GAP Holdings Limited

Directors' report and financial statements

Registered number 143099

31 March 2012

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Chairman's statement

The year to March 2012 has seen further challenges to the global economy. The UK has not been immune to this and, in fact, our proximity to the Euro economies has been a real detriment to UK corporate and consumer confidence. Within the UK economy the general UK construction industry has been one of the most challenged sectors.

Given this background we are extremely satisfied with our overall financial and operational performance in this 12 month period.

Our pre-tax profits for the year have risen from £2.3 million to £6.2 million.

While we have not returned to the operating margins of five years ago, we are very encouraged by what we, as a team, have achieved.

It is interesting to note that our financial performance has been achieved with no overall pricing increase given the tough competitive environment. We have increased our profits and operating margins by rigorously challenging ourselves across all aspects of our business.

We have undergone a culture change at GAP over the last few years across every aspect of our business. Where it makes commercial and customer sense then we have become more centralized. Equally we have decentralized more wherever this is the appropriate strategy and have the confidence to do this given that we have strengthened our team of regional directors, which is key in a depot based business.

We said last year that having come through a real period of industry and economic turmoil, where we focused on reducing our debt levels, that it was vital to focus more on strategic development and further investment in our core offering of unmanned plant and tools.

Our capex for the year was £37 million, up from £28 million in the previous year and almost treble that of the year to March 2010. This level of capex equates to 40% of our turnover for the year, a level significantly ahead of our peer group.

Given this, our debt and debt/equity levels have increased. However we are content with a debt level that represents less than 35% of our turnover.

From a development perspective we are extremely encouraged with the performance of our standalone Non Mechanical and Lifting divisions and will invest significantly in these areas with more operating from bespoke locations in future.

The current year will continue to be very challenging from an economic and industry perspective. Our customer profile will help in this environment as we have a healthy exposure to the more robust utility and infrastructure sectors. Our greatest strength will, however, be the level of strategic and capital investment we have made and will continue to make relative to our competitors.

On behalf of the Board, I would like to thank all our customers for their confidence and loyal support. I would also like to formally recognise all our employees. It is a genuine team effort at GAP and everyone has been extremely open to continuously improve all that we do, which is vital in a demanding, changing environment.

Danny O'Neil

Danny O'Neil
Chairman

5 July 2012

Directors' report

The directors present their annual report, together with the audited consolidated financial statements for the year ended 31 March 2012.

Principal activity and business review

The principal activity of the Group is the hire of small tools and unmanned plant, mainly to the Utilities, Building and Construction Industries.

Performance The Group's performance is outlined in the Chairman's statement.

Customers The Group continues to focus on the quality of its overall service to customers with account managers appointed to deliver to our Major Accounts. The Commercial Team based at GAP's Head Office provides tender support for both new business and our Major Accounts.

Health & Safety Our emphasis within the area of Health, Safety & Environment remains very strong with improvements made across the whole company against our objectives. This standard has been achieved through communication and implementation of improved systems, compliance and audits. The Group has been externally audited by Achilles and CHAS and certificates awarded.

Through the initiatives of 'Split Second Safety' our Group accident rate has continued to reduce and has provided the group with improved quality in this area.

The focus from the Board has been to support and work in partnership with our employees and customers to provide a safe working environment and to supply equipment which is safe and of the highest standard.

Our aim for the coming year is to exceed our performance and maintain our high standards that are in place and continue to make the company a safe place to work.

Human Resources The Human Resources department not only deliver value added advice to the organisation itself but also gives advice to individuals on specific matters such as employee benefits and entitlements and training opportunities.

The most crucial purpose of GAP's HR department remains the recruitment and retention of the very best staff. Providing constant market analysis and industry benchmarking has resulted in GAP now offering enhanced pensions, improved holiday entitlement and flexibility along with carefully targeted incentive schemes for appropriate employees.

The focus for the department for the coming year is 'Employee Engagement' and a number of initiatives are already underway to ensure that GAP remains as an Employer of Choice.

Systems The IT systems continue to be enhanced and the benefits are continuing to be seen in the business. The ERP system is to be upgraded during the coming financial year.

Funding The Group is funded through a combination of overdraft, term loan and hire purchase arrangements. Adequacy of facilities and compliance with relevant covenant tests is monitored on an ongoing basis.

The Group's net current liabilities position reflects the significant level of investment in capital expenditure and the overall funding structure of the group. Having regard to the performance to date in the year to March 2013 and the economic environment, the directors have reviewed the Group's forecasts, and are satisfied the Group should be able to operate within the level of its current facilities. As a consequence, the directors believe the Group is well placed to manage its financial position despite the current economic climate.

Financial Information

The Group's five year performance is detailed below:

	2012	2011	2010	2009	2008
No of Locations	59	59	58	59	57
Turnover	£85.4	£74.3m	£67.7m	£81.0m	£88.5m
No of Employees at March 31st	849	769	770	822	875
EBITDA	£32.4m	£26.2m	£24.7m	£32.2m	£39.7m
Pre-tax and exceptional items profit	£6.2m	£2.3m	£0.2m	£1.2m	£8.8m
Bank Borrowings	£29.5m	£22.7m	£23.1m	£40.3m	£54.7m
Debt/Equity %	65%	54%	57%	94%	127%
Shareholders' Funds	£45.0m	£42.4m	£40.6m	£43.1m	£43.2m

Non financial information

The main non financial measures reviewed by the directors relates to the monitoring of plant utilisation and health and safety in the business.

Results and dividends

The operations of the Group for the year resulted in a profit after tax of £4,200,000 *(2011: profit of £1,449,000)*, which is reviewed in the Chairman's Statement.

An interim dividend of £935,000 *(2011: £Nil)* was paid during the year. No final dividend is proposed.

Directors

The directors who held office during the year were as follows:

DG Anderson
IM Anderson
D O'Neil (Chairman)
AM Stewart
K McEwan

Employees

The Group has a policy of communicating and consulting with employees on matters of concern to them and providing them with information on the performance of the Group.

The Group recognises its obligations to give disabled people full and fair consideration for all vacancies. Wherever reasonable and practicable, the Group will retain newly disabled employees and at the same time provide full and fair opportunities for the career development of disabled people.

Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board

AM Stewart

AM Stewart
Secretary

Carrick House
40 Carrick Street
Glasgow
G2 8DA

5 July 2012

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and to prevent and detect fraud and other irregularities.

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

KPMG LLP
191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditor's report to the members of GAP Holdings Limited

We have audited the financial statements of GAP Holdings Limited for the year ended 31 March 2012 set out on pages 6 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2012 and of the group's profit 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 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.

P Galloway

P Galloway (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

5 July 2012

Consolidated profit and loss account

for the year ended 31 March 2012

	Note	2012 £000	2011 £000
Turnover	2	**85,352**	74,256
Cost of sales		**(55,974)**	(50,699)
Gross profit		**29,378**	23,557
Administrative expenses		**(22,086)**	(20,319)
Operating profit		**7,292**	3,238
Interest payable and similar charges	6	**(1,111)**	(913)
Other finance charges	7	**(3)**	(25)
Profit on ordinary activities before taxation	3	**6,178**	2,300
Tax on profit/(loss) on ordinary activities	9	**(1,978)**	(851)
Profit for the financial year	19	**4,200**	1,449

All amounts relate to continuing activities.

In accordance with Section 408 of the Companies Act 2006 GAP Holdings Limited is exempt from the requirement to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £935,000 *(2011: £Nil)*.

Balance sheets
at 31 March 2012

	Note	Group		Company	
		2012	2011	**2012**	2011
		£000	£000	**£000**	£000
Fixed assets					
Tangible assets	*11*	**79,625**	70,513	**-**	-
Investments	*12*	**-**	-	**260**	260
		79,625	70,513	**260**	260
Current assets					
Stocks	*13*	**2,207**	2,071	**-**	-
Debtors	*14*	**19,911**	17,762	**672**	672
Cash at bank and in hand		**2,514**	383	**-**	-
		24,632	20,216	**672**	672
Creditors: amounts falling due within one year	*15*	**(42,906)**	(37,630)	**(109)**	(109)
Net current (liabilities)/assets		**(18,274)**	(17,414)	**563**	563
Total assets less current liabilities		**61,351**	53,099	**823**	823
Creditors: amounts falling due after more than one year	*16*	**(15,630)**	(10,459)	**-**	-
Net assets excluding pension liability		**45,721**	42,640	**-**	-
Net pension liability	*23*	**(742)**	(408)	**-**	-
Net assets including pension liability		**44,979**	42,232	**823**	823
Capital and reserves					
Called up share capital	*18*	**150**	150	**150**	150
Profit and loss account	*19*	**44,829**	42,082	**673**	673
Shareholders' funds	*20*	**44,979**	42,232	**823**	823

These financial statements were approved by the board of directors on 5 July 2012 and were signed on its behalf by:

D. Anderson

Douglas Anderson
Director

Iain Anderson
Director

Company registered number: 143099

Consolidated cash flow statement
for the year ended 31 March 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
Net cash inflow from operating activities	*25(a)*		**28,792**		22,210
Return on investments and servicing of finance					
Interest paid		**(326)**		(258)	
Interest element of finance lease rental payments		**(785)**		(655)	
Net cash outflow from returns on investments and servicing of finance			**(1,111)**		(913)
Taxation					
Tax paid			**(2,824)**		(1,171)
Capital expenditure					
Payments (excluding purchases under finance leases) to acquire tangible fixed assets		**(12,836)**		(9,638)	
Receipts from sales of tangible fixed assets		**5,310**		4,404	
Net cash outflow from capital expenditure			**(7,526)**		(5,234)
Dividends paid on shares classified in shareholders' funds			**(935)**		-
Net cash inflow before financing			**16,396**		14,892
Financing					
Capital element of finance lease repayments		**(13,896)**		(14,584)	
Repayment of loans		**(369)**		(2,053)	
Net cash outflow from financing			**(14,265)**		(16,637)
Increase/(decrease) in cash	*25(b)*		**2,131**		(1,745)

Consolidated statement of total recognised gains and losses
for the year ended 31 March 2012

	2012	2011
	£000	£000
Profit for the financial year	**4,200**	1,449
Actuarial (loss)/gain recognised in the pension scheme	**(667)**	255
Deferred tax arising on (losses)/gains in the pension scheme	**149**	(86)
Total recognised gains and losses relating to the financial year	**3,682**	1,618

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 preparation

The financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost accounting rules.

Going concern

As highlighted in the Directors' Report, the Group has net current liabilities at the year end and is funded through a combination of overdraft, term loan and hire purchase arrangements. The group's forecasts for the period through to June 2013 show that the Group and Company should be able to operate within the level of their current facilities during that period. After reviewing these forecasts, the directors believe that, notwithstanding the current economic environment, the Group and Company are well placed to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

Consolidation

The group consolidated financial statements include the financial statements of the Company and all its subsidiary undertakings made up to 31 March 2012. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

On the subsequent disposal or termination of a business acquired since 1 January 1998, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off

Turnover

Turnover represents amounts invoiced, net of discounts, in relation to the hire of equipment and ancillary services (excluding value added tax).

Fixed assets and depreciation

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

Short leasehold buildings and improvements	-	over the period of the lease or 20%
Computer equipment	-	33%
Motor vehicles	-	25%
Plant and machinery	-	14% - 20%

Notes *(continued)*

1 Accounting policies *(continued)*

Stocks

Stocks of spares, consumable stores and goods for resale are stated at the lower of cost and estimated realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatments 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 by the balance sheet date, except as required by FRS 19.

Leases

Where the company enters into an agreement which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs

The Group operates a stakeholder defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The Group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

2 Turnover

Turnover arises principally from the hiring of plant within the United Kingdom.

Notes *(continued)*

3 Profit on ordinary activities before taxation

	2012 £000	2011 £000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation of tangible fixed assets:		
- owned	**19,128**	16,597
- financed	**5,946**	6,356
Operating lease rentals - property	**3,414**	3,292
Operating lease rentals - plant	**138**	-
Gain on sale of fixed assets	**(2,073)**	(1,716)
Auditors' remuneration:		
Audit of these financial statements	**3**	3
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**34**	33
Other services pursuant to such legislation	**3**	3
Other services relating to taxation	**15**	12
All other services	**51**	58

4 Remuneration of directors

	Group 2012 £000	2011 £000
Directors' emoluments (excluding pension contributions)	**834**	869

The emoluments of the highest paid director were £356,000 *(2011: £310,000)*. The highest paid director was not a member of the group pension scheme.

Retirement benefits are accruing under the defined benefit scheme to two directors *(2011: two)*.

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Group Number of employees 2012	2011
Administration, sales and operations	**849**	769

The aggregate payroll costs of these persons were as follows:

	Group 2012 £000	2011 £000
Wages and salaries	**19,679**	17,385
Social security costs	**1,888**	1,657
Pension costs (note 23)	**348**	383
	21,915	19,425

Notes *(continued)*

6 Interest payable and similar charges

	2012 £000	2011 £000
On bank loans and overdrafts	**326**	258
Finance charges in respect of finance leases	**785**	655
	1,111	913

7 Other finance charges

	2012 £000	2011 £000
Expected return on pension scheme assets	**208**	201
Interest on pension scheme liabilities	**(211)**	(226)
	(3)	(25)

8 Dividends

	2012 £000	2011 £000
Interim dividend paid	**935**	-

9 Taxation

Analysis of charge in year

	2012 £000	2011 £000
UK corporation tax at 26% (2011: 28%)		
- Current tax on income for the year	**2,377**	1,823
- Adjustments in respect of prior years	**-**	660
Total current tax	**2,377**	2,483
Deferred taxation (see note 17)		
- Origination/reversal of timing differences	**(542)**	(1,024)
- Adjustments in respect of previous years	**29**	(665)
- Impact of change in rate	**56**	-
Decrease in deferred tax provision	**(457)**	(1,689)
Deferred tax in relation to pensions	**58**	57
Total deferred tax	**(399)**	(1,632)
Total tax charge	**1,978**	851

Notes *(continued)*

9 Taxation *(continued)*

Factors affecting the tax charge for the current year:

The current tax charge for the year is higher *(2011: higher)* than the standard rate of corporation tax in the UK (26%, 2011: 28%).

	2012 £000	2011 £000
Profit on ordinary activities before tax	**6,178**	2,300
Current tax at 26% *(2011: 28%)*	**1,606**	644
Effects of:		
Expenses not deductible for tax purposes	**50**	88
Ineligible depreciation	**150**	171
Lower tax rates on overseas earnings	**(40)**	(28)
Non chargeable gain	**-**	(27)
Fixed asset timing differences	**568**	1,024
Other timing differences	**(26)**	-
Adjustments to tax charge in respect of previous periods	**-**	660
Deferred tax in relation to pensions	**(58)**	(57)
Other	**127**	8
Total current tax charge (see above)	**2,377**	2,483

In accordance with the Finance Act 2011, the main rate of corporation tax was reduced from 28% to 26% with effect from 1 April 2011. The Finance Act 2011 also included provisions for a reduction in the main rate of corporation tax from 26% to 24% from 1 April 2012. On 21 March 2012 the Chancellor announced a further reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012. As this rate change had been substantially enacted before the balance sheet date the Group's deferred tax assets and liabilities are recognised at 24%. Additional reductions in the main rate of corporation tax to 23% from 1 April 2013 and to 22% from 1 April 2014 have also been announced. It is not yet possible to quantify the full anticipated effect of the announced further 2% rate reduction although this will further reduce the Group's future current tax charge and reduce the Group's deferred tax asset accordingly.

10 Intangible assets

Goodwill	**Group £000**
Cost	
At beginning and end of year	1,171
Amortisation	
At beginning and end of year	1,171
Net book value	
At beginning and end of year	-

Notes *(continued)*

11 Tangible fixed assets

Group	Land and buildings - short leasehold £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost				
At beginning of year	7,158	156,037	11,012	174,207
Additions	565	33,856	3,002	37,423
Disposals	-	(15,505)	(1,234)	(16,739)
At end of year	7,723	174,388	12,780	194,891
Depreciation and diminution in value				
At beginning of year	4,349	91,453	7,892	103,694
Charge for year	577	22,798	1,699	25,074
On disposals	-	(12,300)	(1,202)	(13,502)
At end of year	4,926	101,951	8,389	115,266
Net book value				
At 31 March 2012	**2,797**	**72,437**	**4,391**	**79,625**
At 31 March 2011	2,809	64,584	3,120	70,513

Included in the total net book value of plant and machinery and motor vehicles is £35,987,000 *(2011: £25,568,000)* in respect of assets held under finance leases.

12 Investments

Shares in group undertakings

	Company £000
Cost at beginning and end of year	**260**

At 31 March 2012, the principal subsidiaries owned by the company either directly, or indirectly:

Name	*Country of registration*	*Principal activity*	*Proportion held*
GAP Group Limited	England	Plant hire	100%
Ace Hire and Sales Limited *	Isle of Man	Plant hire	100%

* held indirectly

Notes *(continued)*

13 Stocks

	Group 2012 £000	Group 2011 £000
Spares, consumable stores and goods for resale	**2,207**	2,071

14 Debtors

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Trade debtors	**18,570**	16,695	**-**	-
Amount owed by subsidiary undertakings	**-**	-	**672**	672
Other debtors	**-**	55	**-**	-
Prepayments and accrued income	**678**	806	**-**	-
Deferred tax (note 17)	**663**	206	**-**	-
	19,911	17,762	**672**	672

15 Creditors: amounts falling due within one year

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Bank loans and overdrafts (note 16)	**4,294**	5,411	**-**	-
Trade creditors	**13,887**	14,168	**-**	-
Amounts owed to group undertakings	**-**	-	**109**	109
Corporation tax	**1,217**	1,664	**-**	-
Other taxes and social security	**1,201**	595	**-**	-
Other creditors	**18**	15	**-**	-
Accruals and deferred income	**10,176**	8,613	**-**	-
Obligations under finance leases (note 16)	**12,113**	7,164	**-**	-
	42,906	37,630	**109**	109

16 Creditors: amounts falling due after more than one year

	Group 2012 £000	Group 2011 £000
Bank loans	**3,333**	2,585
Obligations under finance leases	**12,297**	7,874
	15,630	10,459

Notes *(continued)*

16 Creditors: amounts falling due after more than one year *(continued)*

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Debt can be analysed as falling due:				
In one year or less, or on demand	**16,407**	12,575	-	-
Between one and two years	**6,732**	8,851	-	-
Between two and five years	**8,898**	1,608	-	-
	32,037	23,034	-	-

Obligations under finance leases are repayable in two to three years. Amounts due under finance leases are secured over certain items of plant and equipment.

The bank loans and overdraft are secured by a fixed and floating charge on the company's assets.

The bank loan is repayable by instalments by 2014. Interest is charged at LIBOR + 2.5%.

17 Provisions for liabilities and charges

Deferred taxation

	Group	
	2012	2011
	£000	£000
At beginning of year	**(206)**	1,483
Credit to the profit and loss account	**(457)**	(1,689)
At end of year (note 14)	**(663)**	(206)

The components of deferred taxation are set out below:

Amounts provided at 24% (2011: 26%)

	Group	
	2012	2011
	£000	£000
Accelerated capital allowances	**(543)**	(50)
Other timing differences	**(120)**	(156)
	(663)	(206)

Notes *(continued)*

18 Share capital

	Group and Company 2012 £000	2011 £000
Authorised		
500,000 ordinary shares of £1 each	**500**	500
Allotted, called up and fully paid		
150,000 ordinary shares of £1 each	**150**	150

19 Reserves

	Group £000	Company £000
Profit and loss account		
At beginning of year	42,082	673
Profit for the year	4,200	935
Dividend paid	(935)	(935)
Actuarial loss recognised in the pension scheme	(667)	-
Deferred tax arising on loss in pension scheme	149	-
At end of year	**44,829**	**673**

	Group		Company	
	2012 £000	2011 £000	**2012 £000**	2011 £000
Profit and loss reserve excluding pension liability	**45,571**	42,490	**673**	673
Pension liability	**(742)**	(408)	-	-
Profit and loss reserve including pension liability	**44,829**	42,082	**673**	673

20 Reconciliation of movements in shareholders' funds

	Group		Company	
	2012 £000	2011 £000	**2012 £000**	2011 £000
Profit for the financial year	**4,200**	1,449	**935**	-
Other recognised gains/(losses) relating to the year (net)	**(518)**	169	-	-
Dividend paid	**(935)**	-	**(935)**	-
Net increase in shareholders' funds	**2,747**	1,618	-	-
Opening shareholders' funds	**42,232**	40,614	**823**	823
Closing shareholders' funds	**44,979**	42,232	**823**	823

Notes *(continued)*

21 Commitments

At the end of the financial year the group had annual commitments under non cancellable operating leases as follows:

Group

	Property		Other	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Expiring within one year	**177**	64	**623**	-
Expiring between two and five years	**3,237**	829	**144**	-
Expiring after more than five years	**-**	2,399	**-**	-
	3,414	3,292	**767**	-

Company

The company had no such commitments *(2011: £nil)*.

22 Contingent liabilities

	2012	2011
	£000	£000
The company has guaranteed the bank borrowings of group companies; the amount outstanding at the year end was	**7,627**	7,996

The group continues to provide a guarantee in favour of the bank for £1,300,000 *(2011: £1,300,000)* in respect of advances and obligations of related companies.

23 Pension costs

The group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Group to the scheme and amounted to £348,000 *(2011: £383,000)*. There were no outstanding contributions *(2011: £nil)* at the end of the year.

The Group operates a pension scheme providing benefits based on final pensionable pay. The latest full actuarial valuation was carried out at 6 April 2009 and was updated for FRS 17 purposes to 31 March 2012 by a qualified independent actuary.

In order to address the deficit, from 6 January 2010, the Group has been making a special payment of £245,000 per annum in excess of the normal contributions. The scheme has been closed to future accruals since 6 January 2009.

Notes *(continued)*

23 Pension costs *(continued)*

	Group	
	2012	2011
	£000	£000
Fair value of plan assets	**3,644**	3,318
Present value of unfunded defined benefit obligations	**(4,620)**	(3,869)
Deficit	**(976)**	(551)
Related deferred tax asset	**234**	143
Net liability	**(742)**	(408)

Movements in present value of defined benefit obligation

	Group	
	2012	2011
	£000	£000
At 1 April	**(3,869)**	(4,448)
Interest cost	**(211)**	(226)
Charges paid	**21**	24
Actuarial (losses)/gains	**(627)**	431
Benefits paid	**66**	350
At 31 March	**(4,620)**	(3,869)

Movements in fair value of plan assets

	Group	
	2012	2011
	£000	£000
At 1 April	**3,318**	3,422
Expected return on plan assets	**208**	201
Actuarial (losses)	**(40)**	(176)
Contributions by employer	**245**	245
Charges paid	**(21)**	(24)
Benefits paid	**(66)**	(350)
At 31 March	**3,644**	3,318

Notes *(continued)*

23 Pension costs *(continued)*

Expense recognised in the profit and loss account

	Group	
	2012	2011
	£000	£000
Interest on defined benefit pension plan obligation	**211**	226
Expected return on defined benefit pension plan assets	**(208)**	(201)
Total	**3**	25

The expense is recognised in the following line items in the profit and loss account:

	Group	
	2012	2011
	£000	£000
Other finance charges	**3**	25

The total amount recognised in the consolidated statement of total recognised gains and losses in respect of actuarial gains and losses is £667,000 *(2011: £255,000).*

Cumulative actuarial gains/losses reported in the consolidated statement of total recognised gains and losses for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £1,881,000 *(2011: £1,214,000)* for the Group.

The fair value of the plan assets and the return on those assets were as follows:

	Group	
	2012	2011
	£000	£000
Equities	**1,698**	1,691
Corporate bonds	**313**	504
Gilts	**156**	-
Insured pensioners	**1,080**	983
Cash/other	**397**	140
	3,644	3,318
Actual return on plan assets	**3**	25

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories.

Notes *(continued)*

23 Pension costs *(continued)*

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	Group and Company	
	2012	2011
	%	%
Price inflation	**2.2**	3.0
Discount rate	**4.6**	5.5
Expected rate of return on plan assets	**5.9**	7.1
Expected return on plan assets at beginning of the period	**7.1**	6.6
Future salary increases	**-**	-
Pension in payment increases, subject to Limited Price Indexation	**3.0**	3.0

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.5 years (male), 24.7 years (female).
- Future retiree upon reaching 65: 26.2 years (male), 28.5 years (female).

History of plan

The history of the plan for the current and prior periods is as follows: The exemption allowed under FRS 17.95C not to restate the corresponding amounts for the first two of the previous four accounting periods for the effect of using the current bid-price rather than the mid-market price has been taken.

Group

Balance sheet

	2012	2011	2009	2008	2007
	£000	£000	£000	£000	£000
Present value of scheme liabilities	**(4,620)**	(3,869)	(4,448)	(3,559)	(3,294)
Fair value of scheme assets	**3,644**	3,318	3,422	2,644	3,072
Deficit	**(976)**	(551)	(1,026)	(915)	(222)

Experience adjustments

	2012	2011	2009	2008	2007
	£000	£000	£000	£000	£000
Experience adjustments on scheme liabilities	**(99)**	32	163	(49)	(37)
Experience adjustments on scheme assets	**(136)**	(95)	441	(582)	(248)

The Group expects to contribute approximately £245,000 to its defined benefit plans in the next financial year.

Notes *(continued)*

24 Related party transactions

The group paid rent at market value and other charges to the following company and partnerships, in which DG Anderson and IM Anderson have a material interest:

Company	*Amount charged in year*	*Balance at year end*
Blackridge Properties Limited	£ 968,000 *(2011: £727,000)*	£Nil *(2011: £Nil)*
A&A Properties	£1,101,000 *(2011: £1,067,000)*	£Nil *(2011: £Nil)*
A&G Properties	£ 31,000 *(2011: £28,000)*	£Nil*(2011: £Nil)*

The company has taken advantage of the exemption permitted by FRS 8: 'Related Party Disclosures' from disclosing transactions with other members of the Group where 90% of the voting rights are controlled within the Group.

A loan to the group totalling £418,000 from Iain Anderson was partly repaid during the year. The balance outstanding at the year-end was £294,000. No interest is charged on this loan.

25 Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2012	2011
	£000	£000
Operating profit	**7,292**	3,238
Depreciation charge	**25,074**	22,953
Gain on sale of fixed assets	**(2,073)**	(1,716)
(Increase)/decrease in stocks	**(136)**	(203)
(Increase) in debtors	**(1,692)**	(2,614)
Increase in creditors	**572**	797
Difference between cash contributions paid and charge under FRS 17	**(245)**	(245)
	28,792	22,210

(b) Reconciliation of net cash flow to movement in net debt

	2012	2011
	£000	£000
Increase/(decrease) in cash	**2,131**	(1,745)
Decrease in term loans	**369**	2,053
Finance lease repayments	**13,896**	14,584
New finance leases	**(23,268)**	(14,419)
(Increase)/decrease in net debt	**(6,872)**	473
Net debt at beginning of year	**(22,651)**	(23,124)
Net debt at end of year	**(29,523)**	(22,651)

Notes *(continued)*

(c) Analysis of changes in net debt

	At 1 April 2011 £000	Cash flows £000	Other non cash changes £000	**At 31 March 2012 £000**
Cash at bank and in hand	383	2,131	-	**2,514**
Loans due within 1 year (including directors' loans)	(5,411)	369	748	**(4,294)**
Loans due after more than 1 year	(2,585)	-	(748)	**(3,333)**
	(7,996)	369	-	**(7,627)**
Finance leases	(15,038)	13,896	(23,268)	**(24,410)**
	(22,651)	16,396	(23,268)	**(29,523)**

Group depots

Depot	Address	Tel No.
Scottish depots		
Inverness	24 Longman Drive, Longman Industrial Estate, Inverness IV1 1SU	01463 234371
Elgin	14 Perimeter Road, Pinefield Industrial Estate, Elgin IV30 6AF	01343 550279
Aberdeen	Spires Business Units, Muggiemoss Road, Bucksburn, Aberdeen AB21 9NP	01224 687006
Dundee	135 Lorne Street, Lochee, Dundee DD2 3HE	01382 610217
Dunfermline	11 Dickson Street, Dunfermline KY12 7SL	01383 621212
Falkirk	24 Castle Road, Bankside Industrial Estate, Falkirk FK2 7UY	01324 612244
Leith	79 Salamander Street, Leith, Edinburgh EH6 7JZ	0131 554 0503
Sighthill	Bankhead Drive, Sighthill Industrial Estate, Edinburgh EH11 4EJ	0131 453 4531
Anniesland	Unit 39, Anniesland Village Business Park, Netherton Road, Glasgow G13 1EU	0141 954 5863
Kinning Park	119 Vermont Street, Kinning Park (South), Glasgow G41 1LU	0141 429 4255
Motherwell	361 Orbiston Street, Motherwell, Lanarkshire ML1 1QW	01698 276777
Kilmarnock	Plot 8, Moorfield North Industrial Estate, Kilmarnock KA2 0FE	01563 543543
North East Depots		
Newcastle	50 Walker Road, Newcastle Upon Tyne NE6 1BG	0191 224 1222
Middlesbrough	Sotherby Road, Skippers Lane Ind Est, Middlesbrough TS3 8BT	01642 217000
York	Unit 1, Fryers Close, Murton Lane, Murton, York YO19 5UY	01904 489299
Hull	Unit 6, Venture Business Park, Witty Street, Hull HU3 4EL	01482 580580
Leeds	Beeston Royds Ind Est, Gelderd Road, Leeds LS12 6DL	0113 231 0200
Bradford	20 Parry Lane, Bradford BD4 8TJ	01274 394400
Doncaster	Doncaster Carr Industrial Estate, Middlebank, Doncaster DN4 5NG	01302 556222
Sheffield	Unit 6 Kingfield Works, Woodbourn Rd, Attercliffe, Sheffield S9 3LQ	0114 272 3220
Lincoln	Exchange Road, Lincoln, Lincolnshire, LN6 3JZ	01522 885521
North West Depots		
Carlisle	Unit 4, Brunthill Road, Kingston Industrial Estate, Carlisle CA3 0EH	01228 810810
Lancaster	Northgate, White Lund Ind Est, Lancaster LA3 3AY	01524 841901
Preston	Alexander House, Walton Summit Centre, Bamber Bridge, Preston PR5 8AQ	01772 339715
Liverpool	8 Berry Street, Bootle, Liverpool L20 8AT	0151 944 1221
Wallasey	Cashell Road, Birkenhead, Merseyside L41 1DY	0151 630 1616
Manchester	29 Longwood Road, Trafford Park, Manchester M17 1PZ	0161 877 2700
Bangor	Unit 38, Llandegai Ind Est, Bangor, Gwynedd LL57 4YH	01248 364364
Stoke-on-Trent	Peacock View, Fenton Ind Est, Stoke on Trent ST4 2TE	01782 264040
Warrington	Gemini Business park, 530 Europa Boulevard, Warrington, WA5 7YE	01925 240066
Midlands Depots		
Nottingham	Unit 15, Easter Park, Lenton Lane, Nottingham NG7 2PX	0115 979 1915
Telford	Fletcher House, Stafford Park 17, Telford, Shropshire TF3 3DG	01952 200202
Birmingham	Windsor Ind Est, Unit 9, Rupert Street, Nechells, Birmingham B7 4PR	0121 359 6359
Coventry	6 Herald Way, Binley, Coventry CV3 2NY	02476 650888
Leicester	86 Barkby Road, Leicester LE4 9LF	0116 276 9000
Northampton	64 St James Mill Road, Northampton NN5 5JP	01604 587999
Peterborough	Padholme Road, Peterborough PE1 5XL	01733 555516
Norwich	Norwich Livestock Market, Hall Road, Norwich NR4 6DW	01603 456055
Oxford	Unit 2, Stationfield Industrial Estate, Rowles Way, Kidlington, Oxford OX5 1LA	01865 848055
Colchester	12 Grange Way, Whitehill Industrial Estate, Colchester CO2 8HF	01206 866222
South East		
Milton Keynes	3 Dane Road, Denbigh East, Bletchley, Milton Keynes MK1 1JQ	01908 646691
Watford	17 Greycaine Road, Watford WD24 7GP	01923 223333
Heathrow	Unit 2, Shield Road, Ashford, Middlesex TW15 1BL	01784 421020
Thurrock	Unit A1, Frogmore Industrial Estate, Motherwell Way, Grays, Essex RM20 3LB	01708 866690
Maidstone	GAP House, Forstal Road, Aylesford, Maidstone ME20 7ST	01622 716312
Tower Bridge	4 Back Church Lane, London E11 1LX	0207 481 9195
Kentish Town	Unit 2, Station Works, Station Road, London, N19 5UW	0207 272 0307
Croydon	Unit 3, Therapia Trading Estate, Therapia Lane,Off Beddington Lane, Croydon CR0 3DH	0208 3944810
Reading	11 Bennet Road, Reading, RG2 0QZ	0118 9212111
Portsmouth	Unit 2, North Harbour Spur, Portsmouth, Hampshire PO6 3TU	02392 215730
South West		
Cardiff	Unit 6, Pacific Business Park, Pacific Road off Ocean Way, Splott, Cardiff	0292 0472088
Bristol	Unit 19, Avonbridge Trading Estate, Atlantic Road, Avonsmouth, Bristol BS11 9ZH	0117 9821666
Exeter	Unit 10-12 Kestrel Business Park, Kestrel Way, Sowton Industrial Estate, Exeter	01392 361198
Plymouth	Estover Close, Estover Industrial Estate, Plymouth PL6 7PL	01752 696857
Swansea	Jubilee Way, Swansea West Industrial Park, Fforestfach, Swansea SA5 4HB	01792 587405
St.Austell	Old Coal Yard, Roche Road, Bugle, St. Austell, PL26 8PP	01726 891360
Lifting Division		
Bradford	20 Parry Lane, Bradford, BD4 8TJ	01274 390404
Shotts	16, Castle Road, Bankside Industrial Estate, Falkirk, FK2 7UY	01324 621212
Warrington	Gemini Business Park, 530 Europa Boulevard, Warrington, WA5 7YE	01925 247555
Birmingham	Windsor Ind Est, Unit 9, Rupert Street, Nechells, Birmingham B7 4PR	0121 3596888
Bristol	Unit 19, Avonbridge Trading Estate, Atlantic Road, Avonsmouth, Bristol BS11 9QD	01179 827788
Tower Bridge	4 Back Church Lane, London E11 1LX	0207 481 8100
Kinning Park	119, Vermont Street, Kinning Park (South) Glasgow, G41 1LU	0141 429 7666
Middlesbrough	Sotherby Road, Skippers Lane Ind Est, Middlesbrough, TS3 8BT	01642 213111
Lancaster	Northgate, White Lund Ind Estate, Lancaster LA3 3AY	01524 841222
Northampton	64 St James Mill Road, Northampton NN5 5JP	01604 757600
Croydon	Unit 3, Therapia Trading Estate, Therapia Lane,Off Beddington Lane, Croydon CR0 3DH	02083 944818
Plymouth	Estover Close, Estover Industrial Estate, Plymouth PL6 7PL	01752 696444

Non Mechanical Division		
Croydon	Unit 3, Therapia Trading Estate, Therapia Lane,Off Beddington Lane, Croydon CR0 3DH	02083 944815
Shotts	Edinburgh Road, Springhill, Shotts, North Lanarkshire, ML7 5DT	01510 825154
Warrington	Gemini Business Park, 530 Europa Boulevard, Warrington, WA5 7YE	01925 240066
Bradford	20 Parry Lane, Bradford, BD4 8TJ	01274 394400
Derby	Hilton Business park, Hilton, Derbyshire, DE65 5PJ	
Isle of Man – ACE Hire & Sales		
Douglas	Unit 1a, South Quay Industrial Estate, Douglas, Isle of Man, IM1 5AT	01624 629372
Corporate Head Office	Carrick House, 40 Carrick Street, Glasgow G2 8DA	0141 225 4600