

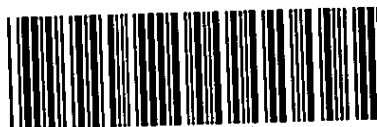
Registered number: 00442739

POLYSIUS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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COMPANIES HOUSE

POLYSIUS LIMITED

COMPANY INFORMATION

DIRECTORS	Dr D Kupper Dr D Rose
COMPANY SECRETARY	M J Crump
COMPANY NUMBER	00442739
REGISTERED OFFICE	The Brackens London Road Ascot Berkshire SL5 8BE

POLYSIUS LIMITED

CONTENTS

	Page
Directors' report for the year ended 30 September 2010	1 - 3
Independent auditors' report	4 - 5
Profit and loss account for the year ended 30 September 2010	6
Statement of total recognised gains and losses for the year ended 30 September 2010	7
Balance sheet as at 30 September 2010	8
Notes to the financial statements for the year ended 30 September 2010	9 - 19

POLYSIUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010

The directors present their annual report and the audited financial statements for the year ended 30 September 2010

PRINCIPAL ACTIVITIES

The company designs and supplies plant normally under long term contracts mainly to the cement industry but also to the slag, chemical and related industries

BUSINESS REVIEW

During the year Polysius Limited received some high value spare parts orders. No major contracts for new equipment or plant were awarded in the year

FUTURE DEVELOPMENTS

Polysius Limited is actively developing its on-site services that can be provided to clients

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include

Price risk

The Management expect to meet the planned order intake targets and to maintain the associated price levels of their goods and services

Credit risk

The main cash account is held through intercompany pooling. It is therefore not anticipated that any credit arrangements will be necessary and no risk is seen to be applicable in this area

Liquidity risk

It is not foreseen that the liquidity of the company will be a risk, based upon expected payment terms and payment philosophies

Interest rate risk

The Management do not expect any financial risk to the company performance, arising from changes in interest rates. Interest bearing assets are cash balances pooled within the group. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature

Foreign currency risk

The Management do not expect any financial risk to the company performance, arising from changes in foreign exchange rates

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £194,076 (2009 - £168,874)

POLYSIUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were

Dr D Kupper
Dr D Rose

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

There have been no qualifying third party indemnity provisions or qualifying pension scheme indemnity provisions for the director's of the company during the year or at the date the report has been approved

DIFFERENCE BETWEEN MARKET AND BALANCE SHEET VALUE OF LAND

In the opinion of the directors, the difference between the market value and balance sheet value of land is not significant

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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

POLYSIUS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

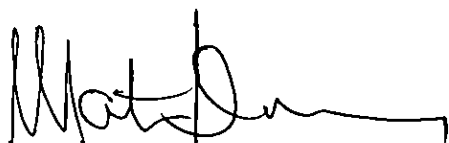
The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and was approved by the board and signed by its order.



M J Crump
Company Secretary

Date

13 / 1 / 11

POLYSIUS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLYSIUS LIMITED

We have audited the financial statements of Polysius Limited for the year ended 30 September 2010 which comprises the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of directors' responsibilities, 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 September 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 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.

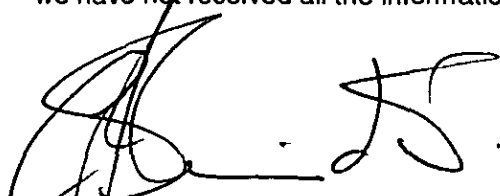
POLYSIUS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF POLYSIUS 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



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

13 January 2011

POLYSIUS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Note	2010 £	2009 £
TURNOVER	1,2	2,308,634	2,244,440
Cost of sales		<u>(1,721,722)</u>	<u>(1,570,245)</u>
GROSS PROFIT		586,912	674,195
Distribution costs		(577,095)	(512,873)
Administrative expenses		(67,189)	(467,152)
Other operating income	3	<u>339,673</u>	<u>369,099</u>
OPERATING PROFIT		282,301	63,269
Interest receivable and similar income	7	32,930	59,456
Interest payable and similar charges	8	(1,203)	(2,610)
Other (losses) / gains	9	<u>(33,880)</u>	<u>131,421</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		280,148	251,536
Tax on profit on ordinary activities	10	<u>(86,072)</u>	<u>(82,662)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>194,076</u></u>	<u><u>168,874</u></u>

All amounts relate to continuing operations

The notes on pages 9 to 19 form part of these financial statements

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

POLYSIUS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Note	2010 £	2009 £
PROFIT FOR THE FINANCIAL YEAR		194,076	168,874
Unrealised deficit on revaluation of investment properties		-	(300,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		194,076	(131,126)

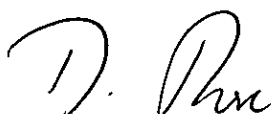
The notes on pages 9 to 19 form part of these financial statements

POLYSIUS LIMITED
REGISTERED NUMBER: 00442739

BALANCE SHEET
AS AT 30 SEPTEMBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	11		335,670		369,271
Investment property	12		2,000,000		2,000,000
			<u>2,335,670</u>		<u>2,369,271</u>
CURRENT ASSETS					
Debtors	13	1,524,380		1,662,998	
Cash at bank and in hand		40,285		35,691	
			<u>1,564,665</u>	<u>1,698,689</u>	
CREDITORS: amounts falling due within one year	14	(244,853)		(457,554)	
NET CURRENT ASSETS			<u>1,319,812</u>		<u>1,241,135</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,655,482</u>		<u>3,610,406</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
Other provisions	15		(156,000)		(145,000)
NET ASSETS			<u>3,499,482</u>		<u>3,465,406</u>
CAPITAL AND RESERVES					
Called up share capital	17		300,000		300,000
Revaluation reserve	18		2,570,885		2,570,885
Profit and loss account	18		628,597		594,521
SHAREHOLDERS' FUNDS			<u>3,499,482</u>		<u>3,465,406</u>

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



Dr D Rose
Director

Date

13/1/11

The notes on pages 9 to 19 form part of these financial statements

POLYSIUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

1. ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Under FRS 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent company undertaking includes the company in its own published consolidated financial statements.

As 100% of the company's voting rights are controlled within the group headed by ThyssenKrupp AG, the company has taken advantage of the exemption contained in FRS 8 and has not disclosed transactions or balances with entities that form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of ThyssenKrupp AG, within which the company is included, can be obtained from the address given in note 24.

1.2 Fixed assets and depreciation

Depreciation is provided by the company to write off the cost (cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use) less the estimated residual value of tangible fixed assets using the straight line method.

The assets' residual values and useful economic lives are reviewed and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Freehold and leasehold property is at valuation. On adopting FRS 15, the company took the decision to apply the transitional rules and freeze the cost of the land and buildings, in respect of the proportion of the property used for the company's own operations, at the amounts of the revaluation. All other fixed assets are stated at cost. Leasehold land and buildings are amortised over the period of the lease. Freehold land is not depreciated.

Freehold and leasehold buildings	-	2-3%	straight line
Equipment	-	10-20%	straight line
Motor vehicles	-	25%	straight line
Furniture, fittings & equipment	-	10%	straight line
Leasehold improvements	-	10%	straight line

POLYSIUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

1. ACCOUNTING POLICIES (continued)

1.3 Investment properties

In accordance with SSAP 19,

- (i) except in the year of acquisition, investment properties are revalued annually on an open market basis. In the year of acquisition the property is recorded at cost
- (ii) no depreciation is provided on freehold buildings held for investment purposes. This treatment may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, the properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view.
Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified
- (iii) All properties are stated at market value as at 30 September 2009, no indications of impairment have arisen since 30 September 2009 to warrant revaluation

1.4 Operating leases

The rental charges on operating leases are charged to the profit and loss account on a straight line basis over the life of the lease. Lease income from operating leases is recognised as income on a straight line basis over the lease term. Costs, including depreciation, incurred in earning the lease income are recognised as an expense.

1.5 Post-retirement benefits

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

1.6 Long-term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at cost incurred, less that transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched by turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

1.7 Deferred 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.

POLYSIUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

1. ACCOUNTING POLICIES (continued)

1.8 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services, including construction contracts, to customers during the year

1.9 Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent 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 in the financial statements

1.10 Deferred Income

Revenue from services performed under maintenance contracts is deferred and recognised over the term of the underlying customer contract

1.11 Warranty Provision

Warranty provisions include amounts payable in respect of orders that have been completed during the year. The company is liable for a period of one year after the order is completed in respect of repairs to defects. A provision is recognised when the associated income and profit is recognised based on historical warranty data and a weighting of all possible outcomes against their associated probabilities

2. TURNOVER

Turnover arose from the principal activity of the company

By geographical market

	2010 £	2009 £
United Kingdom and Republic of Ireland	1,228,057	1,834,006
Germany	64,088	38,674
Nigeria	944,112	294,376
South Africa	72,377	77,384
	<u>2,308,634</u>	<u>2,244,440</u>

3. OTHER OPERATING INCOME

	2010 £	2009 £
Rental income	<u>339,673</u>	<u>369,099</u>

POLYSIUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	2010 £	2009 £
Auditors' remuneration		
Audit of these financial statements	17,512	32,426
Depreciation	37,928	38,118
Hire of plant and machinery - rentals payable under operating leases	4,093	3,491
	<u>59,533</u>	<u>74,035</u>

5. STAFF COSTS

Staff costs were as follows

	2010 £	2009 £
Wages and salaries	296,325	297,461
Social security costs	35,061	35,042
Other pension costs (see note 21)	21,117	22,991
	<u>352,503</u>	<u>355,494</u>

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

	2010 Number	2009 Number
General and administration	2	2
Technical (including sales)	3	3
	<u>5</u>	<u>5</u>

6 DIRECTORS' REMUNERATION

There were no directors' emoluments in either 2010 or 2009

The directors are remunerated in respect of their services to the group of which the company is a member. Such remuneration is included in the disclosures in the financial statements of ThyssenKrupp AG.

No emoluments are shown for the directors in these financial statements because their services to the company are very minor and an amount in respect of those services cannot realistically be attributed.

POLYSIUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Other interest receivable	32,930	59,456
	<u>32,930</u>	<u>59,456</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Interest and bank charges	1,203	2,610
	<u>1,203</u>	<u>2,610</u>

9. FOREIGN EXCHANGE (LOSSES) / GAINS

	2010 £	2009 £
Foreign exchange (losses) / gains	(105,324)	131,421
	<u>(105,324)</u>	<u>131,421</u>

POLYSIUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

10 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2010 £	2009 £
UK corporation tax charge on profit for the year	<u>86,072</u>	<u>82,662</u>

Factors affecting tax charge for the year

Trading losses of approximately £13.9million (2009 £13.9million) are available for offset against future trading profits

The tax assessed for the year is higher than (2009 - higher 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	<u>280,148</u>	<u>251,536</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	78,441	70,430
Effects of		
Expenses not deductible for tax purposes	8,986	6,337
Capital allowances in excess / (less than) depreciation	(1,105)	9,393
Other timing differences	3,101	(3,498)
Utilisation of tax losses brought forward	(17,312)	-
Adjustments to tax charge in respect of prior years	13,961	-
Current tax charge for the year	<u>86,072</u>	<u>82,662</u>

Factors affecting future tax charges

The standard rate of Corporation Tax in the UK changed from 28% to 27% with effect from 1 April 2011. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 27.5% and will be taxed at 27% in the future.

POLYSIUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

11 TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Leasehold improve- ments £	Total £
Cost or valuation					
At 1 October 2009	757,544	17,800	214,816	147,306	1,137,466
Additions	-	-	4,327	-	4,327
At 30 September 2010	<u>757,544</u>	<u>17,800</u>	<u>219,143</u>	<u>147,306</u>	<u>1,141,793</u>
Accumulated Depreciation					
At 1 October 2009	464,663	17,800	203,263	82,469	768,195
Charge for the year	19,811	-	3,386	14,731	37,928
At 30 September 2010	<u>484,474</u>	<u>17,800</u>	<u>206,649</u>	<u>97,200</u>	<u>806,123</u>
Net book value					
At 30 September 2010	<u>273,070</u>	<u>-</u>	<u>12,494</u>	<u>50,106</u>	<u>335,670</u>
At 30 September 2009	<u>292,881</u>	<u>-</u>	<u>11,553</u>	<u>64,837</u>	<u>369,271</u>

The net book value of Land and Buildings comprises

	2010 £	2009 £
Land and buildings	180,161	196,672
Leasehold properties	92,909	96,209
Total	<u>273,070</u>	<u>292,881</u>

POLYSIUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

12 INVESTMENT PROPERTIES

**Freehold
property
£**

Cost and valuation

At 1 October 2009 and 30 September 2010

2,000,000

The directors have considered the valuation as at 30 September 2010 and are of the opinion that the value remains the same as at 30 September 2009

The directors are of the opinion that the fall in the value of the investment property recognised in the financial statements for the year ended 30 September 2009 is temporary because of the nature of the local property market as a result of the recent recession and credit market problems. There is no reason why a higher value would not be obtained once more favourable market conditions return. Consequently the diminution in value has been recognised in the revaluation reserve rather than the profit and loss account.

The 2009 valuations were made by Vall Williams, Chartered Surveyors, on 29 July 2009, on an open market value for existing use basis. The valuations have been prepared in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

If the revalued property were stated on the historical cost basis, the amounts would be

	2010 Freehold land £	2010 Freehold buildings £	2009 Freehold land £	2009 Freehold buildings £
Cost	164,000	51,000	164,000	51,000
Aggregate depreciation based on cost	-	(29,000)	-	(28,000)
	164,000	22,000	164,000	23,000

13. DEBTORS

	2010 £	2009 £
Trade debtors	93,409	232,347
Amounts owed by group undertakings	1,398,463	1,416,234
Other debtors	19,562	6,851
Prepayments and accrued income	12,946	7,566
	1,524,380	1,662,998

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and include balances under the group's cash pooling arrangements bearing interest at the base rate.

POLYSIUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

14 CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Payments received on account on long term contracts	39,549	34,668
Trade creditors	26,594	280,240
Social security and other taxes	3,228	8,660
Accruals	47,626	34,771
Other creditors	127,856	99,215
	<u>244,853</u>	<u>457,554</u>

Included within trade creditors for the year ended 30 September 2009 were balances totalling £267,302 which were owed to other group companies. During the period the majority of these balances were repaid and as at 30 September 2010 this balance was £40

15. PROVISIONS FOR LIABILITIES AND CHARGES

Warranty provisions	2010 £	2009 £
At beginning of the year	145,000	96,750
Provided during the year	11,000	48,250
	<u>156,000</u>	<u>145,000</u>
At closing of the year		

Warranty provisions include amounts payable in respect of contracts that have been completed during the year. Polysius Limited is liable for a period of one year after the contract is completed in respect of repairs and maintenance work.

16 DEFERRED TAX ASSET

	2010 £	2009 £
Difference between accumulated depreciation and capital allowances	8,854	14,322
Other timing differences- Tax losses	3,728,370	3,881,888
Other timing differences	42,606	40,600
	<u>3,779,830</u>	<u>3,936,810</u>

Deferred tax has been calculated at a tax rate of 27%

In view of the level profitability of the current year, the directors consider it inappropriate to recognise the asset in the company's balance sheet

17 CALLED UP SHARE CAPITAL

	2010 £	2009 £
Authorised, allotted, called up and fully paid		
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

POLYSIUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

18 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 October 2009	2,570,885	594,521
Profit for the financial year		194,076
Dividends		(160,000)
	<u>2,570,885</u>	<u>628,597</u>
At 30 September 2010	<u>2,570,885</u>	<u>628,597</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	3,465,406	3,596,532
Profit for the financial year	194,076	168,874
Revaluation of investment properties	-	(300,000)
Dividends	(160,000)	-
	<u>3,499,482</u>	<u>3,465,406</u>

20 DIVIDENDS

	2010 £	2009 £
53p (2009 nil) paid per £1 share	<u>160,000</u>	<u>-</u>

21. PENSION SCHEME

The company operates a defined contribution pension scheme which is open to most employees. It is a money purchase scheme providing benefits based on the level of each employee's fund at the date of retirement. The employer contributions are 8% of salary and employees have the option of making additional contributions to the scheme.

The assets of the scheme are held separately from those of the company by the insurance company which administers the scheme. The pension charge represents contributions payable by the company to the fund together with amounts paid into the private schemes of employees and amounts to £21,117 (2009 £22,991).

At 30 September 2010 £3,773 (2009 £3,659) was outstanding in respect of the pension scheme.

POLYSIUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

22 OPERATING LEASE COMMITMENTS

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

	2010 £	2009 £
Other:		
Within 1 year	-	4,271
Between 2 and 5 years	3,852	8,462

23 CONTINGENT LIABILITIES

As part of the group's financing arrangements the company is jointly and severally liable for certain indebtedness of ThyssenKrupp AG. The contingent liability amounted to £nil (2009 £nil).

24 ULTIMATE PARENT COMPANY

The immediate parent undertaking is Polysius AG.

The ultimate parent undertaking and controlling party is ThyssenKrupp AG, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

As 100% of the company's voting rights are controlled within the group headed by ThyssenKrupp AG, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities that form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of the ThyssenKrupp AG, within which company is included, can be obtained from ThyssenKrupp AG, Allee 1, D45143 Essen, Germany.