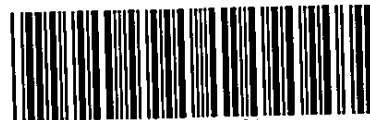


Silca Limited

**Annual report and financial statements
for the year ended 30 June 2010**

Registered number 02549786

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Silca Limited

Annual report and financial statements for the year ended 30 June 2010

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Silca Limited

Directors and advisers

Directors

W Stadelmann

R Gaspari

K Niederhauser

Company Secretary

J Wilcock

Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

First Point

Buckingham Gate

Gatwick

RH6 0PP

Solicitors

Irwin Mitchell Solicitors

2 Wellington Place

Leeds

LS1 4BZ

Registered office

29 Gloucester Place

London

W1U 8HX

Registered number

02549786

Silca Limited

Directors' report for the year ended 30 June 2010

The directors present their report and the audited financial statements of the company for the year ended 30 June 2010

Business review and principal activities

The principal activity of the company in the year under review was that of the distribution of key blanks and key duplicating machines. The company's profit for the financial year is £542,128 (2009 £339,862). The company has net assets of £1,089,353 (2009 £1,097,225). The directors made a dividend payment of £550,000 (2009 £450,000) and have proposed a dividend of £400,000 (2009 £350,000) to be paid in the year ended 30 June 2011.

Research and Development

The company is a distribution branch and does not perform any research and development.

Future outlook

The company will aim to improve on last year's figures by focusing on service level, communication to the market and the introduction of new products.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from existing competitors in Europe and new competition from China.

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and foreign currency risk. Given the size of the company, the directors have not delegated the responsibility for monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company maintains appropriate finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Foreign currency risk

Some sales took place in the year in Euros which would be subject to exchange rate fluctuations. However, this risk is considered minimal.

Donations

Charitable and political donations of £nil were made by the company during the year (2008 £nil).

Silca Limited

Directors' report for the year ended 30 June 2010

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below

W Stadelmann

R Gaspari

K Niederhauser (appointed 1 July 2010)

Statement of directors' responsibilities

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 the directors have elected to prepare 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 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that 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.

Statement as to disclosure of information to auditors

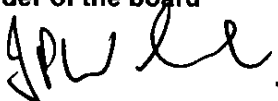
Each of the persons who is a director at the date of approval of this report confirms that so far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Silca Limited

Directors' report for the year ended 30 June 2010

The directors' report has been prepared taking advantage of the small company's exemption in accordance with s415A of the Company's Act 2006

By order of the board



J Wilcock

Company Secretary

9 February 2011

Silca Limited

Independent auditors' report to the members of Silca Limited

We have audited the financial statements of Silca Limited for the year ended 30 June 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 30 June 2010 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

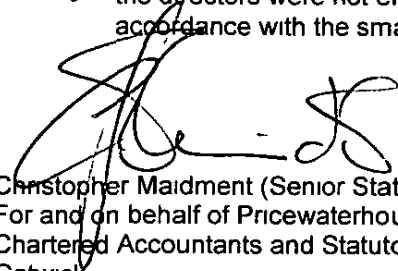
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Silca 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, or
- the directors were not entitled to prepare financial statements and the directors' report in accordance with the small company regime



Christopher Maidment (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

9 February 2011

Silca Limited

Profit and loss account for the year ended 30 June 2010

	Notes	2010 £	2009 £
Turnover	2	3,437,390	2,956,574
Cost of sales		(2,453,462)	(2,135,347)
Gross profit		983,928	821,227
Distribution costs		(174,283)	(228,824)
Administrative expenses		(264,911)	(252,643)
Operating profit	3	544,734	339,760
Interest receivable and similar income	4	93	2,747
Interest payable and similar charges	5	(2,699)	(2,645)
Profit on ordinary activities before taxation		542,128	339,862
Tax on profit on ordinary activities	9	-	-
Profit for the financial year	17	542,128	339,862

The above results relate entirely to continuing activities

The company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented


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

Silca Limited

Balance sheet as at 30 June 2010

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	10	17,109	27,908
Current assets			
Stock	11	54,083	33,001
Debtors	12	1,155,651	1,008,389
Cash at bank and in hand		238,161	316,833
		1,447,895	1,358,223
Creditors' amounts falling due within one year	13	(375,651)	(288,906)
Net current assets		1,072,244	1,069,317
Total assets less current liabilities		1,089,353	1,097,225
Net assets		1,089,353	1,097,225
Capital and reserves			
Called up share capital	15	411,050	411,050
Capital contribution	16	7,894	7,894
Profit and loss account	17	670,409	678,281
Total shareholders' funds	18	1,089,353	1,097,225

The financial statements on pages 7 to 18 were approved by the board of directors on 9 February 2011 and signed on its behalf by


K. Niederhauser
Director

Silca Limited

Registered number 02549786

Silca Limited

Notes to the financial statements for the year ended 30 June 2010

1 Accounting policies

These financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents the total income receivable by the company (exclusive of value added tax) in respect of goods sold and services rendered.

Revenue from sales is recognised upon delivery to the customer, when there are no significant obligations remaining, and the collection of the resulting receivable is considered probable.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and other amounts from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rate that is expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Intangible fixed assets and amortisation

Intangible fixed assets are stated at historic purchase cost less accumulated amortisation. Intangible fixed assets represent software licences that are being amortised over a 4 year period.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Revenues and expenses have been translated to sterling at the exchange ruling at the date of the transaction.

All exchange differences arising from the above are included in the profit and loss account.

Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. The assets of the funded scheme are held independently of the company by Standard Life. The pension charge represents the amounts payable by the company to the fund in respect of the year.

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

Stock

Stock is valued at the lower of cost on a fifo basis and net realisable value

Share based payments

Certain employees participate in the Kaba Holding AG Executive Stock Award Plan. Participants, are allotted shares free of charge. The award corresponds to the closing price of the price of the Kaba Holding AG share at the SIX Swiss Exchange on the day prior to the award.

Cash flow statement

The company has taken advantage of the exemption in FRS 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary.

Related party transactions

The company has taken advantage of the exemption available under FRS 8 from disclosing transactions with 100% owned subsidiary undertakings.

2 Turnover

	2010 £	2009 £
Sales by destination:		
United Kingdom	3,014,659	2,480,913
Overseas	422,731	475,661
	3,437,390	2,956,574

3 Operating profit

Operating profit is stated after charging / (crediting)

	2010 £	2009 £
Amortisation on intangible fixed assets	10,800	9,300
Auditors' fees for audit services	15,200	18,450
Operating lease rentals		
- other than plant and machinery	54,700	54,700

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

4 Interest receivable and sundry income

	2010	2009
	£	£
Bank interest receivable	93	2,747

5 Interest payable and similar charges

	2010	2009
	£	£
Payable to group undertakings	2,699	2,645

6 Directors' emoluments

	2010	2009
	£	£
Emoluments	-	-
Company pension contribution to money purchase scheme	-	-
	-	-

For the current year, all directors receive remuneration elsewhere in the Kaba group for which no recharge is made to the company

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

7 Employee information

The average number of persons employed by the company during the year was

By activity	2010 Number	2009 Number
Administration	3	4
Total	3	4

Employee costs incurred during the year were

	2010 £	2009 £
Wages and salaries	126,725	172,355
Social security costs	14,023	20,070
Other pensions costs	4,357	4,587
Share based payments	3,927	
Staff costs	149,032	197,012

8 Dividends

Dividends on ordinary shares

	2010 £	2009 £
Paid – Interim 0.85p (2009 1.09p) per share	350,000	450,000
Paid – Final 0.49p per share	200,000	-
Proposed 0.97p (2009 0.85p) per share	400,000	350,000

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

9 Tax on profit on ordinary activities

(a) Analysis of charge in year

	2010	2009
	£	£
Current tax	-	-
UK Corporation tax on profits of the year	-	-
Tax on profit of ordinary activities	-	-

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2009 lower) than the standard rate of corporation tax in the UK 28% (2009 28%). The differences are explained below

	2010	2009
	£	£
Profit on ordinary activities before tax	542,128	339,862
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 28%)	151,796	96,161
Effects of		
Expenses not deductible for tax purposes	514	1,024
Group relief received at no charge	(152,310)	(96,185)
Current taxation	-	-

The company has no significant unprovided deferred tax assets or liabilities

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

10 Intangible fixed assets

	Software and licences
	£
Cost	
At 1 July 2009 and at 30 June 2010	43,441
Accumulated amortisation	
At 1 July 2009	15,532
Charge for year	10,800
At 30 June 2010	26,332
Net book amount	
At 30 June 2010	17,109
At 30 June 2009	27,908

11 Stocks

	2010	2009
	£	£
Finished goods and goods for resale	54,083	33,001

The cost of stock is not materially different from the replacement cost

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

12 Debtors

	2010 £	2009 £
Trade debtors	1,134,033	974,159
Amounts owed by group undertakings	16,689	29,223
Prepayments and accrued income	4,929	5,007
	1,155,651	1,008,389

13 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	7,599	2,062
Amounts owed to group undertakings	251,471	198,599
Other taxation and social security	57,155	38,178
Accruals and deferred income	59,426	50,067
	375,651	288,906

The amounts owed to group undertakings are unsecured

14 Share based payments

Kaba Holding AG has a stock award plan in existence for the remuneration of certain employees. Under it, participants, determined each year by the Compensation Committee, are allotted shares free of charge. The award value corresponds to the closing price of the Kaba Holding AG share at the SIX Swiss Exchange on 14 August each year.

On 14 August 2009, 30 shares with an award value of CHF 226 each were allotted to 1 employee of the company, the value of which amounts to £3,927. Detailed information on Kaba Holding AG stock award plan is available in Kaba Holdings AG's annual report (see note 22).

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

15 Called up share capital

	2010 £	2009 £
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid		
411,050 ordinary shares of £1 each	411,050	411,050

16 Capital contribution

	2010 £	2009 £
Capital contribution	7,894	7,894

17 Reserves

	Profit and loss account £
At 1 July 2009	678,281
Profit for the year	542,128
Dividends paid	(550,000)
At 30 June 2010	670,409

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

18 Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Profit for the financial year	542,128	339,862
Dividends paid	(550,000)	(450,000)
Net reduction to shareholders funds	(7,872)	(110,138)
Opening shareholders' funds	1,097,225	1,207,363
Closing shareholders' funds	1,089,353	1,097,225

19 Related party disclosures

As the company is a 100% subsidiary of Kaba Holding (UK) Limited and the consolidated financial statements of the ultimate parent, Kaba Holding AG, are publicly available and contain the results of Silca Limited, the company is exempt from disclosing transactions with group undertakings as permitted by Financial Reporting Standard 8 related party transactions. There were no other related party undertakings in the current or prior year.

20 Pensions

The company operates a defined contribution scheme, held independently of the company. The pension charge for the year was £4,357 (2009: £4,587).

21 Financial commitments

At 30 June 2010 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings	
	2010 £	2009 £
Within one year	27,350	-
In more than one year, but not more than five years	-	54,700
After five years	-	-
	-	54,700

Silca Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

22 Financial commitments (continued)

Subsequent to the year end, the company has entered into a new operating lease commitment in respect of land and buildings, with an annual commitment of £13,000, expiring in December 2015

22 Ultimate parent company

The immediate parent undertaking is Kaba Holding (UK) Limited, a company incorporated in United Kingdom

The ultimate parent undertaking and controlling party is Kaba Holding AG, a company incorporated in Switzerland. Kaba Holding AG is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2010. The consolidated financial statements of Kaba Holding AG can be obtained from its registered address at Hofwisenstrasse 24, 8153 Rumlang, Switzerland