AYRSHIRE

AYRSHIRE METAL PRODUCTS plc

COMPANY REGISTRATION NUMBER SC006517

Annual Report and Financial Statements
for the year ended 31 December 2014

CONTENTS

Company information	2
Strategic Report	3
Directors' report	4-5
Report of the independent auditor	6
Accounting policies	7-8
Consolidated profit and loss account	9
Consolidated statement of total recognised gains and losses	9
Balance sheets	10
Consolidated cash flow statement	11
Notes to the financial statements	12-22

COMPANY INFORMATION

Directors	M L Wilson	Chairman
	P J Short	Managing Director
	M J Brown	
	A Izod	Appointed 11 February 2014
	D K Pickerill	
	F M Stafford-Charles	
	D Wigley	(Resigned 13 June 2014)

Company Secretary: D K Pickerill

Company Registration Number: SC006517

Registered Office: 40 North Castle Street, Edinburgh, EH2 3BN

Bankers: The Royal Bank of Scotland plc

Registered Auditor:
Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
Colmore Plaza
20 Colmore Circus
Birmingham
B4 6AT

Sales Contacts:
sales@ayrshire.co.uk
www.ayrshire.co.uk

Main Locations

Cold Roll Forming:

Ayrshire Daventry
Royal Oak Way, Daventry, Northamptonshire NN11 8NR
Telephone : 01327 300990 Fax : 01327 300885

Ayrshire St. Helens
Pocketnook Street, St. Helens, Merseyside WA9 1LT
Telephone : 01744 29145 Fax : 01744 451257

Ayrshire Warley
Anne Road, Smethwick, Warley, West Midlands B66 2NZ
Telephone : 0121 558 7739 Fax : 0121 558 7772

Overseas Subsidiary:
System-Bau-Elemente Vertriebs GmbH, Munich
Telephone : +49 89 8960840 Fax : +49 89 8341431

Registrar:
D K Pickerill - Company Secretary
Ayrshire Metal Products plc, Royal Oak Way, Daventry,
Northamptonshire NN11 8NR
Email : dave.pickerill@ayrshire.co.uk

STRATEGIC REPORT

Business review
The Group incurred a small operating loss in 2014. There is economic uncertainty that continues in the market sectors. At the year end the Group has net assets of £5.4m (2013: £6.2m) which includes cash balances of £2.6m (2013: £3.4m). The outlook for 2015 remains uncertain.

The Directors are not proposing to pay a dividend in the near future.

Principal risks and uncertainties
The Directors consider the principal risks to the business to be i) any further decline in the economic and market conditions, ii) an increase in competitive pricing and iii) reduced margins.

Key Performance Indicators

	2014	**2013**
	%	**%**
Return before tax on net assets	1.8	7.0
Return before tax on Sales	0.5	1.8
Operating Margin to Sales	(0.3)	1.1

Financial risk management and objectives
The Group finances its operations through retained profits and cash. The Group's principal financial instrument is cash. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of the cash is to maintain adequate resources for the Group's operations. The Group does not enter into derivative transactions.

The Group does not trade in financial instruments. The board reviews and agrees policies for managing each of the following risks:-

Interest rate risk
The Group seeks to deposit cash assets safely to minimise risk while maximising the interest received.

Liquidity risk
The Group seeks to ensure it has sufficient liquidity available to meet foreseeable needs. Cash reserves minimise liquidity risk.

Currency risk
The Group is exposed to translation and transaction foreign exchange risks. The Group seeks to manage these risks by limiting exposure to foreign exchange fluctuations.

Credit risk
All customers who wish to trade on credit terms are subject to credit vetting procedures, and debtors are monitored on an ongoing basis.

This report was approved by the Board and signed on its behalf.

P.J.Short
Director

Date: 19/05/2015

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the financial statements of the Group for the year ended 31 December 2014.

Results and dividends
The Group results set out on page 9 show operating loss of £73,000 (2013: profit £255,000).

A Dividend of 5p per Ordinary share was paid on 25/06/2014 (2013: No dividend paid).

Activities
Ayrshire Metal Products plc is one of the largest producers of cold rolled steel profiles in the UK with locations at Daventry, St Helens and Warley. The Group operates an overseas subsidiary in Germany.

Group research and development activities
The Group is committed to research and development in order to secure its position as one of the largest producers of cold formed profiles.

Directors
The directors of the company at the date of this report are shown on page 2. All served throughout the year unless indicated otherwise.

Mr F M Stafford-Charles retires by rotation and being eligible offers himself for re-election to the board.

Directors' Responsibilities Statement
The directors are responsible for preparing the Strategic Report and 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 Accounting Standards and applicable laws). 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006.They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT

Fixed assets
In the opinion of the Directors, the market value of the land and buildings is in excess of the book value.

Employee information
The Group's policy is to consult and discuss with employees, through staff councils, unions and at meetings, matters likely to affect employees' interests. Information on all matters of concern to employees is given through information bulletins which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance. The employment policies operated throughout the Group are designed to ensure full and fair consideration to all and, where appropriate, to promote the employment of disabled persons, and ensure continuity of employment and training for those persons who may become disabled during their period of employment with the Group. Continued close attention is paid to the health and safety of employees while at work. Consultation with employees is organised according to the particular needs of each location at which the Group operates. It is the policy of the Group that training, development and promotion opportunities should be obtainable by all employees.

Payment Policy
The Group's policy is to agree the terms of payment with suppliers prior to transacting. Trade creditors at the year end amounted to 54 days of average supplies (2013: 46 days).

Auditors
Grant Thornton UK LLP offer themselves for re-appointment as auditors in accordance with section 489 of the Companies Act 2006.

On behalf of the Board
P J Short Director

Company No: SC006517

19/05/2015

Royal Oak Way
Daventry
Northamptonshire
NN11 8NR

REPORT OF THE INDEPENDENT AUDITOR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AYRSHIRE METAL PRODUCTS PLC

We have audited the financial statements of Ayrshire Metal Products plc for the year ended 31 December 2014 which comprise the accounting policies, the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and parent company balance sheets, the consolidated cash flow statement 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 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 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, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and 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.

Grant Thornton UK LLP

Martin Ramsey
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Birmingham
19/5/15

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

Basis of accounting
The Group financial statements have been prepared under the historical cost convention.

As permitted by the Companies Act 2006, a separate profit and loss account of Ayrshire Metal Products plc is not presented as the results of the company are included in the consolidated profit and loss account.

Basis of consolidation
The consolidated accounts include the financial statements of the company and its subsidiaries made up to 31 December each year. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

Turnover
Turnover represents the invoiced sales (exclusive of value added tax) to customers outside the Group, and is recognised in the accounts when goods are despatched.

Stocks and work in progress
Inventories are valued at the lower of cost, including appropriate overheads, and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made for obsolete, slow moving and defective stocks.

Finance and operating leases
Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer, to the Group, substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Fixed assets and depreciation
Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided to write down the cost less estimated residual value of all tangible fixed assets except land, using a straight line basis at the following annual rates representing expected useful economic lives:

- Buildings 3.5 per cent
- Plant, machinery and fittings 8-50 per cent
- Motor vehicles 20-25 per cent
- Rolls and tools 33.3 per cent

Research and development
All expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

ACCOUNTING POLICIES

Current tax
The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

Deferred taxation
Deferred tax is recognised on all timing differences where the transactions or events that give the Group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax on defined benefit pension scheme surpluses or deficits is adjusted against these surpluses or deficits. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an un-discounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies
Transactions in foreign currencies are recorded at the exchange rate ruling at the date the transaction occurred. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the period end. Exchange differences are taken to the profit and loss account.

On consolidation, the accounts of the overseas subsidiaries are translated at the year-end rate of exchange. All exchange differences arising on consolidation are dealt with in the retained profits or other reserves as appropriate.

Investments
The company's investments in its subsidiaries are stated at cost less diminution in value.

Financial instruments
Financial instruments are classified according to the substance of the contractual arrangements. Financial liabilities are presented in the balance sheet as such. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Dividends are debited direct to equity.

Pension costs - defined contribution scheme
The Group operates defined contribution pension schemes for all eligible employees and directors. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds.

Pension costs - defined benefit scheme
The Group operates a defined benefit pension scheme. Certain directors are members of the scheme. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. The net surplus is recognised only to the extent that it is recoverable by the Group. The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. The expected return on scheme assets, net of the interest on scheme liabilities is included in other finance income. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

The assets of the scheme are held, administered and invested independently of the Group.

Cash and Liquid Resources
For the purpose of the cashflow statement, cash comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Turnover – continuing operations	1		21,653		24,007
Cost of sales – continuing operations			(16,148)		(17,287)
Gross profit			5,505		6,720
Distribution costs		(768)		(775)	
Administration expenses		(4,810)		(5,690)	
			(5,578)		(6,465)
Operating (loss) / profit on ordinary activities before interest – continuing operations	2		(73)		255
Profit on sale of fixed assets		10		2	
Other finance income		159		168	
Interest receivable	5	3		5	
			172		175
Profit on ordinary activities before taxation			99		430
Taxation	7		(28)		(171)
Profit on ordinary activities after taxation and profit for the financial year transferred to reserves	17		71		259

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2014	2013
Profit for the financial year	71	259
Movement on exchange differences arising on consolidation of overseas subsidiary	(152)	63
Movement in pension asset recognised surplus in the year	(278)	(265)
Deferred tax – movement in pension scheme deferred tax liability	45	90
Total (losses) / gains recognised since the last financial statements	(314)	147

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

The accompanying accounting policies and notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2014

		GROUP		PARENT COMPANY	
		2014	2013	2014	2013
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	1,198	1,267	444	553
Investments	9	-	-	960	960
		1,198	1,267	1,404	1,513
CURRENT ASSETS					
Stocks	10	1,727	1,789	469	515
Debtors	11	3,330	3,002	3,036	2,749
Cash at bank		2,589	3,439	-	909
		7,646	8,230	3,505	4,173
CREDITORS amounts falling due within one year	12	4,011	4,090	1,681	2,400
NET CURRENT ASSETS		3,635	4,140	1,824	1,773
TOTAL ASSETS LESS CURRENT LIABILITIES		4,833	5,407	3,228	3,286
PENSION ASSET	23	521	754	521	754
NET ASSETS		5,354	6,161	3,749	4,040
CAPITAL AND RESERVES					
Called up share capital	15	2,463	2,463	2,463	2,463
Capital redemption reserve	16	37	37	37	37
Profit and loss account	17	2,854	3,661	1,249	1,540
EQUITY SHAREHOLDERS' FUNDS	18	5,354	6,161	3,749	4,040

The financial statements were approved by the Board of Directors on 19/05/2015.

M L Wilson Directors M L Wilson
P J Short

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED
CASH FLOW STATEMENT

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Net cash inflow from operating activities	19	47	481
Returns on investments and servicing of finance	20a	3	5
Taxation		(36)	(479)
Capital expenditure and financial investment	20b	(222)	(293)
Equity dividends paid		(493)	-
Decrease in cash in the year	21	(701)	(286)

ANALYSIS OF NET FUNDS

	1 January 2014 £'000	Cash flow £'000	Foreign exchange rate changes £'000	31 December 2014 £'000
Net cash / funds				
Cash at bank and in hand	3,439	(701)	(149)	2,589

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ANALYSIS OF TURNOVER

The geographical analyses are not disclosed as the directors believe this is prejudicial to the interests of the Group.

2. OPERATING PROFIT

is stated after charging:	2014 £'000	2013 £'000
Depreciation of tangible fixed assets - owned assets	298	293
Auditors' remuneration:		
Fee payable to the company's auditor for the audit of the financial statements	9	11
Fees payable to the company's auditor for other services:		
Audit of the financial statements of the company's subsidiaries pursuant to legislation	19	18
Other services relating to taxation compliance	6	6
Operating lease rentals - plant, machinery and vehicles	182	202
Operating lease rentals - buildings	101	106

3. DIRECTORS' EMOLUMENTS

	2014 £'000	2013 £'000
Fees, management remuneration and taxable benefits in kind	590	820
Pension contributions to money purchase pension schemes	4	3
	594	823

During the year 4 directors (2013: 4 directors) participated in the defined benefit pension scheme and 2 directors (2013: 1 director) participated in the defined contribution pension scheme.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2014 £'000	2013 £'000
Management remuneration and taxable benefits in kind	140	232

The highest paid director's accrued pension at the year end was £59,639 p.a (2013: £56,192 p.a).

4. EMPLOYEE INFORMATION

The average number of personnel employed by the Group, including full-time executive directors, during the year was as follows:	2014 Number	2013 Number
Management	13	13
Administration	41	32
Sales	30	42
Production	56	55
	140	142

The aggregate payroll costs were:	2014 £'000	2013 £'000
Wages and salaries	5,305	5,985
Social security costs	476	497
Other pension costs	64	56
	5,845	6,538

5. INTEREST RECEIVABLE

	2014 £'000	2013 £'000
Income from short term deposits	3	5

6. PARENT COMPANY

The parent company has taken advantage of section 408(3) of the Companies Act 2006 and has not included its own profit and loss account in these Financial Statements. The parent company's profit before tax for the year was £422,150 (2013: £963,714).

7. TAXATION

	2014 £'000	2013 £'000
UK corporation tax charge	3	-
UK corporation tax: adjustments in respect of prior periods	(1)	-
Overseas tax	33	200
Total current tax	35	200
Deferred tax	(7)	(29)
Total tax charge for the year	28	171

Factors affecting the tax charge for the period

The corporation tax assessed for the period is different than the standard rate in the UK of 21.50% (2013: 23.25%). The differences are explained as follows:-

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	99	430
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	21	100
Effects of:		
Expenses not deductible for tax purposes	6	2
Pension scheme service costs	34	39
Pension scheme net finance income	(34)	(39)
Depreciation for the period in excess of capital allowances	-	12
Capital allowances for the period in excess of depreciation	(20)	-
Higher rate tax paid on overseas subsidiaries	2	48
Adjustments in respect of prior periods	26	38
Current tax charge for year	35	200

The Group has tax losses of £243,618 available to carry forward to offset against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS

8. TANGIBLE ASSETS

	GROUP		PARENT COMPANY	
	£'000	£'000	£'000	£'000
	Property	Plant	Property	Plant
Cost at 1 January 2014 (as restated)	1,886	10,467	310	4,171
Additions	-	247	-	72
Disposals	(2)	(190)	-	(69)
Exchange movement	-	(23)	-	-
Cost at 31 December 2014	1,884	10,501	310	4,174
Depreciation at 1 January 2014 (as restated)	1,500	9,586	261	3,667
Charge for the year	9	289	1	170
Disposals	(2)	(175)	-	(59)
Exchange movement	-	(20)	-	-
Depreciation at 31 December 2014	1,507	9,680	262	3,778
Net book value at 31 December 2014	377	821	48	396
Net book value at 31 December 2013	386	881	49	504

Cost and depreciation brought forward at 1 January 2014 have been restated for assets that were disposed when the Group's site at Irvine was closed. The assets had a £nil net book value at 31 December 2013.

Included in the net book value of property is £296,265 (2013: £296,265) of land which is not depreciated. Included in Plant are plant, machinery, fittings, rolls and tools and motor vehicles.

Net book value of property of £377,000 (2013: £386,000) relates entirely to freehold land and buildings.

9. INVESTMENTS

	PARENT COMPANY	
	2014	2013
	£'000	£'000
Subsidiary undertakings		
At 1 January	960	10
Additions	-	950
At 31 December	960	960

Subsidiary undertakings

At 31 December 2014, and throughout the year ended on that date, the company owned directly the whole issued ordinary share capital of:	**Nature of business**
Ayrshire Metal Products (Daventry) Ltd. (Registered in Scotland)	Cold roll forming
Ayrshire Metal Pension Trust Ltd. (Registered in Scotland)	Dormant
Ayrframe Ltd. (Registered in Scotland)	Dormant
Airframe Ltd. (Registered in England)	Dormant
Ayrshire Steel Framing Ltd. (Registered in England)	Cold roll forming

At 31 December 2014, and throughout the period beginning 11 July 2014, the company owned directly (previously owned through the ownership of Ayrshire Metal Products (Daventry) Ltd) the whole issued ordinary share capital of:

System-Bau-Elemente Vertriebs GmbH (incorporated in Germany)	Cold roll forming

10. STOCKS

	GROUP		PARENT COMPANY	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Raw materials and consumables	1,092	1,162	309	367
Work in progress	635	627	160	148
	1,727	1,789	469	515

The difference between the above values and estimated replacement costs is not material.

11. DEBTORS due within one year

	GROUP		PARENT COMPANY	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Trade debtors	2,633	2,376	1,216	1,232
Deferred taxation (note 13)	73	66	107	93
Corporation tax	185	184	-	84
Amounts owed by subsidiary undertakings	-	-	1,605	1,250
Tax and social security	144	120	-	-
Other debtors and prepayments	295	256	108	90
	3,330	3,002	3,036	2,749

12. CREDITORS amounts falling due within one year

	GROUP		PARENT COMPANY	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Bank loans and overdrafts	-	-	232	-
Trade creditors	2,740	2,074	832	866
Tax and social security	-	-	27	39
Amounts owed to subsidiary undertakings	-	-	195	562
Accruals and deferred income	1,271	2,016	395	933
	4,011	4,090	1,681	2,400

13. DEFERRED TAXATION

Deferred tax asset

	GROUP		PARENT COMPANY	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Accelerated depreciation	14	12	52	39
Unutilised losses	49	49	49	49
Other timing differences	10	5	6	5
Deferred tax asset included in debtors (note 11)	73	66	107	93
The movement in the year is as follows				
At 1 January 2014	66	37	93	53
Credit during the year	7	29	14	40
At 31 December 2014	73	66	107	93

14. PROVISIONS FOR LIABILITIES AND CHARGES

	GROUP	PARENT COMPANY
	£'000	£'000
At 1 January 2014	188	188
Charged during the year for statement of total recognised gains and losses items	(45)	(45)
At 31 December 2014	143	143

The deferred taxation provided in the financial statements represents the full potential liability on the pension scheme asset and is set off against the pension scheme asset within the balance sheet (see note 23 b).

15. CALLED UP SHARE CAPITAL

	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Authorised	£'000	£'000	£'000	£'000
12,000,000 ordinary shares of 25p	3,000	3,000	3,000	3,000
Allotted, called up and fully paid				
9,850,638 (2013: 9,850,638) ordinary shares of 25p	2,463	2,463	2,463	2,463

16. CAPITAL REDEMPTION RESERVE

	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
At 31 December	37	37	37	37

17. PROFIT AND LOSS ACCOUNT

	GROUP	PARENT COMPANY
	£'000	£'000
At 1 January 2014	3,661	1,540
Profit for the year	71	435
Exchange differences arising on consolidation	(152)	-
Movement in net pension asset	(233)	(233)
Equity dividend paid	(493)	(493)
At 31 December 2014	2,854	1,249

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£'000	£'000
Profit and loss account		
Balance at 1 January	3,661	3,514
Profit for the financial year	71	259
Exchange differences arising on consolidation	(152)	63
Movement in net pension asset	(233)	(175)
Equity dividend paid	(493)	-
Balance at 31 December	2,854	3,661
Share capital - Note 15	2,463	2,463
Capital redemption reserve - Note 16	37	37
	5,354	6,161

NOTES TO THE FINANCIAL STATEMENTS

19. CASH FLOW FROM OPERATING ACTIVITIES

	2014 £'000	2013 £'000
Operating (loss) / profit	(73)	255
Depreciation on tangible fixed assets	298	293
Pension scheme current service costs	(159)	168
Decrease in stocks	62	565
(Increase) / decrease in debtors	(320)	744
Decrease in creditors	(79)	(1,544)
Net cash inflow from operating activities	47	481

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

		2014 £'000	2013 £'000
a	**Returns on investments and servicing of finance**		
	Interest received	3	5
	Net cash inflow for returns on investments and servicing of finance	3	5
b	**Capital expenditure and financial investment**		
	Purchase of tangible fixed assets	(247)	(296)
	Sale of tangible fixed assets	25	3
		(222)	(293)

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014 £'000	2013 £'000
Decrease in cash in the year	(701)	(286)
Cash outflow from finance leases	-	-
Change in net debt resulting from cash flows	(701)	(286)
Exchange rate movements	(149)	62
Movement in net funds in the year	(850)	(224)
Net funds at 1 January	3,439	3,663
Net funds at 31 December	2,589	3,439

22. CAPITAL COMMITMENTS

	GROUP		PARENT COMPANY	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Expenditure contracted for but not provided for amounts to	101	18	31	18
Expenditure authorised but not contracted for	33	44	7	-

23. PENSION SCHEMES

(a) Group Personal Pension Scheme
Both the Group and the members contribute to the Group Personal Pension Scheme.

(b) Senior Officials' Pension Fund
Ayrshire Metal Products plc sponsors the Ayrshire Metal Products Senior Officials' Pension Scheme which is a funded defined benefit (final salary) arrangement.

Over the financial year the employer has continued to enjoy a contribution holiday except for the payment of premiums to insure death in service benefits, cost of levies to the Pension Protection Fund and ongoing administrative and management expenses of running the scheme.

As the scheme is closed to new entrants, the current service cost as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll.

Present values of scheme liabilities, fair value of assets and surplus

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Fair value of scheme assets	12,060	12,711	10,983	10,132	10,467
Present value of scheme liabilities	4,938	5,476	5,945	5,023	4,350
Surplus in scheme	**7,122**	**7,235**	**5,038**	**5,109**	**6,117**
Unrecoverable surplus	(6,458)	(6,293)	(3,831)	(3,812)	(4,873)
Asset to be recognised	**664**	**942**	**1,207**	**1,297**	**1,244**
Deferred tax	(143)	(188)	(278)	(344)	(348)
Net asset to be recognised	**521**	**754**	**929**	**953**	**896**

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Year Ended 31/12/14 £'000	Year Ended 31/12/13 £'000
Present value of scheme liabilities at start of period	5,476	5,945
Current service cost	159	168
Interest cost	219	260
Actuarial losses / (gains)	911	(766)
Benefits paid	(1,827)	(131)
Present value of scheme liabilities at the end of year	**4,938**	**5,476**

Reconciliation of opening and closing balances of the fair value of scheme assets

	Year Ended 31/12/14 £'000	Year Ended 31/12/13 £'000
Fair value of scheme assets at start of period	12,711	10,983
Expected return on scheme assets (limit after restriction due to part of the surplus not being recoverable)	378	428
Actuarial gains .	798	1,431
Benefits paid	(1,827)	(131)
Fair value of scheme assets at end of period	**12,060**	**12,711**

The actual return on the scheme assets over the period ended 31 December 2014 was a profit of £1,177,000.

Total income recognised in profit and loss account

	Year Ended 31/12/14 £'000	Year Ended 31/12/13 £'000
Current Service Cost	(159)	(168)
Interest Cost	(219)	(260)
Expected return on scheme assets (limit after restriction due to part of the surplus not being recoverable)	378	428
Total income recognised in the profit and loss account	-	-

For the period ended 31 December 2014, the expected return on scheme assets would have been £707,271 (2013 - £555,000) if there had been no limit on the expected return on scheme assets due to some of the surplus not being recoverable.

For the period ended 31 December 2014, the surplus did cause the expected return on scheme assets to be restricted.

The current service cost is included in administrative expenses. The interest cost and expected return on scheme assets are included net in other finance income.

NOTES TO THE FINANCIAL STATEMENTS

Statement of total recognised gains and losses

	Year Ended 31/12/14 £'000	Year Ended 31/12/13 £'000
Difference between expected and actual return on scheme assets: Amount : gain	798	1,431
Experience gains and losses arising on the scheme liabilities: Amount : (loss) /gain	(202)	517
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: Amount : (loss) / gain	(709)	249
Total actuarial gains and losses (before restriction due to some of the surplus not being recoverable) Amount : (loss) / gain	**(113)**	**2,197**
Effect on limit of amount of surplus recognised due to some of the surplus not being recoverable: Amount : (loss)	(165)	(2,462)
Total amount recognised in statement of total recognised gains and losses: Amount : (loss)	**(278)**	**(265)**

Assets

The major categories of scheme assets, are as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Equities	9,720	9,579	7,774	7,072	7,763
Bonds	2,279	2,911	3,020	2,938	2,585
Cash	61	221	189	122	119
Total Assets	12,060	12,711	10,983	10,132	10,467

None of the fair values of the assets shown above include any of the company's own financial instruments or any property occupied by, or other assets used by, the company.

Assumptions

	2014 % per annum	2013 % per annum	2012 % per annum	2011 % per annum	2010 % per annum
Inflation	3.15	3.45	2.70	2.90	3.60
Salary increases	3.45	3.75	3.00	3.20	3.90
Rate of discount	3.75	4.70	4.30	5.00	5.80
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.50	3.50	3.50	3.50	3.60
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	2.15	2.45	2.00	1.90	3.60
Allowance for commutation of pension cash at retirement.	Nil	Nil	Nil	Nil	Nil

The mortality assumptions adopted at 31 December 2014 imply the following future life expectancies:

Male currently age 40	50 years
Female currently age 40	53 years
Male currently age 60	28 years
Female currently age 60	31 years

Expected long term rates of return

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

The expected long term rates of return applicable at the start of each period are as follows:

	Year Ended 31/12/14 % per annum	Year Ended 31/12/13 % per annum
Equities	5.65	6.85
Bonds	2.40	3.60
Cash	0.50	0.50

Amounts for the current and previous four periods

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Fair value of assets	12,060	12,711	10,983	10,132	10,467	9,186	7,642
Present value of scheme liabilities	4,938	5,476	5,945	5,023	4,350	4,325	3,390
Surplus in scheme	7,122	7,235	5,038	5,109	6,117	4,861	4,252
Experience adjustment on scheme liabilities	(202)	517	40	56	11	(102)	(17)
Experience adjustment on scheme assets	798	1,431	557	(674)	1,044	1,191	(2,578)

Estimate of contributions to be paid to scheme

The best estimate of contributions to be paid by the employer to the scheme for the period beginning 1 January 2015 is £Nil (excluding premiums to insure death in service benefits, costs of levies to the Pension Protection Fund and ongoing administrative and management expenses of running the scheme).

24. OPERATING LEASES

Payments due under operating leases at 31 December are as follows:-

	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Expiring within one year	85	114	70	97
Expiring within two to five years	104	113	50	49
	189	227	120	146

25. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Guarantees given in respect of performance bonds in the normal course of business amounted to £1,800 at 31 December 2014 (2013: £1,921).

The company is a party to an unlimited cross guarantee arrangement with certain other subsidiary undertakings in respect of Group banking arrangements. At 31 December 2014 the company has a contingent liability of £Nil (2013: £Nil) in respect of this guarantee.

Apart from as disclosed above, the company has no other contingent liabilities (2013: £Nil).

26. ULTIMATE CONTROLLING PARTY

Knapdale (Nominees) Ltd, a company controlled by M.L. Wilson, holds 5,114,000 of the Company's issued share capital and is the ultimate controlling party.