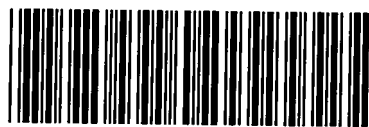


REDMAN FISHER ENGINEERING LIMITED

Registered number 00169316

Annual Report and Financial Statements
For the year ended 31 December 2013

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Strategic report

Principal activity

The principal activity of the Company was the design, manufacture, supply and installation of a range of steel and GRP access solutions as well as railway platforms, security products and gantries.

Business review and future developments

Overview - Turnover for the year was £7,992,000 (2012: £17,257,000), resulting in an operating loss before reorganisation costs of £2,182,000 (2012: £3,233,000). The substantial reduction in turnover during the year reflects rationalisation of the business early in 2013, in order to reduce exposure to the very challenging UK contracting market, and the completion of the onerous gantry contracts undertaken during the prior year. Despite these changes, the Company continued to suffer operating losses and as a result the decision was taken in December 2013 to close the Company's manufacturing facility in Telford and transfer the Company's trade and certain of its assets to Lionweld Kennedy Flooring Limited, a fellow Group undertaking with similar activities. This transfer was completed on 19 December 2013, following which the Company ceased to trade.

Corporate Social Responsibility - The Company recognises the importance of balancing the interest of key stakeholders - employees, customers, shareholders, suppliers and the wider community in which it operates. The Company remains committed to a continuous improvement in its environmental performance to ensure that its activities comply with environmental standards and legislation. Further details of the Group's CSR activities can be found in its annual report.

Health and Safety - Health and safety remains core to the Company's business. The Company has recently been awarded a RoSPA Occupational Health & Safety Gold Award and is now part of Hill & Smith Holdings PLC's Health and Safety Management System, benefitting from the support of the Group's health and safety function and placing additional resource in this important area. Further details of the Group's health and safety activities can be found in the Hill & Smith Holdings PLC annual report.

Principal risks and uncertainties

The Board continues to develop policies and procedures that reflect the nature and scale of the Company's business. These are designed to identify, mitigate and manage risk. The board has not identified any key areas of risk to the business following the cessation of trade in 2013.

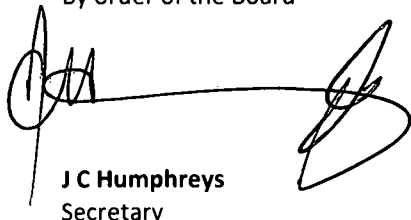
Key performance indicators

The Group's key performance indicators are commented on in detail in the Hill & Smith Holdings PLC annual report. Those that specifically relate to the Company are as follows:

Financial - The Company considers revenue, operating profit, operating margin and net cash flow from operating activities to be its principal financial key performance indicators.

Non-financial - Health and safety, energy efficiency, emissions, use of recycled products and waste management are all principal areas of focus for the Company.

By order of the Board



J C Humphreys
Secretary

16 May 2014

Westhaven House
Arleston Way
Shirley
Solihull
West Midlands
B90 4LH

Directors' report

The directors present their report and audited Financial Statements for the year ended 31 December 2013.

Research and development

The Company invested a total of £nil (2012: £99,000) in research and development during the year.

Dividends

No dividend payment has been made in the year ended 31 December 2013 (2012: £nil). There are no proposed dividends. Dividends of £nil (2012: £501,000) were received from the Company's subsidiaries.

Directors

The directors serving during the year and in the period up to the date of this report, none of whom has any beneficial interest in the shares of the Company, were as follows:

I J Harpin (resigned 25 March 2013)
J C Humphreys
I R Kirkup
D W Muir
M Pegler
I E Robinson
M A Tonks (resigned 1 January 2014)

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Employees

Details of the number of employees and related costs can be found in note 6 to the Financial Statements.

Applications for employment by disabled persons are considered fully, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company participates in Hill & Smith Holdings PLC's policies and practices to keep employees informed on matters relevant to them as employees through appropriate means, such as employee meetings and newsletters.

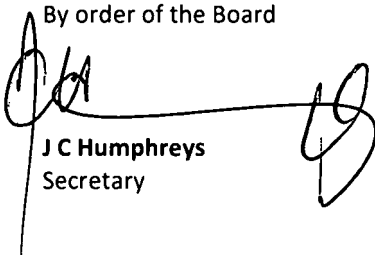
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The Company's auditor, KPMG Audit Plc, has instigated an orderly wind down of business. The Company has approved the appointment of KPMG LLP as auditor with effect from 14 May 2014.

By order of the Board



J C Humphreys
Secretary

16 May 2014

Westhaven House
Arleston Way
Shirley
Solihull
West Midlands
B90 4LH

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the Financial Statements

The directors are responsible for preparing the strategic report, 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 they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Redman Fisher Engineering Limited

We have audited the Financial Statements of Redman Fisher Engineering Limited for the year ended 31 December 2013 set out on pages 5 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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.

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 Company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

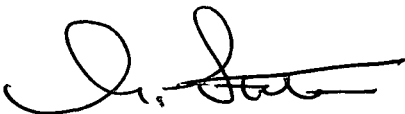
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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, 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.



Michael Steventon (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc,
Statutory Auditor

16 May 2014

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Profit and loss account
for the year ended 31 December 2013

		Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
	<i>Note</i>		
Turnover	2	7,992	17,257
Cost of sales		(8,810)	(17,859)
Gross loss		(818)	(602)
Distribution costs		(89)	(157)
Administrative expenses		(7,672)	(2,474)
Other operating income		-	-
Operating loss before re-organisation costs		(2,182)	(3,233)
Re-organisation costs	3	(6,397)	-
Operating loss		(8,579)	(3,233)
Profit on sale of fixed assets		-	-
Income from shares in subsidiary undertakings		-	501
Loss on ordinary activities before interest and taxation		(8,579)	(2,732)
Interest receivable	7	-	-
Interest payable and similar charges	8	(386)	(346)
Loss on ordinary activities before taxation	4	(8,965)	(3,078)
Taxation on loss on ordinary activities	9	7,225	2,967
Loss for the financial year		(1,740)	(111)

All operations are discontinued.

There were no recognised gains or losses during the current or preceding year apart from the loss for the financial year shown above.

The notes on pages 8 to 24 form part of these financial statements.

REDMAN FISHER ENGINEERING LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2013

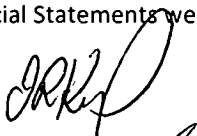
Balance sheet
as at 31 December 2013

	Note	2013	2012
		£000	£000
Fixed assets			
Intangible assets	10	-	209
Tangible assets	11	-	610
Investments	12	886	886
		<hr/>	<hr/>
		886	1,705
Current assets			
Stocks	13	-	1,663
Debtors	14	6,784	15,989
Cash at bank and in hand		680	-
		<hr/>	<hr/>
		7,464	17,652
Creditors: Amounts falling due within one year	15	(1,936)	(17,947)
		<hr/>	<hr/>
Net current assets/(liabilities)		5,528	(295)
		<hr/>	<hr/>
Total assets less current liabilities		6,414	1,410
Creditors: Amounts falling due after more than one year	16	-	-
Provisions for liabilities and charges	17	(4,532)	(550)
		<hr/>	<hr/>
Net assets		1,882	860
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	18	3,438	3,438
Share premium account	19	2,762	-
Revaluation reserve	19	-	-
Capital redemption reserve	19	-	-
Other reserves	19	-	-
Profit and loss account	19	(4,318)	(2,578)
		<hr/>	<hr/>
Equity shareholder's funds		1,882	860
		<hr/>	<hr/>

The notes on pages 8 to 24 form part of these financial statements.

These Financial Statements were approved by the board of directors and signed on their behalf by:

I R Kirkup
Director



I E Robinson
Director



Date: 16 May 2014

Company No. 00169316

Reconciliation of movements in shareholder's funds
for the year ended 31 December 2013

	Note	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Loss for the financial year		(1,740)	(111)
Dividends paid	23	-	-
Retained Loss		(1,740)	(111)
Share capital issued during the year		-	-
Share premium issued during the year		2,762	-
Increase/(decrease) in shareholder's funds		1,022	(111)
Opening shareholder's funds		860	971
Closing shareholder's funds		1,882	860

Notes

(forming part of the Financial Statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable UK GAAP Accounting Standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report on page 1.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the Company's ultimate parent Hill & Smith Holdings PLC to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements.

Consolidation

In accordance with Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company incorporated in England, which has prepared consolidated Financial Statements to include the results of the Company.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less amounts written off for impairment. Investments are reviewed for impairment where events or circumstances indicate that their carrying value may not be recoverable.

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated Financial Statements.

Tangible Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant, equipment and vehicles	-	4 to 20 years
Land and buildings	-	50 years
Leasehold assets	-	the life of the lease

Stocks and work in progress

These are valued on a "first-in, first-out" basis at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes all production overheads and the attributable proportion of indirect overhead expenses. In respect of contracts, the stage of completion is assessed by reference to work performed.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date, except as otherwise required by FRS 19.

Notes (continued)

1 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at closing rates at the balance sheet date and the gains or losses on translation included in the Profit and Loss Account.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. Contract turnover is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity. When the outcome of a contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Goodwill

Goodwill arising on acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised as a fixed asset and amortised on a straight line basis over its estimated useful economic life up to a maximum of 20 years.

Other intangible assets

Other intangible assets identified, such as customer lists, are valued at their fair value at the time of acquisitions and are capitalised as a fixed asset which is amortised on a straight line basis over its estimated useful economic life up to a maximum of 20 years.

Research and development

Expenditure on development activities may be capitalised if the product or process is considered to be technically and commercially viable and the Company has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Profit and Loss Account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is provided equally over the estimated useful economic life of the assets concerned currently up to 7 years.

Pension scheme arrangements

The Company participates in the Hill & Smith Executive Pension Scheme and the Hill & Smith Pension Scheme, as described in note 22.

As the Company is unable to identify its share of the Group pension scheme assets in respect of the defined benefit sections on a consistent and reasonable basis, as permitted by FRS 17 the schemes are accounted for as if they are defined contribution schemes.

Contributions in respect of defined contribution schemes are charged to the profit and loss account in the period to which they relate.

Leased assets

Assets held under leases which confer rights and obligations similar to those attaching to owned assets are capitalised as tangible fixed assets and the corresponding liability to pay rentals is shown net of interest in the accounts as obligations under finance leases. Interest is calculated on the reducing balance basis and is charged over the period of the lease.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Notes (continued)

1 Accounting policies (continued)

Share based payments

The share option programme allows employees to acquire shares of the ultimate parent company Hill & Smith Holdings PLC. The fair value of options granted after 7 November 2002 and those not yet vested by 31 December 2004 are not recognised as an employee expense, those vested 1 January 2005 onwards are expensed with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Share-based payments are recharged by the ultimate parent company to participating subsidiary undertakings on an annual basis.

Where the Company's parent grants rights to its equity instruments to the Group's or the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Group or the Company as the case may be account for these share-based payments as equity settled.

Dividends

Dividends are recognised in the Financial Statements in the period in which they are approved by the Company's shareholders.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these Financial Statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

2 Turnover

The turnover of the company is derived from the following geographical markets:

	2013 £000	2012 £000
United Kingdom	7,869	17,174
Rest of Europe	91	83
North America	-	-
Asia	-	-
Rest of the world	32	-
	7,992	17,257

In the opinion of the directors, there is only one class of business.

3 Reorganisation costs

Reorganisation costs of £6,397,000 (2012: £nil) incurred during the year relate to the following:

- Costs of £694,000 were incurred in February 2013 as part of the rationalisation of the business in order to reduce exposure to the challenging UK contracting market.
- Costs of £659,000 were incurred in December 2013 in respect of the Company's exit from an onerous leased property.
- On 19 December 2013 the Company announced the closure of its manufacturing facility in Telford and the transfer of its trade and certain assets to Lionweld Kennedy Flooring Limited, a fellow Group undertaking. Reorganisation costs of £5,044,000 were recognised in respect of the closure.

4 Loss on ordinary activities before taxation

	2013 £000	2012 £000
Loss on ordinary activities before taxation is stated		
<i>after charging:</i>		
Depreciation:		
Owned assets	110	141
Leased assets	-	-
Amortisation of intangible assets	38	91
Impairment of fixed assets	592	313
Operating leases:		
Plant and equipment	144	100
Other assets	301	325
Auditor's remuneration	22	22
Research and development expenditure	-	-
Foreign exchange loss	-	-
Loss on sale of fixed assets	-	-
<i>after crediting:</i>		
Rental income from operating leases	-	-
Grant income	-	-
Foreign exchange gain	-	-
Profit on sale of fixed assets	-	-

Fees paid to KPMG Audit Plc and its associates for non-audit services to the company itself are not disclosed because Hill & Smith Holdings PLC Group accounts are required to disclose such fees on a consolidated basis.

Notes (continued)

5 Remuneration of directors

Aggregate directors' remuneration for the year was as follows:

	2013	2012
	£000	£000
Emoluments	60	198
Compensation for loss of office	-	-
Company contributions to money purchase pension schemes	5	17
	65	215
	Number	Number
Directors exercising share options	1	-
Directors who are members of defined benefit pension schemes	-	-

The remuneration of the highest paid director is not required to be disclosed.

6 Staff numbers and costs

The average number of persons employed by the company (including directors) all of whom were involved in the principal activity was:

	2013	2012
	Number	Number
Production	58	112
Administration	6	7
Sales and distribution	6	10
	70	129

The aggregate payroll costs of these persons were:

	£000	£000
Wages and salaries	2,411	3,137
Share-based payment (see note 24)	4	1
Social security costs	211	320
Other pension costs	53	43
	2,679	3,501

Notes *(continued)*

7 Interest receivable

	2013	2012
	£000	£000
Bank interest receivable	-	-
Deposit interest receivable	-	-
On loans to group undertakings	-	-
Other interest receivable	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

8 Interest payable and similar charges

	2013	2012
	£000	£000
Bank interest payable	310	283
Other loan interest payable	-	-
Finance charges payable in respect of finance leases and hire purchase contracts	-	-
On loans from group undertakings	76	63
Other interest payable	-	-
	<hr/>	<hr/>
	386	346
	<hr/>	<hr/>

9 Taxation on loss on ordinary activities

Analysis of credit in year

	2013	2012
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	(6,288)	(2,800)
Relating to the prior year	(855)	(163)
	<hr/>	<hr/>
Current tax credit	(7,143)	(2,963)
<i>Deferred tax (see note 17)</i>		
Origination/reversal of timing differences	(121)	(11)
Relating to the prior year	29	(1)
Effect of change in tax rate	10	8
	<hr/>	<hr/>
Total tax credit	(7,225)	(2,967)
	<hr/>	<hr/>

Notes (continued)

9 Taxation on loss on ordinary activities (continued)

Factors affecting tax credit for the year

The effective current tax credit for the year is higher (2012: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2013 £000	2012 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(8,965)	(3,078)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by the effective rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(2,084)	(754)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	482	2
Income taxed in prior year	-	-
Differences between capital allowances and depreciation	61	(2)
Income and expenditure timing differences	79	13
Non-taxable dividend income	-	(123)
Group relief received for full payment	(4,826)	(1,936)
Double tax relief	-	-
Deductible items not charged against profit	-	-
Relating to the prior year	(855)	(163)
	<hr/>	<hr/>
Current tax credit	(7,143)	(2,963)
	<hr/>	<hr/>

From 1 April 2013 the main rate of corporation tax in the UK reduced from 24% to 23%.

On 20 March 2013, the UK Government announced that the main rate of corporation tax in the UK would reduce to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes were substantively enacted on 2 July 2013. The deferred tax asset/liability provided at the balance sheet date has therefore been calculated at 20% on the basis that it will materially reverse after 1 April 2015.

Notes *(continued)*

10 Intangible assets

	Goodwill £000	Other intangibles £000	Capitalised R&D £000	Total £000
Cost				
At 1 January 2013	-	-	626	626
Acquisitions	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	-	-	626	626
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 January 2013	-	-	417	417
Charge for the year	-	-	38	38
Impairment	-	-	171	171
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	-	-	626	626
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2013	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	-	-	209	209
	<hr/>	<hr/>	<hr/>	<hr/>

There were no acquisitions during the year.

An impairment charge of £171,000 was recognised in the year in respect of development costs associated with the Company's access cover products following the exit from this market in December 2013.

Notes *(continued)*

11 Tangible fixed assets

	Land and buildings £000	Plant, equipment and vehicles £000	Total £000
Cost			
At 1 January 2013	81	8,156	8,237
Acquisitions	-	-	-
Additions	21	25	46
Disposals	-	(282)	(282)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	102	7,899	8,001
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2013	-	7,627	7,627
Impairment	56	365	421
Charge for the year	46	64	110
Disposals	-	(157)	(157)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	102	7,899	8,001
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2013	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2012	81	529	610
	<hr/>	<hr/>	<hr/>

The gross book value of land and buildings includes freehold land of £nil (2012: £81,000).

Impairment charges of £421,000 were recognised during the year following the announcement of the closure of the Company's manufacturing facility in December 2013.

The cost or valuation figures for property include no valuation on an open market value for existing use basis.

The amount of revalued property as determined according to the historical cost accounting rule is:

	2013 £000	2012 £000
Cost	-	-
Impairment	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Included within plant, equipment and vehicles are assets held for hire with an accumulated cost of £nil (2012: £nil) and accumulated depreciation of £nil (2012: £nil).

Included in the total net book value of plant, equipment and vehicles is £nil (2012: £nil) in respect of assets held under finance leases and similar hire purchase contracts.

Notes *(continued)*

12 Investments

	Shares in subsidiary undertakings £000
Cost	
At 1 January 2013	886
Additions	-
Disposals	-
	<hr/>
At 31 December 2013	886
	<hr/>
Provisions	
At 1 January 2013	-
Provided	-
Disposals	-
	<hr/>
At 31 December 2013	-
	<hr/>
Net realisable value	
At 31 December 2013	886
	<hr/>
At 31 December 2012	886
	<hr/>

The Company holds the following investments:

- 100% of the share capital of Bettles and Company Limited, a dormant company incorporated in England & Wales.
- 100% of the share capital of Redman Fisher Limited, a company incorporated in the Republic of Ireland, whose principal activity is industrial flooring.
- 50% of the share capital of Staco Redman Limited, a company incorporated in Great Britain, whose principal activity is industrial flooring.

13 Stocks

	2013 £000	2012 £000
Raw material and consumables	-	678
Work in progress	-	985
Finished goods	-	-
	<hr/>	<hr/>
	-	1,663
	<hr/>	<hr/>

Notes *(continued)*

14 Debtors

	2013	2012
	£000	£000
Trade debtors	-	6,948
Amounts owed by group undertakings	286	5,626
Group relief receivable	6,289	2,800
Corporation tax	-	-
Deferred tax (note 17)	82	107
Prepayments and accrued income	127	172
Other tax and social security	-	285
Other debtors	-	51
	6,784	15,989

Intercompany loans are unsecured and with no fixed repayment date. Interest is charged at a rate equivalent to the Group's average borrowing rate for the year.

15 Creditors: amounts falling due within one year

	2013	2012
	£000	£000
Bank loans and overdrafts	-	10,108
Obligations under finance leases and similar hire purchase contracts	-	-
Bills of exchange	-	-
Trade creditors	1,139	2,981
Amounts owed to group undertakings	673	4,182
Other creditors	-	-
Corporation tax	-	-
Other tax and social security	60	115
Accruals and deferred income	64	561
	1,936	17,947

Intercompany loans are unsecured and with no fixed repayment date. Interest is charged at a rate equivalent to the Group's average borrowing rate for the year.

Notes *(continued)*

16 Creditors: amounts falling due after more than one year

	2013	2012
	£000	£000
Bank loans and overdrafts	-	-
Obligations under finance leases and similar hire purchase contracts	-	-
Grants	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Obligations under finance leases are payable as follows:		
Within one year	-	-
In the second to fifth year	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

17 Provisions for liabilities and charges

	Deferred tax £000	Other provisions £000	Total £000
At 1 January 2013	-	550	550
Profit and loss account	15	4,532	4,547
Effect of change in tax rate	10	-	10
Utilised during the year	-	(550)	(550)
Transferred to debtors (note 14)	(25)	-	(25)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	-	4,532	4,532
	<hr/>	<hr/>	<hr/>

Other provisions relate to costs associated with the closure of the Company's manufacturing facility in 2013 and the cessation of its trading activities. The provision is expected to be utilised over the next two years.

Details of amounts provided or included in debtors (see note 14) for deferred taxation follow:

	2013	2012
	£000	£000
Difference between accumulated depreciation, amortisation and capital allowances	-	(67)
Other timing differences	(82)	(40)
	<hr/>	<hr/>
	(82)	(107)
	<hr/>	<hr/>

Notes (continued)

18 Called up share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
6,876,002 (2012: 6,876,000) ordinary shares of 50p each	3,438	3,438
Nil "A" ordinary shares of £1 each	-	-
Nil "B" ordinary shares of £1 each	-	-
Nil deferred shares of £1 each	-	-
	<u>3,438</u>	<u>3,438</u>

On 19 December 2013 the Company issued 2 ordinary shares for a consideration of £2,762,000.

19 Share premium and reserves

	Share premium account £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 January 2013	-	-	-	(2,578)
Loss on ordinary activities after tax	-	-	-	(1,740)
Issued (note 18)	2,762	-	-	-
Dividends	-	-	-	-
	<u>2,762</u>	<u>-</u>	<u>-</u>	<u>(4,318)</u>
At 31 December 2013	2,762	-	-	(4,318)

20 Contingent liabilities

The Company is a party to cross guarantees given for bank loans and overdrafts of the ultimate parent company and certain fellow subsidiaries amounting to £116,593,000 (2012: £106,766,000).

The Company has no other guarantees (2012: *Nil*).

21 Commitments

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Operating leases which expire:				
Within one year	-	-	14	10
Within two to five years	-	-	101	90
After more than five years	325	325	-	-
	<u>325</u>	<u>325</u>	<u>115</u>	<u>100</u>

The Company had capital expenditure contracted but not provided in the Financial Statements at the year end of £nil (2012: *Nil*).

At the year end, the Company had no forward currency contracts in place.

Notes (continued)

22 Pension Scheme

The Company is a subsidiary of Hill & Smith Holdings PLC and participates in the Hill & Smith Executive Pension Scheme and the Hill & Smith Pension Scheme, the former providing benefits on a defined benefit basis and the second scheme providing benefits that are on a defined benefit and a defined contribution basis. Details of the schemes and their most recent actuarial valuation are contained in the Financial Statements of Hill & Smith Holdings PLC.

The pension cost for the year represents contributions payable by the company to the fund and amounted to £53,000 (2012: £43,000).

23 Dividends

	2013 £000	2012 £000
Aggregate amount of dividends paid in the financial year	-	-

24 Share-based payments

Employees of the Company have been granted various options in the ultimate parent company, which have given rise to charges related to the implied share-based payments, the details of which follow:

Under Executive Share Option Schemes, options may be awarded at the discretion of the Committee to acquire Ordinary Shares at an exercise price no lower than the market value of a share at the date of grant. The options can only be exercised between three and ten years after the date of grant. Additionally options may only be exercised if the growth in underlying earnings per share of the Company over a three year period is not less than the increase in the Retail Price Index plus nine per cent, over the same period.

Long term incentive plans (LTIP) are shares awarded in the Hill & Smith Holdings PLC to select senior management within the Group. The maximum award to any individual is 100% of their basic salary and generally can not be assigned or transferred. The size and final vesting of the award is based on the Group's underlying EPS and TSR performance over a three year period.

Notes (continued)

24 Share-based payments (continued)

The ShareSave Schemes are open to all employees who have completed at least six months' continuous service. Under this scheme the Company can, if it thinks fit, grant options at a price up to twenty per cent below the market price.

	Number of shares	2013 Option price (p)	Number of shares	2012 Option price (p)	Date first exercisable	Expiry date
2005 Executive Share Option Scheme (granted October 2005)	-	205	-	205	4 Oct 2008	4 Oct 2015
2007 Executive Share Option Scheme (granted April 2007)	-	350	-	350	13 Apr 2010	13 Apr 2017
2012 Executive Share Option Scheme (granted April 2012)	30,000	316	-	316	19 Apr 2015	19 Apr 2022
2013 grant of 2007 LTIP Award	-	-	-	-	^	^
2012 grant of 2007 LTIP Award	-	-	-	-	^	^
2011 grant of 2007 LTIP Award	-	-	-	-	^	^
2010 grant of 2007 LTIP Award	-	-	-	-	^	^
2008 (Jan) grant of 2005 Savings Related Share Option Scheme [#]	-	318	7,021	318	1 Jan 2013	1 Jul 2013
2008 (Dec) grant of 2005 Savings Related Share Option Scheme [#]	-	246	2,450	246	1 Dec 2013	1 Jun 2014
2011 (Jan) grant of 2005 Savings Related Share Option Scheme [#]	25,960	238	32,580	238	1 Jan 2016	1 Jul 2016
2013 (Apr) grant of 2005 Savings Related Share Option Scheme [#]	18,083	355	-	-	1 Jun 2018	1 Dec 2018
Outstanding at the end of the year	74,043		42,051			
Exercisable at the year end	-		-			
Not exercisable at the year end	74,043		42,051			
Outstanding at the end of the year	74,043		42,051			

^ Awards lapse on the earlier of the award holder ceasing their employment or the applicable performance conditions not being met. The earliest possible date for award is 1 January 2014 for the 2011 grant, 1 January 2015 for the 2012 grant and 1 January 2016 for the 2013 grant.

Options may be exercised early under the terms of this scheme if employees meet the criteria of 'good leaver', which encompasses circumstances such as retirement or redundancy.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The contractual life is the life of the option in question and the growth in dividend yield is based on the best current estimate of future yields over the contractual period.

Notes (continued)

24 Share-based payments (continued)

	2008 (Dec) grant of 2005 Savings Related Share Option Scheme	2008 (Jan) grant of 2005 Savings Related Share Option Scheme	2012 grant of 2005 Share Option Scheme	2007 grant of 2005 Share Option Scheme	2005 grant of 2005 Share Option Schemes
Fair value at measurement date	3p/3p	51p/49p	41p	59p	34p
Share price at grant date	160p	331p	316p	351p	208p
Exercise price	246p	318p	316p	350p	205p
Expected volatility	28%/24%	29%/25%	28%	22%	36%
Option life (years)	3/5	3/5	3	3	3
Dividend yield	4.6%	4.6%	4.2%	3.7%	3.7%
Risk free interest rate	1.8%/2.8%	4.0%	0.6%	5.1%	4.5%
	2013 grant of 2007 LTIP Award	2012 grant of 2007 LTIP Award	2011 grant of 2007 LTIP Award	2013 (Apr) grant of 2005 Savings Related Share Option Scheme	2011 (Jan) grant of 2005 Savings Related Share Option Scheme
Fair value at measurement date	443p/248p	337p/194p	303p/171p	83p	44p
Share price at grant date	443p	337p	303p	429p	290p
Exercise price	0p	0p	0p	355p	238p
Expected volatility	29%	28%	28%	26%	21%
Option life (years)	3	3	3	5	5
Dividend yield	0.0%	0.0%	0.0%	3.5%	4.4%
Risk free interest rate	0.3%	0.6%	1.6%	0.7%	1.6%

The expected volatility is wholly based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

The total expense recognised for the period arising from share based payments is as follows:

	2013 £000	2012 £000
Expensed during the year	4	1

25 Related party transactions

As an ultimately wholly owned subsidiary of Hill & Smith Holdings PLC, the Company has taken advantage of the exemption available under FRS 8: Related party transactions not to disclose transactions that have been made between the Company and other fellow subsidiaries of Hill & Smith Holdings PLC.

Notes *(continued)*

26 Ultimate parent company

The immediate parent of the Company is Lionweld Kennedy Flooring Limited.

The ultimate parent of the Company is Hill & Smith Holdings PLC, a company registered in England. Copies of the Group Financial Statements may be obtained from Group headquarters:

Westhaven House

Arleston Way

Shirley

Solihull

B90 4LH

27 Post balance sheet events

There were no significant post balance sheet events.