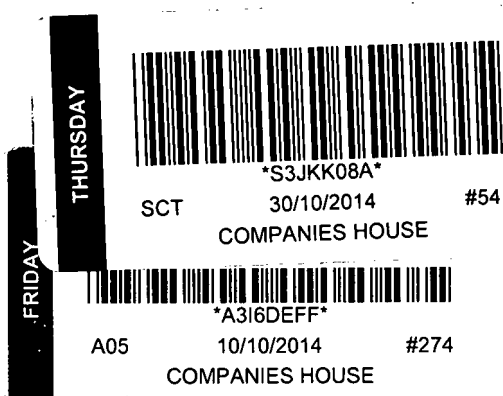


DEVOL ENGINEERING LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**



DEVOL ENGINEERING LIMITED

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DEVOL ENGINEERING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of light engineering.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £127,000 (2013 - £612,000). The directors do not recommend the payment of a dividend (2013: £nil).

DIRECTORS

The directors who served during the year were:

P G Needham
G Stark
P Hall (appointed 3 March 2014)
D Neeb (appointed 3 March 2014)
D Galloway (resigned 31 January 2014)
K Ingram (resigned 16 December 2013)

ENVIRONMENTAL MATTERS

The company is committed to minimising the impact that our products and processes have on the environment and to providing a safe working environment for our employees.

RESEARCH AND DEVELOPMENT ACTIVITIES

To ensure that we keep pace with the demanding changes in industry, our engineers and technologists have placed emphasis upon the need for research and development into materials and products.

EMPLOYEE INVOLVEMENT

Effective communication with employees is of vital importance and the company has established procedures to provide information to, and consult with, employees and union representatives on financial and other matters that affect them.

DISABLED EMPLOYEES

It is the practice of the company to facilitate the employment of disabled persons and to provide, whenever possible, opportunities for training, career development and promotion. Where employees become disabled whilst in service, every effort is made to rehabilitate them to their former jobs or some other suitable alternative and provide appropriate training and specialist advice.

DEVOL ENGINEERING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 June 2014 and signed on its behalf.



P G Needham
Director

Unit 2
Faulds Park Industrial Estate
Faulds Park Road
Gourock
PA19 1FB

DEVOL ENGINEERING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

BUSINESS REVIEW

Turnover reduced by 2% over the previous year. Sales to customers in the oil and gas and construction vehicle sectors reduced; however, demand increased from the rail industry for components for braking systems. Sales to other companies within the James Walker Group also increased.

The company continued to invest in its manufacturing capability and completed the re-location to a larger, modern manufacturing facility providing the opportunity to significantly expand its manufacturing capacity and capability. Operating margins reduced over the previous year as the costs of re-locating the business impacted during the first half of the year. Employee numbers were slightly higher than the previous year as the company increases its focus on research and development in materials and processes.

Working capital increased marginally over the previous year in value and as a percentage of sales due to increased stock levels and the reduced turnover.

FINANCIAL KEY PERFORMANCE INDICATORS

The following key performance indicators are measured and reviewed on a regular basis and enable the business to set and communicate its performance targets and monitor its performance against these targets.

Revenue growth – annual growth rate of revenue: (2.5)% (2013: (9.4)%)

Operating margin – operating profit before special items as a percentage of revenue: (4.0)% (2013: 9.8%)

Working Capital levels – inventory plus trade and other receivables less trade and other payables as a percentage of revenue: 21.7% (2013: 20.4%)

Shareholders' Funds: £3,020,000 (2013: £2,897,000)

During the year the company spent £997,000 on capital expenditure (2013: £873,000)

PRINCIPAL RISKS AND UNCERTAINTIES

Market risk

The company's main exposure to market risk arises from the location of its customers, particularly in markets where economic downturn has been seen. The company mitigates these risks by not being overly dependant upon either one key customer or single market sector.

Operational risk

The company's main operational risk arises from the increase of input costs in so far as these cannot be passed onto the customer due to the impact on price and market conditions. The company seeks to mitigate the increase in costs by a combination of continuous manufacturing improvement initiatives to minimise the impact of input cost increases and, if applicable and commercially viable, increasing costs to customers.

Financial risk

The main financial risks faced by the company are foreign currency risk, credit risk and liquidity risk.

Foreign currency risk is managed by monitoring the foreign exchange markets and utilising hedging instruments, principally in our most exposed currency, the Euro. Internal hedging arrangements between other companies within the James Walker Group are also used to mitigate the risk, with internal prices set based on the expected rates for the financial year.

DEVOL ENGINEERING LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

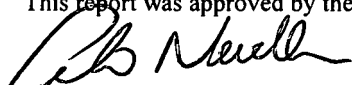
PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Financial risk (continued)

Credit risk is managed by monitoring limits and payment performance of counterparties and applying appropriate levels of credit to limit the company's exposure.

Liquidity risk is managed through regular cash forecasting. Short term flexibility is provided via inter group loans and cash pooling facilities.

This report was approved by the board on 26 June 2014 and signed on its behalf.



**P G Needham
Director**

DEVOL ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DEVOL ENGINEERING LIMITED

We have audited the financial statements of Devol Engineering Limited for the year ended 31 March 2014, set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER 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.

DEVOL ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DEVOL ENGINEERING LIMITED

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.



David Cox (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

26 June 2014

DEVOL ENGINEERING LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £000	2013 £000
TURNOVER	2	8,359	8,572
Change in stocks of finished goods and work in progress		717	(91)
Other operating charges	3	(111)	(2)
Raw materials and consumables		(3,001)	(2,156)
Other external charges		(1,953)	(1,275)
Staff costs	4	(4,166)	(3,939)
Depreciation and amortisation		(471)	(359)
OPERATING (LOSS)/PROFIT	5	(626)	750
Income from fixed asset investments		683	-
Interest payable and similar charges	7	(80)	(48)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(23)	702
Tax on (loss)/profit on ordinary activities	8	150	(90)
PROFIT FOR THE FINANCIAL YEAR	17	127	612

All amounts relate to continuing operations.

The notes on pages 10 to 19 form part of these financial statements.

DEVOL ENGINEERING LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £000	2013 £000
PROFIT FOR THE FINANCIAL YEAR	127	612
Unrealised surplus/(deficit) on revaluation of tangible fixed assets	-	(167)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>127</u>	<u>445</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £000	2013 £000
REPORTED (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(23)</u>	<u>702</u>
HISTORICAL COST (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(23)</u>	<u>702</u>
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	<u>127</u>	<u>612</u>

The notes on pages 10 to 19 form part of these financial statements.

DEVOL ENGINEERING LIMITED
REGISTERED NUMBER: SC043459

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	9		2,927		2,672
Investments	10		1,717		1,704
			<u>4,644</u>		<u>4,376</u>
CURRENT ASSETS					
Stocks	11	1,280		784	
Debtors	12	2,000		2,147	
Cash at bank		35		39	
		<u>3,315</u>		<u>2,970</u>	
CREDITORS: amounts falling due within one year	13	(4,932)		(4,275)	
NET CURRENT LIABILITIES			(1,617)		(1,305)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,027</u>		<u>3,071</u>
CREDITORS: amounts falling due after more than one year	14		(7)		(174)
NET ASSETS			<u>3,020</u>		<u>2,897</u>
CAPITAL AND RESERVES					
Called up share capital	16		800		800
Profit and loss account	17		2,220		2,097
SHAREHOLDERS' FUNDS	19		<u>3,020</u>		<u>2,897</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2014.



P G Needham
Director

The notes on pages 10 to 19 form part of these financial statements.

DEVOL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold buildings and in accordance with applicable accounting standards.

The financial statements contain information about Devol Engineering Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, James Walker Group Limited, a company registered in England and Wales.

1.2 Turnover

Turnover represents the net amount invoiced for goods supplied during the year. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	straight line over 15 - 25 years
Plant & machinery	-	20% reducing balance method
Motor vehicles	-	25% reducing balance method
Fixtures & fittings	-	25% reducing balance method
Computer equipment	-	33% straight-line method

1.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and Loss Account.

1.5 Investments

Investments are stated at cost less provision for impairment.

1.6 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

DEVOL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

Assets and liabilities are translated into sterling at the rate of exchange ruling at the Balance Sheet date. Transactions carried out in foreign currencies are translated into sterling at the rate of exchange at the time of the transaction. Differences on exchange are included in the Profit and Loss Account.

1.9 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and Loss Account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and Loss Account as the related expenditure is incurred.

1.10 Pensions Costs

The company operates a defined contribution pension scheme and the pension costs charged in the financial statements represent the contributions payable by the company during the year.

1.11 Share Based Payment

The group operates an Equity Participation Scheme in which employees of the company are awarded share options based upon the profitability of the group. The fair value of the employee services received in exchange for the grant of share options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of share options granted. The group is obliged to grant the share options each year depending upon group profits and therefore the company recognises the expense of these options in the corresponding year.

1.12 Related Party Transactions

As the company is a wholly owned subsidiary of James Walker Group Limited, which prepares consolidated financial statements, it has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group.

DEVOL ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014****2. TURNOVER**

Turnover is wholly attributable to the principal activity of the company.

An analysis of turnover by geographical market is as follows:

	2014 £000	2013 £000
United Kingdom	3,360	3,701
Rest of Europe	2,250	1,989
Americas	2,021	2,299
Asia Pacific	558	545
Rest of World	170	38
	<u>8,359</u>	<u>8,572</u>

3. OTHER OPERATING CHARGES

	2014 £000	2013 £000
Government grants receivable	14	1
Loss on disposal of fixed assets	(125)	(3)
	<u>(111)</u>	<u>(2)</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	3,657	3,457
Social security costs	381	360
Other pension costs	128	122
	<u>4,166</u>	<u>3,939</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Manufacturing	93	92
Sales, Office and Management	25	22
	<u>118</u>	<u>114</u>

DEVOL ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

5. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	471	359
Auditors' remuneration	14	14
Auditors' remuneration - non-audit	4	4
Loss on disposal of fixed assets	125	3
	<u> </u>	<u> </u>

6. DIRECTORS' REMUNERATION

	2014 £000	2013 £000
Remuneration	140	186
	<u> </u>	<u> </u>
Company pension contributions to defined contribution pension schemes	11	11
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to one director (2013 - one) in respect of defined contribution pension schemes. Pension arrangements with regards to three directors who are also directors of the parent company are disclosed in the parent company accounts. The other directors' pensions are dealt with in the accounts of their employing companies.

One director exercised his share options in the year. The other directors' share option exercises are disclosed in the accounts of their employing companies.

7. INTEREST PAYABLE

	2014 £000	2013 £000
On other loans	1	-
On loans from group undertakings	79	48
	<u> </u>	<u> </u>
	<u>80</u>	<u>48</u>

DEVOL ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014****8. TAXATION**

	2014 £000	2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	-
Deferred tax (see note 15)		
Tax losses carried forward	(150)	90
Tax on (loss)/profit on ordinary activities	<u>(150)</u>	<u>90</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 23% (2013 - 24%).
The differences are explained below:

	2014 £000	2013 £000
(Loss)/profit on ordinary activities before tax	<u>(23)</u>	<u>702</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	(5)	168
Effects of:		
Expenses not deductible for tax purposes	7	2
Capital allowances for year (in excess of) / less than depreciation	(75)	(23)
Utilisation of tax losses	-	(98)
Other timing differences	5	(6)
Non-taxable income	(157)	-
Unrelieved tax losses carried forward	225	-
Group relief claim	-	(43)
Current tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Based on current investment plans the company expects to continue to be able to claim capital allowances in excess of depreciation.

The Directors have reviewed the tax losses of the company and in view of future profitability, a deferred tax asset of £150,000 (2013: £nil) has been recognised in the balance sheet.

DEVOL ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

9. TANGIBLE FIXED ASSETS

	Land and Buildings £000	Plant & Equipment £000	Total £000
Cost or valuation			
At 1 April 2013	868	4,576	5,444
Additions	306	691	997
Disposals	(112)	(826)	(938)
At 31 March 2014	1,062	4,441	5,503
Depreciation			
At 1 April 2013	-	2,772	2,772
Charge for the year	43	428	471
On disposals	(5)	(662)	(667)
At 31 March 2014	38	2,538	2,576
Net book value			
At 31 March 2014	1,024	1,903	2,927
At 31 March 2013	868	1,804	2,672

Included within Land and Buildings is £nil (2013: £352,000) assets under construction which have not been subject to depreciation.

Cost or valuation at 31 March 2014 is as follows:

	Land and buildings £000
At cost	547
At valuation:	
31 March 2013	515
	1,062

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2014 £000	2013 £000
Cost	1,577	1,383
Accumulated depreciation	(553)	(515)
Net book value	1,024	868

The property was subject to a valuation by Messrs. Lambert Smith Hampton, Chartered Surveyors, as at 31st March 2013, on the basis of existing use value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The valuation did not take into account any resale potential of the property.

DEVOL ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014****10. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £000
Cost	
At 1 April 2013	1,704
Additions	13
At 31 March 2014	1,717
Net book value	
At 31 March 2014	1,717
At 31 March 2013	1,704

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Devol Moulding Services Limited	Ordinary	100 %
Devol Bushing Limited	Ordinary	100 %
Devol Fabrications Limited	Ordinary	100 %
Devol Cast Nylon Limited	Ordinary	100 %
Jaegar Seals N.V	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Devol Moulding Services Limited	-	-
Devol Bushing Limited	1,030	-
Devol Fabrications Limited	2,532	-
Devol Cast Nylon Limited	-	-
Jaegar Seals N.V	606	144

11. STOCKS

	2014 £000	2013 £000
Raw materials	288	509
Finished goods and goods for resale	992	275
	1,280	784

DEVOL ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014****12. DEBTORS**

	2014 £000	2013 £000
Due after more than one year		
Deferred tax asset (see note 15)	150	-
Due within one year		
Trade debtors	1,597	1,878
Amounts owed by group undertakings	164	84
Other debtors	-	111
Prepayments and accrued income	89	74
	<u>2,000</u>	<u>2,147</u>

13. CREDITORS:**Amounts falling due within one year**

	2014 £000	2013 £000
Trade creditors	505	568
Amounts owed to group undertakings	3,838	3,162
Other taxation and social security	137	85
Other creditors	213	186
Accruals and deferred income	239	274
	<u>4,932</u>	<u>4,275</u>

14. CREDITORS:**Amounts falling due after more than one year**

	2014 £000	2013 £000
Other creditors	7	174

15. DEFERRED TAXATION

	2014 £000	2013 £000
At beginning of year	-	90
Credit/(Charge) to the Profit and Loss Account	150	(90)
At end of year	<u>150</u>	<u>-</u>

DEVOL ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014****15. DEFERRED TAXATION (continued)**

The deferred taxation balance is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	150	-

16. SHARE CAPITAL

	2014 £000	2013 £000
Allotted, called up and fully paid		
800,000 Ordinary Shares of £1 each	800	800

17. RESERVES

	Profit and loss account £000
At 1 April 2013	2,097
Profit for the financial year	127
Equity Participation Scheme Charge	(4)
At 31 March 2014	2,220

18. SHARE OPTIONS

Share options in the parent company are granted to directors and employees of the company. Options are generally conditional on the employee completing a specific length of service. The options are exercisable from 10 weeks after the grant date and lapse 15 months after the grant date.

The amount recognised in the Profit and Loss Account in the year was £4,864 (2013: £8,679) which represents 608 shares to be granted in July 2014. The options are exercisable at nil value and therefore are inherently valued at the share price at the date of grant, which is expected to be £8.00.

The share price was £7.60 for all options exercised in 2013.

During the year the company had the following share options issued to company employees:

Number of Share Options				Exercise Price	Exercise Date
At 1 April 2013	Granted	Exercised	At 31 March 2014		
-	1,142	(1,142)	-	Nil	10 September 2013

DEVOL ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014****19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £000	2013 £000
Opening shareholders' funds	2,897	2,473
Profit for the financial year	127	612
Other recognised gains and losses during the year	-	(167)
Equity Participation Scheme charge	(4)	(21)
Closing shareholders' funds	<u>3,020</u>	<u>2,897</u>

20. CONTINGENT LIABILITIES

As at 31 March 2014 the company was party to a multilateral guarantee in respect of the indebtedness of other group companies to the value of £2,000,000.

21. CAPITAL COMMITMENTS

At 31 March 2014 the company had capital commitments as follows:

	2014 £000	2013 £000
Contracted for but not provided in these financial statements	<u>31</u>	<u>324</u>

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. This scheme was replaced with effect from 1 March 2014 with the James Walker Group Personal Pension Plan, a defined contribution scheme.

23. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £000	2013 £000	2014 £000	2013 £000
Expiry date:				
Between 2 and 5 years	<u>-</u>	<u>-</u>	<u>8</u>	<u>3</u>

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking is James Walker Group Limited.

Group financial statements for James Walker Group Limited are available to the public from Companies Registration Office, Crown Way, Cardiff on payment of the appropriate fee.