

Wallace Group Limited
Annual report and financial statements
for the year ended 30 November 2012

Registered Number SC245921

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Wallace Group Limited

Annual report and financial statements for the year ended 30 November 2012

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Wallace Group Limited

Directors and advisers for the year ended 30 November 2012

Directors

H Cairns (resigned 31 March 2013)

A McMillan (resigned 31 March 2013)

H Turnbull

J Turnbull

K Turnbull

Secretary

H Turnbull

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

141 Bothwell Street

Glasgow

G2 7QE

Solicitors

MacRoberts

152 Bath Street

Glasgow

G2 4TB

Levy & McRae

266 St Vincent Street

Glasgow

G2 5RL

Registered office

Wallace House

Whitehouse Road

Stirling

FK7 7TA

Bankers

Clydesdale Bank plc

23 South Methven Street

Perth

PH1 5PQ

Wallace Group Limited

Directors' report for the year ended 30 November 2012

Registered Number SC245921

The directors present their report and the audited consolidated financial statements for the year ended 30 November 2012.

Business review and principal activities

Wallace Group Limited ("the company") comprises Stirling Stone Ltd, Toffolo Stirling Ltd, Natstone Developments Ltd, Construction Materials Consultants Ltd and Stone Design Ltd, offering a unique, diverse service within the dimensional stone industry throughout the United Kingdom.

The directors take into consideration:

- The likely consequences of any decision in the long term.
- The interests of the groups employees.
- The need to foster the groups business relationships with suppliers, customers and others.
- The impact of the group operations on the community and the environment.
- The desirability for the group maintaining a reputation for high standards of business conduct.
- The need to act fairly as between the company's members.

The results for the group show a profit after tax for the financial year of £9,985 (18 month period ended 30 November 2011: profit, £136,738) and sales of £6,368,364 (18 month period ended 30 November 2011: £8,083,841). The consolidated profit and loss account for the year is set out on page 7.

The group has net assets of £343,642 (30 November 2011: £333,657).

Future outlook

The directors anticipate that the group results will continue to strengthen over the coming financial year.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competition from other stone companies, employee retention and material availability.

Key performance Indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Wallace Group Limited

Directors' report for the year ended 30 November 2012 (continued)

Dividends and deductions from reserves

The directors do not recommend payment of a dividend to equity holders. The profit for the year of £9,985 (18 months period ended 30 November 2011: profit £136,738) will be transferred to reserves.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as listed on page 1.

Statement of directors' responsibilities

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 prepared the group and parent company 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 group and the company and of the profit or loss of the group 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;
- 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 and the group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Wallace Group Limited

Directors' report for the year ended 30 November 2012 (continued)

Independent auditors

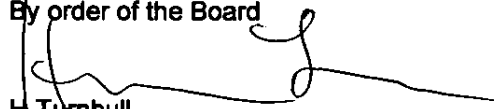
Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Small company provisions

This report has been, where appropriate, prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to be 'H. Turnbull', written over a horizontal line.

**H. Turnbull
Director**

29 August 2013

Wallace Group Limited

Independent auditors' report to the members of Wallace Group Limited

We have audited the group and parent company financial statements (the "financial statements") of Wallace Group Limited for the year ended 30 November 2012 which comprise the Consolidated Profit and Loss Account, the Group and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Accounting Policies 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).

Respective responsibilities of directors and auditors

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent 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 Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 November 2012 and of the group's profit and cash flows 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.

Wallace Group Limited

Independent auditors' report to the members of Wallace Group Limited (continued)

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.

Matters on which we are required to report by exception

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

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



Kenneth Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
29 August 2013

Wallace Group Limited

Consolidated profit and loss account for the year ended 30 November 2012

	Note	Year ended 30 Nov 2012 £'000	18 Months Period Ended 30 Nov 2011 £'000
Turnover	1	6,368	8,084
Cost of sales		(4,231)	(4,977)
Gross profit		2,137	3,107
Administrative expenses		(2,203)	(2,935)
Other operating income		91	29
Operating profit	4	25	201
Interest payable and similar charges	5	(2)	(2)
Profit on ordinary activities before taxation		23	199
Tax on profit on ordinary activities	6	(13)	(62)
Profit for the financial year/period	18	10	137

The group has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

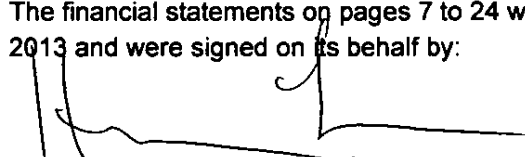
There is no difference between the profit on ordinary activities before taxation and the profit for the financial year/period stated above, and their historical cost equivalents.

Wallace Group Limited

Balance sheets as at 30 November 2012

	Note	Group 30 Nov 2012 £'000	Company 30 Nov 2012 £'000	Group 30 Nov 2011 £'000	Company 30 Nov 2011 £'000
Fixed assets					
Intangible assets	8	140	-	152	-
Tangible assets	9	41	-	53	-
Investments	10	-	40	-	40
		181	40	205	40
Current assets					
Stocks	12	59	-	102	-
Debtors	13	1,779	-	1,646	27
Cash at bank and in hand		338	14	584	22
		2,176	14	2,332	49
Creditors: amounts falling due within one year	14	(1,998)	-	(2,158)	(35)
Net current assets		178	14	174	14
Total assets less current liabilities		359	54	379	54
Creditors: amounts falling due after more than one year	15	(15)	-	(45)	-
Net assets		344	54	334	54
Capital and reserves					
Called up share capital	17	125	125	125	125
Profit and loss account	18	219	(71)	209	(71)
Total shareholders' funds	19	344	54	334	54

The financial statements on pages 7 to 24 were approved by the board of directors on 29 August 2013 and were signed on its behalf by:


H Turnbull
Director

Wallace Group Limited

Consolidated cash flow statement for the year ended 30 November 2012

	Note	Year ended 30 Nov 2012 £'000	18 months period ended 30 Nov 2011 £'000
Net cash outflow from operating activities	22	(119)	(466)
Returns on investment and servicing of finance			
Interest paid		(2)	(46)
Taxation		(62)	(86)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(23)	-
Net cash outflow before financing		(206)	(598)
Financing			
Decrease in debt		(40)	(89)
Decrease in cash	21	(246)	(687)

Wallace Group Limited

Accounting policies

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The accounting policies have been consistently applied. There have been no changes in accounting policy during the financial period. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the group and all its subsidiary undertakings made up to 30 November 2012. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the period are included in the consolidated profit and loss account from the date of acquisition.

Intangible assets

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill and is amortised through the profit and loss account over its estimated economic life. The estimated economic life of goodwill is twenty years.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets over the expected useful economic life of the asset concerned. The principal annual rates used for this purpose are:

Plant and machinery	25%	(reducing balance)
Fixtures and fittings	25%	(reducing balance)
Motor vehicles	25%	(reducing balance)

Hire purchase contracts and operating leases

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Stocks

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

Government grants

Grants that are related to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life. Other grants are credited to the profit and loss account when received.

Wallace Group Limited

Accounting policies (continued)

Turnover

Turnover represents amounts invoiced to outside customers, net of trade discounts and value added tax, except in respect of contracting activities where turnover represents the value of work carried out during the period including amounts not invoiced. Turnover from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company.

Profit on individual contracts is taken only when their outcome can be foreseen with reasonable certainty, based on the lower of the percentage margin earned to date and that forecast at completion, taking account of agreed claims. Full provision is made for all known or expected losses on individual contracts immediately as such losses are foreseen.

Taxation

The tax charge is composed of current tax and deferred tax. Current tax is based on the profit for the period at the current rate. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. A deferred tax asset is not recognised unless it is more likely than not that there will be sufficient future taxable profits from which the future reversal of the underlying timing difficulties can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

Pension

The pension costs charged against profits represent the amounts of contributions payable into individual plans for the benefit of employees.

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012

1 Turnover

All sales are from one class and are made in the United Kingdom.

2 Directors' emoluments

The remuneration paid to the directors of the company was:

	Year ended 30 Nov 2012	18 months period ended 30 Nov 2011
	£'000	£'000
Aggregate emoluments	749	1,087
Company pension contributions to defined contribution schemes	-	-

Retirement benefits are accruing to three (2011: three) directors under a defined contribution pension scheme.

	Year ended 30 Nov 2012	18 months period ended 30 Nov 2011
	£'000	£'000
Highest paid director		
Aggregate emoluments	156	227

3 Employee information

The average monthly number of persons (including executive directors) employed by the group during the year/period was:

	Year ended 30 Nov 2012	18 months period ended 30 Nov 2011
	Number	Number
Production	33	32
Administration	11	18
	44	50

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

3 Employee information (continued)

Staff costs (for the above persons):	Year ended 30 Nov 2012	18 months period ended 30 Nov 2011
	£'000	£'000
Wages and salaries	1,343	2,005
Social security costs	171	243
Other pension costs (note 24)	6	12
	1,520	2,260

4 Operating profit

	Year ended 30 Nov 2012	18 months period ended 30 Nov 2011
	£'000	£'000
Operating profit is stated after charging:		
Depreciation charge for the year/period:		
- Tangible owned fixed assets	19	28
Goodwill amortisation	12	12
Services provided by the company's auditors:		
- Fees payable for the audit	32	29
- Fees payable for other services – tax compliance	13	14
Operating lease rentals – land and buildings	100	130

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

5 Interest payable and similar charges

	Year ended 30 Nov 2012 £'000	18 months period ended 30 Nov 2011 £'000
Hire purchase contracts	2	2

6 Tax on profit on ordinary activities

	Year ended 30 Nov 2012 £'000	18 months period ended 30 Nov 2011 £'000
Current tax		
UK corporation tax on profits for the period	13	55
Tax on profit on ordinary activities	13	55

The tax assessed for the period is lower (2011: higher) than the standard rate of corporation tax in the UK 24.67% (2011: 27.11%). The differences are explained below:

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

6 Tax on profit on ordinary activities (continued)

	Year ended 30 Nov 2012 £'000	18 months period ended 30 Nov 2011 £'000
Profit on ordinary activities before tax	23	199
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.67% (2011: 27.11 %)	6	54
Effects of:		
Expenses not deductible for tax and other permanent differences	6	8
Depreciation for the period in excess of capital allowances/STTDs	3	(3)
Adjustment in respect of prior period	1	7
Tax at small rates	(3)	-
Tax at marginal rates	-	(4)
Current tax charge for the year/period	13	62

A deferred tax asset of £79,556 (2011: £83,594) has not been recognised at the period-end due to the uncertainty over its future recoverability.

7 Profit for the financial year/period

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The profit for the financial year/period is made up as follows:

	Year ended 30 Nov 2012 £'000	18 months period ended 30 Nov 2011 £'000
Retained profit by subsidiary undertakings	10	137
Dealt with in the financial statements of the parent company	-	-
Consolidated profit for the year/period	10	137

Wallace Group Limited

Notes to the financial statements

for the year ended 30 November 2012 (continued)

8 Intangible assets

Group	£'000
Cost	
At 1 December 2011 and 30 November 2012	245
Accumulated amortisation	
At 1 December 2011	93
Charge for the year	12
At 30 November 2012	105
Net book amount	
At 30 November 2012	140
At 30 November 2011	152

9 Tangible fixed assets

Group	Motor Vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 December 2011	56	280	7	343
Additions	23	-	-	23
Disposals	(43)	-	-	(43)
At 30 November 2012	36	280	7	323
Accumulated depreciation				
At 1 December 2011	31	252	7	290
Charge for the year	12	7	-	19
Disposals	(27)	-	-	(27)
At 30 November 2012	16	259	7	282
Net book amount				
At 30 November 2012	20	21	-	41
At 30 November 2011	25	28	-	53

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

10 Fixed asset investments

	2012	2011
Company	£'000	£'000
At 30 November 2011 and at 30 November 2012	40	40

The directors believe that the carrying value of the investments is supported by their underlying net assets.

11 Interest in group undertakings

Name of subsidiary undertaking	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Stirling Stone Limited	Scotland	£1 ordinary shares	100%	Supply and fixing of natural stone
Toffolo Stirling Limited	Scotland	£1 ordinary shares	100%	Supply and installation of marble and granite
Stone Design Limited	Scotland	£1 ordinary shares	100%	Sourcing, design and budgetary control and fixing of natural stone
Construction Materials Consultants Limited	Scotland	£1 ordinary shares	100%	Consultancy service relating to material analysis
Natstone Developments Limited	Scotland	£1 ordinary shares	100%	Developing and letting of property
Stirling Stone (Restoration) Limited	Scotland	£1 ordinary shares	100%	Dormant
Natstone Limited	Scotland	£1 ordinary shares	100%	Dormant
Stirling Sealants Limited	Scotland	£1 ordinary shares	100%	Dormant
Stirling Stone	Scotland	£1 ordinary shares	100%	Dormant
Toffolo Limited	Scotland	£1 ordinary shares	100%	Dormant
Quality Stone Limited	Scotland	£1 ordinary shares	100%	Dormant
Steading Developments Limited	Scotland	£1 ordinary shares	100%	Dormant

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

12 Stocks

Group	30 Nov 2012 £'000	30 November 2011 £'000
Raw materials and consumables	59	102

13 Debtors

	Group 30 Nov 2012 £'000	Company 30 Nov 2012 £'000	Group 30 Nov 2011 £'000	Company 30 Nov 2011 £'000
Trade debtors	668	-	640	-
Amounts recoverable on contracts	240	-	270	-
Amounts owed by group undertakings	-	-	-	27
Other debtors	839	-	701	-
Prepayments and accrued income	32	-	35	-
	1,779	-	1,646	27

Amounts owed by subsidiary undertakings due within one year accrue no interest and are repayable on demand.

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

14 Creditors: amounts falling due within one year

	Group 30 Nov 2012 £'000	Company 30 Nov 2012 £'000	Group 30 Nov 2011 £'000	Company 30 Nov 2011 £'000
Obligations under hire purchase contracts	5	-	13	-
Trade creditors	676	-	560	-
Corporation tax	13	-	62	-
Other taxation and social security	215	-	274	-
Other creditors	617	-	728	-
Deferred income	-	-	14	-
Accruals	88	-	61	-
Preference shares	-	-	35	35
Payments on account	384	-	411	-
	1,998	-	2,158	35

Preference shares nil (2011: 35,000) held within a subsidiary undertaking Natural Stone Quarries are now being repaid. On a winding up, the holders have priority before all other classes of shares. The holders have no voting rights.

15 Creditors: amounts falling due after more than one year

Group	30 Nov 2012 £'000	30 Nov 2011 £'000
Obligations under hire purchase contracts	15	12
Deferred income	-	13
Other creditors	-	20
	15	45

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

16 Loans and other borrowings

Group	30 Nov 2012 £'000	30 Nov 2011 £'000
Preference shares	-	35
Obligations under hire purchase contracts	20	25
	20	60

The maturity of debt is as follows:

Group	30 Nov 2012 £'000	30 Nov 2011 £'000
In one year or less	5	48
Between one and two years	15	12
	20	60

The net hire purchase obligations to which the group has committed to are:

Group	30 Nov 2012 £'000	30 Nov 2011 £'000
In one year or less	5	13
Between two and five years	15	12
	20	25

Deferred Income

Group	30 Nov 2012 £'000	30 Nov 2011 £'000
At 1 December	27	48
Released during the year/period	(27)	(21)
At 30 November	-	27

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

17 Called up share capital

	30 Nov 2012	30 Nov 2011
Group	£'000	£'000
Authorised		
250,000 (2011: 250,000) ordinary shares of £1 each	250	250
Allotted and fully paid		
125,001 (2011: 125,001) ordinary shares of £1 each	125	125

	30 Nov 2012	30 Nov 2011
Company	£'000	£'000
Authorised		
250,000 (2011: 250,000) ordinary shares of £1 each	250	250
Allotted and fully paid		
125,001 (2011: 125,001) ordinary shares of £1 each	125	125

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

18 Profit and loss account

	Group £'000	Company £'000
At 1 December 2011	209	(71)
Profit for the year	10	-
At 30 November 2012	219	(71)

19 Reconciliation of movements in shareholders' funds

	Group 30 Nov 2012 £'000	Company 30 Nov 2012 £'000	Group 30 Nov 2011 £'000	Company 30 Nov 2011 £'000
Opening shareholders' funds	334	54	197	54
Profit for the financial year/period	10	-	137	-
Closing shareholders' funds	344	54	334	54

20 Financial commitments

At the year/period end the group had annual commitments under non-cancellable operating leases as follows:

	30 Nov 2012 Land and buildings £	30 Nov 2011 Land and buildings £
Expiring between 2 – 5 years	100,000	130,000

The company had no annual commitments under non-cancellable operating leases.

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

21 Analysis of net funds

	Note	At 1 December 2011 £'000	Cash flows £'000	At 30 November 2012 £'000
Net cash				
Cash at bank and in hand		584	(246)	338
Debt				
Preference shares		(35)	35	-
Obligations under Hire Purchase		(25)	5	(20)
Net funds	23	524	(206)	318

22 Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 30 Nov 2012 £'000	18 Months period ended 30 November 2011 £'000
Operating profit	25	201
Depreciation	19	28
Goodwill amortisation	12	12
Loss on disposal	16	-
Decrease/(Increase) in stocks	43	(6)
(Increase) in debtors	(133)	(924)
(Decrease)/Increase in creditors	(101)	223
Net cash outflow from operating activities	(119)	(466)

Wallace Group Limited

Notes to the financial statements for the year ended 30 November 2012 (continued)

23 Reconciliation of net cash flow to movement in net funds

	Note	30 Nov 2012 £'000	30 Nov 2011 £'000
Decrease in cash		(246)	(687)
Cash outflow from financing		40	89
Change in net funds		(206)	(598)
Opening net funds		524	1,122
Closing net funds	21	318	524

24 Pension costs

The company operates an executive pension plan for the directors and a group personal pension scheme for all other employees. Both of these are defined contribution schemes. The contributions paid to these schemes amounted to £5,958 (18 months period ended 30 November 2011: £11,888).

25 Ultimate controlling party

The ultimate controlling party of the group is the Turnbull family by way of their aggregate majority shareholding.

Wallace Group Limited is the only company to consolidate the company's financial statements.

26 Related party transactions

During the year the Group incurred expenses to the value of £260,269 (18 months period ended 30 November 2011: £693,728) on behalf of Ramoyle Group Limited. The debtor balance at 30 November 2012 of £839,120 (30 November 2011: £693,728) is included within other debtors. The directors have considered the recoverability of this debtor and are confident that it will be fully received.

The entities are related through the common directorships of H Turnbull and J Turnbull.