HCL Safety Limited

Registered number: 2691137

Annual report

for the year ended 31 March 2011

HCL Safety Limited

Annual report
for the year ended 31 March 2011

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HCL Safety Limited

Directors and advisers

Executive directors

D N Hearson
A P Le Cornu
R A Orton

Company secretary and registered office

R A Orton
HCL Safety Limited
Hopton Park
Devizes
Wiltshire
SN10 2JP

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Solicitors

Olswang LLP
90 High Holborn
London
WC1V 6XX

Bankers

HSBC Bank Plc
3 Rivergate
Temple Quay
Bristol
BS1 6ER

HCL Safety Limited

Directors' report
for the year ended 31 March 2011

The directors present their report and the audited financial statements for the year ended 31 March 2011 for HCL Safety Limited (company number 2691137)

Business review and principal activities

The results for the year are set out in the statement of comprehensive income The financial statements for the year have been presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union For further information, please refer to note 1

The directors are pleased to report continued profitability and good prospects for the year to 31 March 2011 The directors expect to generate future business growth through continuing to invest in the existing activities of the company

A dividend of £750,000 was paid during the year to HCL Group (2010 £550,000)

The principal activity of the company is the installation and maintenance of fall protection systems and other equipment

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators other than measures of review and profit before tax is not necessary for an understanding of the development, performance or position of the business

Principal risks and uncertainties

The directors of the parent company, Latchways plc, manage the group's risks at a group level, rather than at an individual business unit level For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of HCL Safety Limited's business The principal risks and uncertainties of Latchways plc, which include those of HCL Safety Limited, are discussed in the Operating and Financial Review of the group's annual report, which does not form part of this report

Financial risk management

The directors of the parent company, Latchways plc, manage financial risks at a group level, rather than at an individual business unit level For this reason, the company's directors believe that a discussion of the financial risks would not be appropriate for an understanding of the development, performance or position of HCL Safety Limited's business The financial risks of Latchways plc, which include those of HCL Safety Limited, are discussed in the operating and financial review of the group's annual report, which does not form part of this report

Directors

The directors of the company at 31 March 2011 are as noted in the list of directors and advisers and have served throughout the year

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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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

PricewaterhouseCoopers LLP are the auditors of HCL Safety Limited

For each of the persons who were directors at the time this report was prepared, the following applies

- so far as the directors are aware, there is no relevant audit information (ie information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and

- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the annual general meeting

By order of the board

R A Orton
Company secretary
6 October 2011

HCL Safety Limited

Independent auditors' report to the members of HCL Safety Limited

We have audited the financial statements of HCL Safety Limited for the year ended 31 March 2011 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in shareholders' equity, Cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities as set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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 In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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 2011 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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

JS Jenkins

Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 October 2011

HCL Safety Limited

Statement of comprehensive income for the year ended 31 March 2011

	Notes	2011 £'000	2010 £'000
Revenue	2	**8,657**	8,410
Cost of sales		**(5,449)**	(4,967)
Gross profit		**3,208**	3,443
Administrative expenses		**(2,238)**	(2,425)
Operating profit		**970**	1,018
Finance income		**1**	2
Profit before taxation	3	**971**	1,020
Taxation	5	**(276)**	(291)
Profit attributable to equity shareholders and total comprehensive income		**695**	729

The results for the year arose wholly from continuing operations

HCL Safety Limited

Balance sheet
at 31 March 2011

	Notes	2011 £'000	2011 £'000
Assets			
Non-current assets			
Intangible assets	7	74	122
Property, plant and equipment	8	22	34
Goodwill	9	155	155
		251	311
Current assets			
Inventories	10	391	503
Trade and other receivables	11	2,366	2,316
Deferred taxation	12	20	24
Cash and cash equivalents		469	510
		3,246	3,353
Current Liabilities			
Trade and other payables	13	(1,459)	(1,537)
Current tax liabilities	14	(85)	(119)
		(1,544)	(1,656)
Net current assets		1,702	1,697
Net assets		1,953	2,008
Shareholders' equity			
Share capital	15	-	-
Retained earnings		1,953	2,008
Total shareholders' equity		1,953	2,008

The financial statements which comprise the statement of comprehensive income, the balance sheet, the statement of changes in shareholders' equity, the cash flow statement and the related notes on pages 9 to 21, were approved by the board of directors on 6 October 2011 and were signed on its behalf by

Director R A Orton

HCL Safety Limited

Statement of changes in shareholders' equity

	Share Capital	Retained Earnings	Total
	£'000	£'000	£'000
At 1 April 2009	-	1,829	1,829
Profit for the year attributable to equity shareholders	-	729	729
Total comprehensive income	-	729	729
Transactions with owners			
Dividend paid	-	(550)	(550)
At 31 March 2010 and 1 April 2010	-	**2,008**	**2,008**
Profit for the year attributable to equity shareholders	-	695	695
Total comprehensive income	-	695	695
Transactions with owners			
Dividend paid	-	(750)	(750)
At 31 March 2011	-	**1,953**	**1,953**

HCL Safety Limited

Cash flow statement
for the year ended 31 March 2011

	Note	2011	2010
		£'000	£'000
Cash flows from operating activities			
Cash generated from operations	16	**1,016**	1,176
Tax paid		**(306)**	(332)
Net cash from operating activities		**710**	844
Cash flows from investing activities			
Interest received		**1**	2
Purchase of property, plant and equipment		**(2)**	(25)
Net cash used in investing activities		**(1)**	(23)
Cash flows from financing activities			
Dividends paid		**(750)**	(550)
Net cash used in financing activities		**(750)**	(550)
Net (decrease)/increase in cash and cash equivalents		**(41)**	271
Cash and cash equivalents at 1 April		**510**	239
Cash and cash equivalents at 31 March		**469**	510

HCL Safety Limited

Notes to the financial statements for the year ended 31 March 2011

1 Principal accounting policies

HCL Safety Limited is a limited company and is domiciled and incorporated in the United Kingdom

The principal accounting policies adopted in the preparation of these financial statements are set out below These policies have been consistently applied to all the years presented

Basis of preparation

Standards, amendments and interpretations effective
These financial statements have been prepared in accordance with the EU-adopted International Financial Reporting Standards (IFRS) and IFRIC interpretations and with those parts of the Companies Act 2006 which are applicable to companies reporting under IFRS They have been prepared under the historical cost convention

The financial statements have been prepared on a going concern basis

New accounting standards and interpretations have been issued during the year The company's approach to these is as follows

- IFRS 3 (revised), 'Business combinations' (effective 1 July 2009) –The standard continues to apply the acquisition method to business combinations, with some significant changes All payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through profit and loss Goodwill and non-controlling (minority) interests may be calculated on a gross or net basis All transaction costs are expensed

- IAS 27 (revised), 'Consolidated and separate financial statements' (effective 1 July 2009) – IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control They will no longer result in goodwill or gains and losses The standard also specifies the accounting when control is lost Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss

- Amendment to IFRS 2, 'Share-based payments – Group cash-settled payment transactions' (effective 1 January 2010)
These amendments provide a clear basis to determine the classification of share based payment awards in consolidated and separate financial statements The amendment incorporates IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', into the standard, expands on the guidance given in IFRIC 11 to address plans that were not considered in the interpretation, and clarifies the definitions section of IFRS 2

- Amendment to IAS 39, 'Financial instruments Recognition and measurement', on 'Eligible hedged items' (effective 1 July 2009) This amendment makes two significant changes It prohibits designating inflation as a hedgeable component of a fixed-rate debt It also prohibits including time value in the one-sided hedged risk when designating options as hedges

- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective 1 October 2008, EU-endorsed for use annual periods beginning on or after 1 July 2009)

1 Principal accounting policies (continued)

Standards, amendments and interpretations effective in 2011 but not relevant.
The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 April 2008 but they are not relevant to the company's operations

- IFRS 1 (revised), 'First-time adoption' (effective 1 July 2009) – does not contain any technical changes, as it only improves the structure, which had become complex due to the numerous amendments in recent years
- Amendment to IFRS 1, 'First-time adoption', on 'Additional exemptions'
- Amendments IAS 32, 'Financial instruments Presentation', on 'Classification of rights issues'
- IFRIC 15, 'Agreements for construction of real estate'
- IFRIC 17, 'Distributions of non-cash assets to owners'
- IFRIC 18, 'Transfer of assets from customers'

Interpretations and revised standards that are not yet effective and have not been early adopted by the group.
The following interpretations to existing standards have been published that are mandatory for the company's future accounting but which the company has not adopted early

- Amendment to IAS 24, 'Related party disclosures'
- Amendments to IFRS 7, 'Financial instruments Disclosures' on derecognition
- Amendment to IAS 12, 'Income taxes' on deferred tax
- IFRS 9, 'Financial instruments' – classification and measurement'
-

Interpretations and amendments to standards that are not yet effective and not relevant for the group's operations
The following interpretations to existing standards have been published that are mandatory for the company's accounting periods beginning on or after 1 January 2010 or later periods but are not relevant for the company's operations

- Amendment to IFRIC 14, 'Prepayments of a minimum funding requirement'
- Amendment to IFRS 1, 'First time adoption' – financial instrument disclosures
- Amendment to IFRS 1, 'First time adoption', on fixed dates and hyperinflation
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'

The preparation of financial statements requires the use of certain critical accounting estimates It also requires management to exercise judgement in the process of applying the company's accounting policies A summary of the most important of these policies is set out below

HCL Safety Limited

Notes to the financial statements for the year ended 31 March 2011

1 Principal accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, including incidental costs of acquisition Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight line basis over the expected useful economic lives of the assets concerned, as follows

Plant and machinery	20% - 50%
Fixtures and fittings	15% - 50%
Motor vehicles	20 – 25%
Short leasehold land and buildings	10%

Software Licences

Acquired computer software licences which do not form part of the operating software acquired with a piece of hardware are capitalised on the basis of all costs incurred in bringing them into use These costs are amortised over a maximum of three years

Impairment of assets

At each reporting date the company considers whether there is any indication that non-current assets are impaired If there is such an indication, the company carries out an impairment test by measuring the asset's recoverable amount, which is the higher of the asset's fair value less costs to sell and its value in use If the recoverable amount is less than the carrying amount, an impairment loss is recognised and the asset is written down to its recoverable amount

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items Cost includes all direct expenditure

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate The amount of the provision is recognised in the statement of comprehensive income

Cash and cash equivalents

Cash and cash equivalents consist of cash balances and short term deposits

Pension costs

The company participates in a defined contribution pension scheme The cost to the company of contributions to the scheme is charged to the statement of comprehensive income in the period to which they relate

HCL Safety Limited

Notes to the financial statements for the year ended 31 March 2011

1 Principal accounting policies (continued)

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities Revenue is shown net of value added tax, returns, rebates and discounts

The company enters into contracts to install and supply fall protection systems and industrial safety products Revenue is recognised to the extent to which performance has taken place at the balance sheet date in accordance with the percentage completion method

Taxation

Income tax on the profit for the year comprises current and deferred tax Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years

As required by IAS12 (Revised) the company provides deferred income tax using the balance sheet liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying values Deferred income taxation is determined using the tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date and are expected to apply when the related deferred tax asset or liability is realised or settled Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised Deferred income tax balances are not discounted

Dividends

Dividend distributions to the holding company are recognised as a liability in the financial statement s in the period in which the distribution is authorised This is normally the same time as the dividend is paid in cash

Operating leases

Rentals payable under operating leases are charged to the statement of comprehensive income as incurred

2 Segmental reporting

The company operates solely in the United Kingdom There is only one business segment, which carries out the installation and maintenance of fall protection systems and other equipment as determined by the operating decision maker, namely the board of directors

HCL Safety Limited

Notes to the financial statements for the year ended 31 March 2011

3 Profit before taxation

Profit before taxation is stated after charging

	2011 £'000	2010 £'000
Depreciation of property, plant and equipment	14	11
Amortisation of intangible assets	48	62
Auditors' remuneration – audit services	25	20
Impairment of trade receivables	120	128
Cost of inventories recognised as an expense (in cost of sales)	3,594	3,384
Movement in inventory provision	(1)	(8)
Loss on disposal of fixed assets	-	(1)
Operating lease rentals Property	118	133
Operating lease rentals Other	235	228

4 Employee information

The average monthly number of persons (including executive directors) employed by the company during the period was

	2011 Number	2010 Number
Contracts	51	45
Administration and selling	41	49
	92	94

Staff costs (for the above persons)	2011 £'000	2010 £'000
Wages and salaries	2,254	2,173
Social security costs	189	226
Other pension costs	93	109
	2,536	2,508

Directors' emoluments	2011 £'000	2010 £'000
Aggregate emoluments	94	131
Pensions	7	10
	101	141

Aggregate emoluments above are the amounts paid to A Le Cornu in respect of qualifying services during the year No other director received remuneration from the company in the year

No other individuals are deemed, by the Directors of the company, to be key management of the company and accordingly no further disclosure of key management remuneration is required other than that presented above

5 Taxation

Analysis of tax charge in the year	2011 £'000	2010 £'000
Current tax		
UK Corporation tax on profits of the year at 28% (2010 28%)	272	286
Adjustments in respect of previous periods	-	(1)
Total current tax	272	285
Deferred tax		
Deferred tax for the current year	4	6
Total deferred tax	4	6
Total Taxation charge	276	291

The tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 28% (2010 28%) The differences are explained below

Factors affecting the tax charge for the period	2011 £'000	2010 £'000
Profit before taxation	971	1,020
Profit multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	272	286
Effects of		
Expenses not deductible for tax purposes	2	6
Impact of change in UK tax rate	2	-
Adjustments in respect of previous periods	-	(1)
Total tax charge for the year	276	291

6 Dividends

	2011 £'000	2010 £'000
Dividend paid 2011 £375,000 per share (2010 £275,000 per share)	750	550
Total dividend paid	750	550

7 Intangible assets

	Computer Software	Customer Relationships	Total
	£'000	£'000	£'000
Cost			
At 1 April 2010	193	181	374
Additions	-	-	-
At 31 March 2011	**193**	**181**	**374**
Accumulated amortisation			
At 1 April 2010	188	64	252
Charge for the year	3	45	48
At 31 March 2011	**191**	**109**	**300**
Net book value			
At 31 March 2011	**2**	**72**	**74**
At 31 March 2010	5	117	122

	Computer Software	Customer Relationships	Total
	£'000	£'000	£'000
Cost			
At 1 April 2009	275	181	456
Reclassifications	(82)	-	(82)
Additions	-	-	-
At 31 March 2010	**193**	**181**	**374**
Accumulated amortisation			
At 1 April 2009	262	9	271
Reclassifications	(81)	-	(81)
Charge for the year	7	55	62
At 31 March 2010	**188**	**64**	**252**
Net book value			
At 31 March 2010	**5**	**117**	**122**
At 31 March 2009	13	172	185

HCL Safety Limited

Notes to the financial statements for the year ended 31 March 2011

8 Property, plant and equipment

	Short leasehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2010	1	23	7	109	140
Additions	-	1	-	1	2
Disposals	(1)	(1)	-	(4)	(6)
At 31 March 2011	**-**	**23**	**7**	**106**	**136**
Accumulated depreciation					
At 1 April 2010	1	16	7	82	106
Disposals	(1)	(1)	-	(4)	(6)
Charge for the year	-	7	-	7	14
At 31 March 2011	**-**	**22**	**7**	**85**	**114**
Net book value					
At 31 March 2011	**-**	**1**	**-**	**21**	**22**
At 31 March 2010	-	7	-	27	34

	Short leasehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2009	12	26	7	36	81
Reclassifications	-	(1)	-	83	82
Additions	-	10	-	15	25
Disposals	(11)	(12)	-	(25)	(48)
At 31 March 2010	**1**	**23**	**7**	**109**	**140**
Accumulated depreciation					
At 1 April 2009	11	23	7	20	61
Reclassifications	-	1	-	80	81
Disposals	(10)	(12)	-	(25)	(47)
Charge for the year	-	4	-	7	11
At 31 March 2010	**1**	**16**	**7**	**82**	**106**
Net book value					
At 31 March 2010	**-**	**7**	**-**	**27**	**34**
At 31 March 2009	1	3	-	16	20

9 Goodwill

The goodwill carried in HCL Safety Limited represents goodwill acquired on the acquisition of the Safety Anchor business in October 2008

	2011 £'000	2010 £'000
Goodwill	**155**	155
	155	155

The recoverable amounts have been assessed based on value in use
The key assumptions used in the value in use calculation were as follows

The forecast net profit margin This was based on the achieved result over the previous two years, and assuming no growth in business for the forthcoming year and thereafter

The risk adjusted discount rate The discount rate used is the same as the weighted average cost of capital for the Group as described further in Note 7 of the Latchways plc Annual Report and account 2011 These assumptions resulted in a discount rate of 6 4% (2010 7 9%) However for prudence, impairment calculations were carried out using a pre-tax rate of 8 0% (2010 10%)

Management are confident that no impairment of goodwill exists at the balance sheet date Future performance would need to deteriorate markedly for the value in use to fall below the carrying value

10 Inventories

	2011 £'000	2010 £'000
Raw materials	**391**	503
	391	503

HCL Safety Limited

Notes to the financial statements for the year ended 31 March 2011

11 Trade and other receivables

	2011 £'000	2010 £'000
Amounts falling due within one year		
Trade receivables	**2,573**	2,421
Provision for impairment	**(330)**	(266)
Trade receivables net	**2,243**	2,155
Prepayments and accrued income	**123**	161
	2,366	2,316

As at 31 March 2011, trade receivables of £2,185,000 (2010 £1,983,000) were fully performing

Trade receivables that are less than three months past due are not considered impaired These relate to a number of independent customers for whom there is no recent history of default The ageing of these trade receivables is as follows

	31 March 2011 £'000	31 March 2010 £'000
Up to 3 months	**2,184**	1,983
3 to 6 months	**132**	153
Over 6 months	**88**	90
Retentions of contracts	**169**	195
	2,573	2,421

Those items up to 3 months old are fully performing and are not considered impaired Items over 3 months old are reviewed for impairment and provided for where necessary In addition, the company regularly reviews retentions on contracts for impairment, and provides accordingly Those items considered to be impaired at 31 March 2011 are as follows

	31 March 2011 £'000	31 March 2010 £'000
3 – 6 months	**166**	140
Over 6 months	**88**	90
Retentions of contracts	**76**	36
Actual provision	**330**	**266**

Movement on the provision for impairment	31 March 2011 £'000	31 March 2010 £'000
Provision brought forward	**266**	226
Provision for receivables impaired	**120**	128
Receivables written off during the year	**(62)**	(88)
Used amounts reversed	**6**	-
	330	266

HCL Safety Limited

Notes to the financial statements for the year ended 31 March 2011

12 Deferred taxation

Deferred tax is calculated in full on temporary difference under the liability method using a tax rate of 26% (2010 28%)

The movement on the deferred tax asset is as follows	2011 £'000	2010 £'000
At 1 April	**24**	30
Income statement	**(4)**	(6)
At 31 March	**20**	24

The deferred tax provided is made up as follows

	2011 £'000	2010 £'000
Accelerated capital allowances	**20**	24
Other timing differences	**-**	-
At 31 March	**20**	24

13 Trade and other payables

	2011 £'000	2010 £'000
Trade payables	**69**	88
Other creditors	**847**	32
Other taxation and social security costs	**64**	256
Amounts owed to group undertakings	**261**	785
Accruals and deferred income	**218**	376
	1,459	1,537

Amount owed to group undertakings are repayable on demand and do not bear interest

14 Current tax liabilities

	2011 £'000	2010 £'000
Corporation tax	**85**	119
	85	119

Notes to the financial statements for the year ended 31 March 2011

15 Called up share capital

	2011 £	2010 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

16 Cash flow from operating activities

Cash generated from operations	31 March 2011	31 March 2010
Continuing operations	£'000	£'000
Net profit	695	729
Adjustments for		
Tax	276	291
Depreciation of tangible assets	14	11
Amortisation of intangible assets	48	62
Loss of disposal of fixed asset	-	1
Interest income	(1)	(2)
Changes in working capital		
Decrease in inventories	112	1
(Increase)/Decrease in trade and other receivables	(50)	116
Decrease in trade and other payables	(78)	(33)
Cash generated from operations	1,016	1,176

17 Operating lease commitments - minimum lease payments

Future minimum lease payments under non-cancellable operating leases

	2011		2010	
	Property £'000	Other £'000	Property £'000	Other £'000
Not later than one year	77	227	87	130
Later than one year and not later than five years	138	252	146	136
	215	479	233	266

HCL Safety Limited

Notes to the financial statements for the year ended 31 March 2011

18 Pension and similar obligations

With effect from April 1995 a Group Personal Pension (defined contribution) scheme was established with Norwich Union for the provision of future pension benefits

The total pension cost for the company amounted to £93,000 (2010 £109,000)

19 Contingent liability

HCL Safety Limited has given a guarantee in respect of the overdraft of its holding company HCL Group plc As at 31 March 2011 the overdraft stood at £nil (2010 £nil)

20 Related Party Transactions

During the year, HCL Safety Limited made purchases of £2,695,000 (2010 £3,529,000) from the ultimate parent company Latchways plc At the year end the balance outstanding to Latchways plc was £820,000 (2010 £745,000) At the year end the balance owed from other group companies to HCL Safety Limited was £10,000 (2010 £20,000) A dividend of £750,000 (2010 £550,000) was paid to HCL Group Plc

21 Ultimate parent company

The company is a wholly owned subsidiary of HCL Group plc, a company registered in England and Wales The ultimate parent undertaking and controlling party of the company is Latchways plc, a company registered in England and Wales Latchways plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2011 Copies of Latchways plc consolidated financial statements can be obtained from the Company Secretary at Hopton Park,Devizes,Wiltshire,SN102JP