
| Motor vehicles        | 14% - 33 1/3% |
| Computer and fittings | 15% - 33 1/3% |

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value.

**Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is measured on a nondiscounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Pension costs**

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services.

**Foreign currency**

Foreign currency transactions during the year are translated at rates ruling at the time they occur. Foreign currency assets and liabilities are adjusted to the rates ruling at the year end.

Due to the growth in export markets the group developed a Foreign Currency Policy to mitigate exposures that arise through trading in multi currencies. In order to hedge its exposure to these risks the group enters into forward contracts. Gains and losses on these contracts are offset against other foreign exchange gains and losses.

**Operating leases**

Rentals paid under operating leases are charged to profit and loss account as incurred.

**STATEMENT OF ACCOUNTING POLICIES**

**For the year ended 31 March 2012**

**Hire purchase contracts**

The cost of each asset held under a hire purchase contract is included in tangible assets and depreciated over the shorter of the contract term or its useful life. The interest cost is charged over the term of the contract. All future obligations related to hire purchase contracts are included in creditors.

**Cashflow statement**

The company is a wholly owned subsidiary of A R Brown McFarlane & Company Ltd and is included in the financial statements of A R Brown McFarlane & Company Ltd, which are publically available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

**NOTES ON THE ACCOUNTS**  
**For the year ended 31 March 2012**

**1. Turnover**

The turnover is attributable to one activity, steel stockholding and profiling.

The geographical analysis of turnover is as follows:-

|                    | <b>2012</b><br><b>£'000</b> | <b>2011</b><br><b>£'000</b> |
|--------------------|-----------------------------|-----------------------------|
| United Kingdom     | 26,595                      | 25,057                      |
| Non United Kingdom | 16,003                      | 10,468                      |
|                    | <u>42,598</u>               | <u>35,525</u>               |

**2. Operating profit**

The operating profit is stated after charging (crediting):

|                                         |            |            |
|-----------------------------------------|------------|------------|
| Staff costs (note 4)                    | 3,025      | 2,573      |
| Depreciation of tangible fixed assets   |            |            |
| - owned                                 | 152        | 157        |
| - held under hire purchase contracts    | 2          | 2          |
| (Gain) on foreign currency exchange     | (8)        | (12)       |
| Auditors' remuneration - audit services | 14         | 13         |
| - other services                        | -          | 2          |
| Operating lease payments - plant        | 91         | 70         |
| - other operating leases                | 231        | 196        |
|                                         | <u>231</u> | <u>196</u> |

**3. Interest payable and similar charges**

|                       |           |           |
|-----------------------|-----------|-----------|
| Interest payable      | 15        | 75        |
| Hire purchase charges | -         | 2         |
|                       | <u>15</u> | <u>77</u> |

**NOTES ON THE ACCOUNTS**  
**For the year ended 31 March 2012**

| <b>4. Directors and other employees</b>                                                                                                                                                 | <b>2012<br/>Number</b> | <b>2011<br/>Number</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| The average number of persons employed by the company during the year was as follows:                                                                                                   |                        |                        |
| Production and distribution                                                                                                                                                             | 49                     | 44                     |
| Selling and administration                                                                                                                                                              | 35                     | 33                     |
|                                                                                                                                                                                         | <u>84</u>              | <u>77</u>              |
| Staff costs comprise                                                                                                                                                                    | <b>£'000</b>           | <b>£'000</b>           |
| Wages and salaries                                                                                                                                                                      | 2,683                  | 2,287                  |
| Social security costs                                                                                                                                                                   | 266                    | 241                    |
| Other pension costs                                                                                                                                                                     | 76                     | 45                     |
|                                                                                                                                                                                         | <u>3,025</u>           | <u>2,573</u>           |
| Directors' remuneration                                                                                                                                                                 |                        |                        |
| Directors' emoluments                                                                                                                                                                   | <u>641</u>             | <u>840</u>             |
| Pension contributions to a defined contribution scheme                                                                                                                                  | <u>60</u>              | <u>19</u>              |
|                                                                                                                                                                                         | <b>Number</b>          | <b>Number</b>          |
| Number of directors to whom retirement benefits are accruing under:                                                                                                                     |                        |                        |
| Defined contribution scheme                                                                                                                                                             | <u>4</u>               | <u>3</u>               |
| The highest paid director received emoluments of £161,127 during the year. Company contributions of £15,000 were paid into a defined contribution scheme for the highest paid director. |                        |                        |
| <b>5. Tax on profit on ordinary activities</b>                                                                                                                                          | <b>2012<br/>£'000</b>  | <b>2011<br/>£'000</b>  |
| The taxation charge is made up as follows:                                                                                                                                              |                        |                        |
| United Kingdom corporation tax                                                                                                                                                          | 522                    | 272                    |
| Adjustment in respect of prior year                                                                                                                                                     | (13)                   | 39                     |
| Group relief                                                                                                                                                                            | 476                    | 450                    |
| Deferred taxation                                                                                                                                                                       | 8                      | 10                     |
|                                                                                                                                                                                         | <u>993</u>             | <u>771</u>             |

**NOTES ON THE ACCOUNTS**  
**For the year ended 31 March 2012**

|                                                                                                                                                  | 2012<br>£'000     | 2011<br>£'000     |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>5. Tax on profit on ordinary activities (cont'd)</b>                                                                                          |                   |                   |
| Factors affecting the tax charge for the year:                                                                                                   |                   |                   |
| The tax assessed for the year differs from the standard rate of corporation tax in the UK 26% (2011 : 28%). The differences are explained below. |                   |                   |
| Profit on ordinary activities before taxation                                                                                                    | 3,798             | 2,804             |
|                                                                                                                                                  | <u>          </u> | <u>          </u> |
| Tax on profit at the standard rate of corporation tax of 26% (2011 : 28%)                                                                        | 988               | 785               |
| Effect of:                                                                                                                                       |                   |                   |
| Expenses not deductible for tax purposes                                                                                                         | 21                | 16                |
| Capital allowances less than depreciation                                                                                                        | (18)              | (5)               |
| Group relief                                                                                                                                     | (476)             | (450)             |
| Other timing differences                                                                                                                         | 7                 | (74)              |
|                                                                                                                                                  | <u>          </u> | <u>          </u> |
| Current tax charge for the year                                                                                                                  | 522               | 272               |
|                                                                                                                                                  | <u>          </u> | <u>          </u> |
| <b>6. Dividend</b>                                                                                                                               |                   |                   |
| Paid £nil (2011: £1.33 per share)                                                                                                                | -                 | 1,333             |
|                                                                                                                                                  | <u>          </u> | <u>          </u> |

**NOTES ON THE ACCOUNTS**  
For the year ended 31 March 2012

| <b>7. Tangible fixed assets</b>                                              | <b>Plant and Machinery<br/>£'000</b> | <b>Motor Vehicles<br/>£'000</b> | <b>Computer and fittings<br/>£'000</b> | <b>Capital Work In Progress<br/>£'000</b> | <b>Total<br/>£'000</b> |
|------------------------------------------------------------------------------|--------------------------------------|---------------------------------|----------------------------------------|-------------------------------------------|------------------------|
| <b>Cost:</b>                                                                 |                                      |                                 |                                        |                                           |                        |
| At 1 April 2011                                                              | 2,409                                | 11                              | 759                                    | -                                         | 3,179                  |
| Additions                                                                    | 179                                  | -                               | 47                                     | 8                                         | 234                    |
| Disposals                                                                    | -                                    | -                               | -                                      | -                                         | -                      |
| At 31 March 2012                                                             | 2,588                                | 11                              | 806                                    | 8                                         | 3,413                  |
| <b>Depreciation:</b>                                                         |                                      |                                 |                                        |                                           |                        |
| At 1 April 2011                                                              | 1,794                                | 9                               | 680                                    | -                                         | 2,483                  |
| Charge for year                                                              | 105                                  | 2                               | 47                                     | -                                         | 154                    |
| On disposals                                                                 | -                                    | -                               | -                                      | -                                         | -                      |
| At 31 March 2012                                                             | 1,899                                | 11                              | 727                                    | 0                                         | 2,637                  |
| <b>Net book amount:</b>                                                      |                                      |                                 |                                        |                                           |                        |
| At 31 March 2012                                                             | 689                                  | -                               | 79                                     | 8                                         | 776                    |
| At 31 March 2011                                                             | 615                                  | 2                               | 79                                     | -                                         | 696                    |
| Net book amount of assets held under hire purchase contracts included above: |                                      |                                 |                                        |                                           |                        |
| At 31 March 2012                                                             | 5                                    | -                               | -                                      | -                                         | 5                      |
| At 31 March 2011                                                             | 6                                    | -                               | -                                      | -                                         | 6                      |
| <b>8. Stocks</b>                                                             |                                      |                                 |                                        | <b>2012<br/>£'000</b>                     | <b>2011<br/>£'000</b>  |
| Steel held for resale                                                        |                                      |                                 |                                        | 8,514                                     | 8,464                  |
| <b>9. Debtors</b>                                                            |                                      |                                 |                                        |                                           |                        |
| Trade debtors                                                                |                                      |                                 |                                        | 8,307                                     | 7,121                  |
| Other debtors                                                                |                                      |                                 |                                        | 237                                       | 315                    |
| Prepayments and accrued income                                               |                                      |                                 |                                        | 327                                       | 120                    |
| Due by other group companies                                                 |                                      |                                 |                                        | 1,182                                     | 1,310                  |
|                                                                              |                                      |                                 |                                        | 10,053                                    | 8,866                  |

**NOTES ON THE ACCOUNTS**  
**For the year ended 31 March 2012**

| <b>10 Creditors: amounts falling due within one year</b> | <b>2012<br/>£'000</b> | <b>2011<br/>£'000</b> |
|----------------------------------------------------------|-----------------------|-----------------------|
| Bank overdraft                                           | -                     | 2,154                 |
| Trade creditors                                          | 6,033                 | 6,684                 |
| Hire purchase creditor                                   | 3                     | 3                     |
| Other creditors                                          | 36                    | -                     |
| Corporation tax                                          | 298                   | 162                   |
| Other taxation and social security                       | 927                   | 678                   |
| Group relief                                             | 1,784                 | 1,309                 |
| Accruals                                                 | 400                   | 316                   |
|                                                          | <u>9,481</u>          | <u>11,306</u>         |

The 2011 bank overdraft was secured by a floating charge over the assets of the company and a cross guarantee between the parent company and the company.

| <b>11. Creditors: amounts falling due after more than one year</b> | <b>2012<br/>£'000</b> | <b>2011<br/>£'000</b> |
|--------------------------------------------------------------------|-----------------------|-----------------------|
| Hire purchase creditor                                             | -                     | 3                     |
|                                                                    | <u>-</u>              | <u>3</u>              |

**12. Provisions for liabilities and charges**

**Deferred taxation**

|                                  |           |           |
|----------------------------------|-----------|-----------|
| As at 1 April                    | 29        | 19        |
| Profit and loss account transfer | 8         | 10        |
|                                  | <u>37</u> | <u>29</u> |
| As at 31 March                   |           |           |
| Comprising:                      |           |           |
| Accelerated capital allowances   | 47        | 33        |
| Other timing differences         | (10)      | (4)       |
|                                  | <u>37</u> | <u>29</u> |

**13. Called up share capital**

|                                                                            |              |              |
|----------------------------------------------------------------------------|--------------|--------------|
| Allotted, called up and fully paid<br>1,000,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
|----------------------------------------------------------------------------|--------------|--------------|

**NOTES ON THE ACCOUNTS**  
**For the year ended 31 March 2012**

|                                                               | <b>2012</b>  | <b>2011</b>  |
|---------------------------------------------------------------|--------------|--------------|
|                                                               | <b>£'000</b> | <b>£'000</b> |
| <b>14. Profit and loss account</b>                            |              |              |
| At 1 April                                                    | 6,157        | 5,457        |
| Profit for year                                               | 2,805        | 2,033        |
| Dividend paid                                                 | -            | (1,333)      |
|                                                               | <hr/>        | <hr/>        |
| At 31 March                                                   | 8,962        | 6,157        |
|                                                               | <hr/>        | <hr/>        |
| <b>15. Reconciliation of movements in shareholders' funds</b> |              |              |
| Profit for year                                               | 2,805        | 2,033        |
| Opening shareholders' funds                                   | 7,157        | 6,457        |
| Dividend paid                                                 | -            | (1,333)      |
|                                                               | <hr/>        | <hr/>        |
| Closing shareholders' funds                                   | 9,962        | 7,157        |
|                                                               | <hr/>        | <hr/>        |

**16. Ultimate parent company**

The company regarded by the directors as being the company's ultimate parent company is A R Brown McFarlane & Company Limited, a company incorporated in the United Kingdom.

**17. Related party transactions**

As permitted under FRS 8, transactions with other companies in the group have not been disclosed as related party transactions.

**18. Operating lease commitments**

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below:-

|                                    | <b>Land and Buildings</b> |              | <b>Motor Vehicles</b> |              |
|------------------------------------|---------------------------|--------------|-----------------------|--------------|
|                                    | <b>2012</b>               | <b>2011</b>  | <b>2012</b>           | <b>2011</b>  |
|                                    | <b>£'000</b>              | <b>£'000</b> | <b>£'000</b>          | <b>£'000</b> |
| Operating leases that expire:      |                           |              |                       |              |
| Within one year                    | -                         | -            | 29                    | 13           |
| In second to fifth years inclusive | 52                        | 34           | 45                    | 56           |
|                                    | <hr/>                     | <hr/>        | <hr/>                 | <hr/>        |

**19. Pension commitments**

In the year ended 31 March 2012 the group operated a defined contribution scheme. The assets of this scheme is held separately from those of the company in independently administered funds.

**NOTES ON THE ACCOUNTS**  
**For the year ended 31 March 2012**

**20. Contingent liabilities**

The company has guaranteed the bank borrowings of the parent company. At 31 March 2012 the borrowings of the parent company were £6,088,000 (2011: £1,390,000).

**21. Forward exchange contracts**

At the year end the Group had entered into two forward exchange contracts to sell €1,970,000. (2011: Buy €1,900,000)