**Constantine Limited**

# Directors' report and financial statements

Registered number 948446

31 August 2012



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# Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 August 2012

### Business review and principal activities

The principal activity of the company is the provision of fine art packing, handling, transportation and storage services

The results for the company show an operating profit of £1 8m *(2011 £0 3m)* and turnover of £16 8m *(2011 £12 1m)* The company has performed well in a highly competitive market and has achieved strong growth in museum, commercial gallery and private collector revenues both in the UK and overseas The company has a market leading position in museum exhibitions in the UK

### Principal risks and uncertainties

The Board sets the long term strategy and goals for the company The management of the business and execution of the company's strategy is subject to a number of risks, the key risk for the business has been assessed to be economic trading conditions

### Future outlook

The directors are confident that the company will maintain its current market share in the future However, the current economic conditions create an element of uncertainty over demand for some of the company's services but the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available through current banking facilities and therefore the directors believe that the company is well placed to manage its business risks successfully despite the economic uncertainty

### Key performance indicators

Business performance is measured by key performance indicators ("KPI's") which include monitoring of actual results against budget by the Board on a monthly basis The company monitors appropriate KPI's necessary for an understanding of the development, performance or position of its business These KPI's address the essential operational areas and parameters such as customer service and operating efficiencies, and are reported at all levels of the business

Key financial KPIs are as follows

| | 2012 | 2011 |
|---|---|---|
| Turnover (£000) | **16,761** | 12,134 |
| Profit for the year (£000) | **1,273** | 186 |
| Net assets (£000) | **4,485** | 3,612 |
| Gearing ratio (%) | **41** | 58 |

### Dividends

A dividend of £400,000 *(2011 £500,000)* was paid during the year on the ordinary shares

## Directors' report *(continued)*

### Directors and directors' interests

The directors who held office during and subsequent to the year were as follows

NL Constantine
TJ Sutton
NKG Prescot
PD Williamson
DL Akers-Douglas
PGK Pollard (appointed 25 June 2012)

The director retiring by rotation is NKG Prescot who, being eligible, offers himself for re-election PGK Pollard, being appointed during the year, resigns and being eligible, offers himself for re-election

### 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

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

By order of the board

**NL Constantine**
*Director*

20-26 Sandgate Street
London
SE15 1LE

25 January 2013

## 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 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 and 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 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 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

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

# Independent auditor's report to the members of Constantine Limited

We have audited the financial statements of Constantine Limited for the year ended 31 August 2012 set out on pages 6 to 18 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 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 (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 company's affairs as at 31 August 2012 and of its 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

## Independent auditor's report to the members of Constantine Limited *(continued)*

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, 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

**Paul Moran (Senior Statutory Auditor)**
**for and on behalf of KPMG LLP, Statutory Auditor**
*Chartered Accountants*
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

25 January 2013

## Profit and loss account

*for the year ended 31 August 2012*

| | Note | 2012 £ | 2011 £ |
|---|---|---|---|
| **Turnover** | *1,2* | **16,761,346** | 12,134,253 |
| External charges | | **(8,305,923)** | (5,979,910) |
| Staff costs | *5* | **(4,235,185)** | (3,578,883) |
| Depreciation of tangible fixed assets | *10* | **(330,990)** | (335,109) |
| Other operating charges | | **(2,114,780)** | (1,936,914) |
| **Operating profit** | | **1,774,468** | 303,437 |
| Other interest receivable and similar income | *6* | **58,513** | 45,859 |
| Interest payable and similar charges | *7* | **(78,002)** | (73,574) |
| **Profit on ordinary activities before taxation** | *2-7* | **1,754,979** | 275,722 |
| Tax on profit on ordinary activities | *8* | **(482,295)** | (89,564) |
| **Profit for the financial year** | *16* | **1,272,684** | 186,158 |

The company has no recognised gains or losses other than the profit for the year The results of the company arose entirely from continuing operations

# Balance sheet

*at 31 August 2012*

| | Note | 2012 £ | £ | 2011 £ | £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | *10* | | **3,433,007** | | 2,988,672 |
| **Current assets** | | | | | |
| Debtors | *11* | **5,601,302** | | 3,798,414 | |
| Cash at bank and in hand | | **782,435** | | 866,435 | |
| | | **6,383,737** | | 4,664,849 | |
| **Creditors** amounts falling due within one year | *12* | **(3,302,556)** | | (2,841,195) | |
| **Net current assets** | | | **3,081,181** | | 1,823,654 |
| **Total assets less current liabilities** | | | **6,514,188** | | 4,812,326 |
| **Creditors** amounts falling due after more than one year | *13* | | **(1,855,138)** | | (1,048,217) |
| **Provisions for liabilities** | *14* | | **(173,872)** | | (151,615) |
| **Net assets** | | | **4,485,178** | | 3,612,494 |
| **Capital and reserves** | | | | | |
| Called up share capital | *15* | | **200,100** | | 200,100 |
| Profit and loss account | *16* | | **4,285,078** | | 3,412,394 |
| **Shareholders' funds** | | | **4,485,178** | | 3,612,494 |

These financial statements were approved by the board of directors on 25 January 2013 and signed on its behalf by

**NL Constantine**
*Director*

Registered number 948446

## Reconciliation of movements in shareholders' funds

*for the year ended 31 August 2012*

| | 2012<br>£ | 2011<br>£ |
|---|---|---|
| **Profit for the financial year** | **1,272,684** | 186,158 |
| Dividends paid on shares classified in shareholders' funds | **(400,000)** | (500,000) |
| **Net addition to/(reduction in) shareholders' funds** | **872,684** | (313,842) |
| Opening shareholders' funds | **3,612,494** | 3,926,336 |
| **Closing shareholders' funds** | **4,485,178** | 3,612,494 |

# 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 accounting standards, and under the historical cost accounting rules

The current economic conditions create an element of uncertainty over demand for some of the company's services but the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available through current banking facilities and therefore the directors believe that the company is well placed to manage its business risks successfully despite the economic uncertainty In particular, at the year end the company has cash at bank of £0 8m and bank debt of £1 8m, with only £0 1m payable within one year and £1 0m payable between one to two years (see note 13 for further details) After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to prepare the financial statements on a going concern basis

Under Financial Reporting Standard 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

As the company is a wholly owned subsidiary of Constantine Group plc, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group The consolidated financial statements of Constantine Group plc, within which this company is included, can be obtained from Companies House

### *Fixed assets and depreciation*

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

| | | |
|---|---|---|
| Freehold buildings | - | 50 years straight line |
| Leasehold improvements | - | straight line over period of lease |
| Plant and machinery | - | 10 years straight line |
| Furniture and fittings | - | 8 years straight line |
| Office equipment | - | 4 to 5 years straight line |
| Motor vehicles | - | 25% reducing balance |

No depreciation is provided on freehold land

### *Foreign currencies*

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 using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

## Notes *(continued)*

### 1 Accounting policies *(continued)*

***Leases***

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

***Goodwill***

Goodwill relating to a business purchased by the company prior to 1 September 1998 has been written off against reserves

***Post-retirement benefits***

The group operated a pension scheme providing benefits based on final pensionable pay in which the company participated The assets of the scheme are held separately from those of the group Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company

The group also operates a 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 against profits represents the contributions payable to the scheme in respect of the accounting period

***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 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 by the balance sheet date, except as otherwise required by FRS 19

***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 shareholders' 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

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds

## Notes *(continued)*

### 1 Accounting policies *(continued)*

***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 Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

***Turnover***

Turnover is measured at the fair value of consideration received or receivable in the normal course of business, net of discounts and VAT where applicable

Turnover from freight, packing, handling, transportation and storage services (specialist transport services) is recognised when the service has been performed

### 2 Analysis of turnover - by geographical market

| | 2012<br>£ | 2011<br>£ |
|---|---|---|
| United Kingdom | **8,934,584** | 7,279,842 |
| Overseas | **7,826,762** | 4,854,411 |
| | **16,761,346** | 12,134,253 |

### 3 Notes to the profit and loss account

| | 2012<br>£ | 2011<br>£ |
|---|---|---|
| ***Profit on ordinary activities before taxation is stated after charging*** | | |
| Auditors' remuneration | | |
| Audit of these financial statements | **14,900** | 14,900 |
| Depreciation and other amounts written off tangible fixed assets | | |
| Owned | **274,715** | 284,526 |
| Leased | **56,275** | 50,583 |
| Hire of plant and machinery - rentals payable under operating leases | **8,398** | 8,398 |

## Notes *(continued)*

### 4 Remuneration of directors

| | 2012 £ | 2011 £ |
|---|---|---|
| Directors' emoluments | 577,028 | 275,498 |
| Company contributions to money purchase schemes | 27,976 | 27,976 |
| | 605,004 | 303,474 |

The emoluments of the highest paid director were £302,484 *(2011 £164,827)* and company pension contributions of £22,076 *(2011 £22,076)* were made to a money purchase scheme on his behalf

Retirement benefits are accruing, in respect of their services to the company, to the following number of directors under

| | Number of directors 2012 | 2011 |
|---|---|---|
| Money purchase schemes | 2 | 2 |

### 5 Staff numbers and costs

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

| | Number of employees 2012 | 2011 |
|---|---|---|
| Management and administration | 41 | 38 |
| Technicians/drivers | 50 | 51 |
| | 91 | 89 |

The aggregate payroll costs of these persons were as follows

| | 2012 £ | 2011 £ |
|---|---|---|
| Wages and salaries | 3,780,997 | 3,140,630 |
| Social security costs | 344,499 | 328,931 |
| Other pension costs | 102,983 | 102,827 |
| Staff welfare and personnel costs | 6,706 | 6,495 |
| | 4,235,185 | 3,578,883 |

## Notes *(continued)*

### 6 Other interest receivable and similar income

| | 2012 £ | 2011 £ |
|---|---|---|
| Bank interest | 1,586 | 94 |
| Receivable from group undertakings | 56,927 | 45,741 |
| Other | - | 24 |
| | 58,513 | 45,859 |

### 7 Interest payable and similar charges

| | 2012 £ | 2011 £ |
|---|---|---|
| On bank loans and overdrafts | 61,984 | 55,445 |
| On finance leases and similar hire purchase contracts | 15,663 | 18,129 |
| Other | 355 | - |
| | 78,002 | 73,574 |

### 8 Taxation

Analysis of charge in period

| | 2012 £ | £ | 2011 £ | £ |
|---|---|---|---|---|
| *UK corporation tax* | | | | |
| Current tax on income for the period | 26,414 | | 102,554 | |
| Group relief payable on income for the period | 428,563 | | - | |
| Adjustments in respect of prior periods | 5,061 | | 420 | |
| Total current tax | | 460,038 | | 102,974 |
| *Deferred tax (see note 14)* | | | | |
| Reversal of timing differences | 34,386 | | (1,186) | |
| Change in tax rate | (12,129) | | (12,224) | |
| | | 22,257 | | (13,410) |
| Tax on profit on ordinary activities | | 482,295 | | 89,564 |

## Notes *(continued)*

### 8 Taxation *(continued)*

The current tax charge for the period is higher *(2011 higher)* than the standard rate of corporation tax in the UK, 25 17% *(2011 27 16%)* The differences are explained below

| | 2012 £ | 2011 £ |
|---|---|---|
| *Current tax reconciliation* | | |
| Profit on ordinary activities before tax | **1,754,979** | 275,722 |
| Current tax at 25 16% *(2011 27 16%)* | **441,622** | 74,891 |
| *Effects of* | | |
| Expenses not deductible for tax purposes | **50,977** | 26,375 |
| Capital allowances in excess of depreciation | **(37,622)** | 1,288 |
| Adjustments in respect of prior periods | **5,061** | 420 |
| Total current tax charge (see above) | **460,038** | 102,974 |

*Factors that may affect future, current and total tax charges*

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014 A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 on 3 July 2012 respectively and therefore the effect of these rate reductions creates a reduction in the deferred tax balance which has been included in the figures above

On 5 December 2012 the Chancellor proposed a further change to reduce the main rate of corporation tax by one percent to 21% by 1 April 2014 This has not yet been substantively enacted and therefore is not included in the figures above The overall effect of the further proposed reduction from 23% to 21%, if applied to the deferred tax balance at 31 August 2012, would be to further reduce the deferred tax balance by approximately £15,000

### 9 Dividends

The aggregate amount of dividends comprises

| | 2012 £ | 2011 £ |
|---|---|---|
| Final dividend paid on ordinary shares | **400,000** | 500,000 |

## Notes *(continued)*

### 10 Tangible fixed assets

| | Freehold land and buildings £ | Leasehold improvements £ | Plant and machinery £ | Furniture, fittings and office equipment £ | Motor vehicles and trailers £ | Assets in the course of construction £ | Total £ |
|---|---|---|---|---|---|---|---|
| *Cost* | | | | | | | |
| At beginning of year | 1,181,136 | 1,976,211 | 209,210 | 366,833 | 1,964,290 | - | 5,697,680 |
| Additions | - | 28,168 | 2,668 | 9,167 | 260,978 | 491,761 | 792,742 |
| Disposals | - | - | (32,590) | (103,734) | (212,929) | - | (349,253) |
| At end of year | 1,181,136 | 2,004,379 | 179,288 | 272,266 | 2,012,339 | 491,761 | 6,141,169 |
| *Depreciation* | | | | | | | |
| At beginning of year | 180,718 | 591,540 | 161,757 | 283,021 | 1,491,972 | - | 2,709,008 |
| Charge for year | 20,144 | 98,558 | 11,860 | 39,509 | 160,919 | - | 330,990 |
| On disposals | - | - | (32,590) | (103,733) | (195,513) | - | (331,836) |
| At end of year | 200,862 | 690,098 | 141,027 | 218,797 | 1,457,378 | - | 2,708,162 |
| *Net book value* | | | | | | | |
| **At 31 August 2012** | **980,274** | **1,314,281** | **38,261** | **53,469** | **554,961** | **491,761** | **3,433,007** |
| At 31 August 2011 | 1,000,418 | 1,384,671 | 47,453 | 83,812 | 472,318 | - | 2,988,672 |

Included in the net book value of motor vehicles is £231,213 *(2011 £151,752)* in respect of assets held under finance leases Depreciation for the year on these assets was £56,275 *(2011 £50,583)*

Freehold land and buildings includes land with a net book value of £173,900 *(2011 £173,900)* which is not depreciated Assets under construction are not depreciated until they are brought into use

### 11 Debtors

| | 2012 £ | 2011 £ |
|---|---|---|
| Trade debtors | **3,750,091** | 1,974,678 |
| Amounts owed by group companies | **1,421,218** | 1,450,000 |
| Prepayments and accrued income | **302,816** | 370,117 |
| Other debtors | **127,177** | 3,619 |
| | **5,601,302** | 3,798,414 |

## Notes *(continued)*

### 12 Creditors amounts falling due within one year

| | 2012 £ | 2011 £ |
|---|---|---|
| Bank loan (note 13) | **100,000** | 1,000,000 |
| Obligations under finance leases (note 13) | **75,342** | 62,565 |
| Trade creditors | **1,367,348** | 854,436 |
| Amounts owed to group undertakings | **36,426** | 43,766 |
| Corporation tax | **26,414** | 83,543 |
| Other taxation and social security | **42,481** | 84,737 |
| Accruals and deferred income | **1,225,982** | 712,148 |
| Group relief payable | **428,563** | - |
| | **3,302,556** | 2,841,195 |

### 13 Creditors: amounts falling due after more than one year

| | 2012 £ | 2011 £ |
|---|---|---|
| Bank loans (see below) | **1,731,963** | 998,463 |
| Obligations under finance leases | **123,175** | 49,754 |
| | **1,855,138** | 1,048,217 |

During the year the company refinanced one of its existing loans into a new £1m facility

An outstanding loan of £881,963 is secured by a fixed charge over the freehold land and buildings and carries an interest charge of 1 75% above the bank's base rate The loan is repayable in full on 31 January 2014

A further outstanding loan of £950,000 is also secured by a fixed charge over the freehold land and buildings, carries an interest charge of 2 75% above LIBOR and has capital repayments of £100,000 per annum through until 28 February 2015 on which date the balance outstanding is repayable in full

**Analysis of debt:**

| | 2012 £ | 2011 £ |
|---|---|---|
| Debt can be analysed as falling due | | |
| In one year or less, or on demand | **100,000** | 1,000,000 |
| Between one and two years | **981,963** | - |
| Between two and five years | **750,000** | 998,463 |
| | **1,831,963** | 1,998,463 |

The maturity of obligations under finance leases and hire purchase contracts is as follows

| | 2012 £ | 2011 £ |
|---|---|---|
| Within one year | **75,342** | 62,565 |
| In the second to fifth years | **123,175** | 49,754 |
| | **198,517** | 112,319 |

## Notes *(continued)*

### 14 Provisions for liabilities

| | Deferred tax £ |
|---|---|
| At beginning of year | 151,615 |
| Charge for the year in the profit and loss account | 22,257 |
| At end of year | 173,872 |

The elements of deferred taxation are as follows

| | 2012 £ | 2011 £ |
|---|---|---|
| Difference between accumulated depreciation and capital allowances | **187,511** | 166,439 |
| Other timing differences | **(13,639)** | (14,824) |
| Deferred tax liability | **173,872** | 151,615 |

### 15 Called up share capital

| | 2012 £ | 2011 £ |
|---|---|---|
| ***Authorised*** | | |
| Ordinary shares of £1 each | **1,000,000** | 1,000,000 |
| ***Authorised, allotted, called up and fully paid*** | | |
| Ordinary shares of £1 each | **200,100** | 200,100 |

### 16 Reserves

| | Profit and loss account £ |
|---|---|
| At beginning of year | 3,412,394 |
| Profit for the year | 1,272,684 |
| Dividends paid on shares classified in shareholders' funds | (400,000) |
| At end of year | 4,285,078 |

The cumulative amount of goodwill written off to reserves is £59,500 *(2011 £59,500)*

## Notes *(continued)*

### 17 Commitments

Annual commitments under non-cancellable operating leases

| | 2012 Land and buildings £ | 2011 Land and buildings £ |
|---|---|---|
| Operating leases which expire | | |
| Within one year | - | - |
| In the second to fifth years inclusive | - | - |
| Over five years | 486,168 | 278,700 |
| | 486,168 | 278,700 |

### 18 Contingent liabilities

The company has given guarantees to customers and HMRC totalling £15,500 *(2011 £15,500)*

### 19 Pension scheme

The company participated in a group pension scheme providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company Details of the scheme are disclosed in the accounts of the ultimate parent company This scheme has been in wind up since 2003 and the scheme has now been accepted by the Financial Assistance Scheme Any further liabilities of the scheme are restricted to administrative costs capped at £225,000

A provision of £59,297 *(2011 £59,297)* is included in creditors representing the difference between the amount charged in the profit and loss account and the amount paid into the group pension scheme This accrual has been retained pending a decision on the future of the scheme and its funding requirements

The company also participates in a group defined contribution pension scheme The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £70,292 *(2011 £72,686)*

Contributions amounting to £nil *(2011 £nil)* were payable to the scheme and are included in creditors

### 20 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Constantine Group plc, a company incorporated in Great Britain The company's immediate controlling party is Constantine International Limited, a company incorporated in Great Britain

The only group in which the results of the company are consolidated is that headed by Constantine Group plc The consolidated accounts of this company are available to the public and may be obtained from Companies House