

Registered No 3047921

**Gnutti Powertrain Limited**  
**(formerly Finnveden Powertrain Limited)**

**Report and Financial Statements**

31 December 2011

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## Gnutti Powertrain Limited (formerly Finnveden Powertrain Limited)

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### **Directors**

P C Gnutti

M Gnutti

P Groff (appointed 13 June 2011)

S P Shaw (appointed 1 January 2012)

### **Auditors**

Ernst & Young LLP

Lowgate House

Lowgate

Hull

HU1 1JJ

### **Registered Office**

33 West Street

Alford

Lincolnshire

LN13 9DQ

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

### Change of name

The name of the company was changed from Finnveden Powertrain Limited to Gnutti Powertrain Limited on the 10 November 2011, a resolution was passed by the directors on the 29 October 2011 to facilitate this change

### Results and dividends

The profit for the year was £1,059,000 (2010 – loss of £732,000) The directors do not recommend the payment of a dividend (2010 – £nil)

### Principal activity and review of the business

The company is engaged in general engineering principally for the valve actuation heavy duty diesel engine sector

The company's key financial and other performance indicators during the year were as follows

	2011 £000	2010 £000	Change %
Turnover	6,797	8,353	(18.6%)
Operating profit / loss	1,197	(617)	294.0%
Profit / loss after tax	1,059	(732)	244.7%

The company operates in an international market place producing and distributing engineered parts for the heavy duty diesel engine industry

2011 saw a significant decrease in turnover due to the reallocation of sales within the Group. The company has now established a cost base consistent with the rationalization of its operation, while continuing to direct resources towards customer development, cost savings and improved sources of supply.

As part of a group wide review of global manufacturing facilities, the company announced on 8 September 2009 that its manufacturing operation at Alford would close in February 2010. However, the company has continued to operate the business with the support of its parent, but the eventual closure of the manufacturing operation will result in redundancies at the Alford site and a relocation of the manufacturing part of the business to other group companies. The company does not believe that adjustments to the carrying values of assets at the balance sheet date are required.

### Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board are implemented by the company's management.

#### Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The board will reconsider the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed investments.

#### Credit risk

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

## Directors' report (continued)

### Principal risks and uncertainties (continued)

#### Liquidity risk

The company retains sufficient cash to ensure it has available funds for operations and capital expenditure. The company also has access to longer term funding from its ultimate parent undertaking if required.

#### Interest rate cash flow risk

The company does not have interest bearing assets, but has interest bearing liabilities with its parent company at fixed rates which ensures certainty of future interest cash flows. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The directors will reconsider the appropriateness of this policy should the company's operations change in size or nature.

### Going concern

At the balance sheet date the company has net liabilities of £2,009,000 (2010 - £3,968,000). Having made a profit in 2011, this trend should continue and in future years the company is anticipated to make profits and generate cash. However, currently the company remains dependent on its parent Gnutti Powertrain Holding AB which has confirmed that it will provide financial support to the company to meet its liabilities as and when they fall due. Based on the above, the directors consider that it is appropriate to draw up these financial statements on a going concern basis.

### Directors

The directors who served the company during the year were as follows:

P C Gnutti

M Gnutti

P Groff (appointed on 13 June 2011)

On 1 January 2012, S P Shaw was appointed as a director of the company.


### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



P C Gnutti  
Director

17 September 2012

## 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 judgements 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 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.

# **Independent auditors' report**

**to the members of Gnutti Powertrain Limited (formerly Finnveden Powertrain Limited)**

We have audited the financial statements of Gnutti Powertrain Limited (formerly Finnveden Powertrain Limited) for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

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 Report and Financial Statements 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 the 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 December 2011 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.

## **Independent auditors' report (continued)**

**to the members of Gnuttli Powertrain Limited (formerly Finnveden Powertrain 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



Richard Frostick (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
Hull

18 September 2012

## Profit and loss account

for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
<b>Turnover</b>	2	6,797	8,353
Cost of sales		(5,131)	(7,998)
<b>Gross profit</b>		1,666	355
Distribution costs		(90)	(197)
Administrative expenses		(379)	(775)
<b>Operating profit / (loss)</b>	3	1,197	(617)
Interest payable and similar charges	6	(132)	(108)
Other finance costs	17	(6)	(7)
<b>Profit / (loss) on ordinary activities before taxation</b>		1,059	(732)
Tax	7	–	–
<b>Profit / (loss) for the financial year</b>	15	1,059	(732)

All amounts relate to continuing activities

## Statement of total recognised gains and losses

for the year ended 31 December 2011

	2011 £000	2010 £000
Profit / (loss) for the financial year	1,059	(732)
Actuarial gain on pension scheme (note 17)	874	271
Movement on deferred tax relating to pension scheme	26	–
<b>Total recognised gain / (loss) relating to the year</b>	1,959	(461)



## Balance sheet

at 31 December 2011

	Notes	2011 £000	2010 £000
<b>Fixed assets</b>			
Tangible assets	8	478	699
Investments	9	1	1
		<u>479</u>	<u>700</u>
<b>Current assets</b>			
Stocks	10	934	823
Debtors	11	1,357	1,369
Cash at bank and in hand		220	753
		<u>2,511</u>	<u>2,945</u>
<b>Creditors</b> amounts falling due within one year	12	(2,139)	(3,059)
<b>Net current assets / (liabilities)</b>		<u>372</u>	<u>(114)</u>
<b>Total assets less current liabilities</b>		<u>851</u>	<u>586</u>
<b>Creditors</b> amounts falling after more than one year	13	(2,784)	(3,284)
<b>Net liabilities excluding pension liability</b>		<u>(1,933)</u>	<u>(2,698)</u>
Pension liability	17	(76)	(1,270)
<b>Net liabilities including pension liability</b>		<u>(2,009)</u>	<u>(3,968)</u>
<b>Capital and reserves</b>			
Called up share capital	14	619	619
Share premium account	15	3,281	3,281
Other reserves	15	1,500	1,500
Profit and loss account	15	(7,409)	(9,368)
<b>Shareholders' deficit</b>	16	<u>(2,009)</u>	<u>(3,968)</u>

Approved by the board and signed of its behalf by

  
P C Gnutti  
Director

17 September 2012

Registered No. 3047921

## Notes to the financial statements

at 31 December 2011

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are material to the company's financial statements

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention

#### **Going concern**

The company's parent Gnuttå Powertrain Holding AB has confirmed that it will provide financial support to the company to meet its liabilities as and when they fall due. The directors therefore consider that it is appropriate to draw up these financial statements on a going concern basis

#### **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. All revenue is recognised at the date of supply

#### **Statement of cash flows**

The company is a wholly owned subsidiary of a parent whose financial statements are publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a statement of cash flows

#### **Tangible fixed assets**

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

Freehold buildings	–	20 years
Plant and machinery	–	4 to 10 years
Fixtures and fittings	–	3 to 10 years

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

#### **Investments**

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the first-in first out method is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads

#### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

## Notes to the financial statements

at 31 December 2011

### 1. Accounting policies (continued)

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Leasing and hire purchase commitments*

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease. Leasing and hire purchase agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the commitment is shown as obligations under finance leases and hire purchase agreements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

#### *Pension costs*

The company contributes to the individual personal pension schemes of its employees. The cost of these contributions is recognised in the year in which payments are made.

The company operates a defined benefit pension scheme which is now closed to new members and future accruals covering the majority of its employees up to 31 October 2006. The assets of the scheme are held independently of the company.

The regular service cost of providing retirement benefits to employees during the year is charged to operating profit in the year. The full cost of providing amendments to benefits in respect of past service is also charged to operating profit in the year.

Income representing the expected return on assets of the fund during the year is included within other finance income. This is based on the market value of the assets of the fund at the start of the financial year. A cost representing the interest on the liabilities of the fund during the year is also included within other finance income. This arises from the liabilities of the fund being one year closer to payment.

Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the year, together with differences arising from changes in assumptions underlying the present value of scheme liabilities and experience gains and losses arising on scheme liabilities.

### 2. Turnover

Turnover by destination for the year was as follows

	2011 £000	2010 £000
United Kingdom	6,061	3,928
Other EU	97	2,594
Rest of the world	639	1,831
	<u>6,797</u>	<u>8,353</u>

## Notes to the financial statements

at 31 December 2011

### 3. Operating profit / (loss)

This is stated after charging

	2011 £000	2010 £000
Auditors' remuneration		
Audit work	28	30
Non audit work – tax compliance	8	5
Depreciation of tangible fixed assets – owned assets	183	297
Rentals payable under operating leases	41	91
	<u>260</u>	<u>423</u>

### 4. Directors' remuneration

The total amounts for directors' remuneration were as follows

	2011 £000	2010 £000
Aggregate remuneration	–	53
Company contributions to defined contribution pension scheme	–	3
	<u>–</u>	<u>56</u>

Certain directors are remunerated for services to the Gnutti group and this company by the ultimate parent company with no separate charge being made to the company

### 5. Staff costs

The aggregate payroll costs of these persons, including directors, were as follows

	2011 £000	2010 £000
Wages and salaries	708	1,310
Social security costs	39	143
Other pension costs	46	59
	<u>793</u>	<u>1,512</u>

The average monthly number of employees during the year was made up as follows

	2011 No	2010 No
Management and administration	5	8
Production and distribution	33	56
	<u>38</u>	<u>64</u>

## Notes to the financial statements

at 31 December 2011

### 6. Interest payable and similar charges

	2011 £000	2010 £000
Interest payable to group undertaking	132	108
	<u>132</u>	<u>108</u>

### 7. Tax

#### (a) Tax on profit / (loss) on ordinary activities

The tax charge is made up as follows

	2011 £000	2010 £000
<i>Current tax</i>		
UK corporation tax on profit / (loss) for the year	–	–
Total current tax (note 7(b))	<u>–</u>	<u>–</u>

#### *Deferred tax*

Current year	–	–
Total deferred tax	<u>–</u>	<u>–</u>
Tax on profit / (loss) on ordinary activities	<u>–</u>	<u>–</u>

#### (b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26.5 % (2010 – 28%) The differences are explained below

	2011 £000	2010 £000
Profit / (loss) on ordinary activities before tax	1,059	(732)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 – 28%)	281	(205)
<i>Effects of</i>		
Expenses not deductible for tax purposes	2	3
Excess capital allowances	(38)	87
Unrelieved tax losses carried forward	(167)	197
Pension cost relief in excess of pension cost charge	(78)	(82)
Current year corporation tax (note 7(a))	<u>–</u>	<u>–</u>

## Notes to the financial statements

at 31 December 2011

### 7. Tax (continued)

#### (c) Factors affecting future years tax charge

There are unprovided deferred tax assets totalling £950,000 (2010 - £1,578,000) on the following timing differences: capital allowances of £117,000 (2010 - £174,000), tax losses of £782,000 (2010 - £1,062,000), and other short term timing differences £51,000 (2010 - nil). These have not been recognised due to the uncertainty around whether there will be a suitable taxable profit in the future from which any reversal of the underlying timing differences can be deducted.

Deferred tax is calculated at 25% (2010 - 27%), the rate enacted at the Balance Sheet date. Since that date, legislation has been enacted to reduce the main rate of corporation tax to 24% from 1 April 2012. This will reduce the benefit of the deferred tax asset, but the company may benefit from this change as any corporation tax payable will be charged at this lower rate. Further reductions in the UK corporation tax rate have been announced, but not enacted. It is anticipated that by 2014 the UK rate will have reduced to 23%. This is not expected to have material effect on the deferred tax asset provided.

### 8. Tangible fixed assets

	<i>Freehold land and building £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures and fittings £000</i>	<i>Total £000</i>
Cost				
At 1 January 2011	1,682	6,429	1,273	9,384
Additions	–	3	7	10
Disposals	–	(3,619)	–	(3,619)
At 31 December 2011	1,682	2,813	1,280	5,775
Depreciation				
At 1 January 2011	1,165	6,279	1,241	8,685
Charge for the year	84	77	22	183
Disposals	–	(3,571)	–	(3,571)
At 31 December 2011	1,249	2,785	1,263	5,297
Net book value				
At 31 December 2011	433	28	17	478
At 1 January 2011	517	150	32	699

### 9. Investments

	<i>£000</i>
Cost	
At 1 January 2011 and 31 December 2011	1

The company holds a debenture issued by Kennick Park Conference Centre

## Notes to the financial statements

at 31 December 2011

### 10. Stocks

	2011	2010
	£000	£000
Raw materials and consumables	368	286
Work in progress	161	207
Finished goods and goods for resale	405	330
	<u>934</u>	<u>823</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

### 11. Debtors

	2011	2010
	£000	£000
Trade debtors	1,226	789
Amounts due from group undertakings	94	552
Other debtors	1	1
Prepayments	36	27
	<u>1,357</u>	<u>1,369</u>

### 12. Creditors: amounts falling due within one year

	2011	2010
	£000	£000
Trade creditors	664	449
Amounts owed to group undertakings	620	1,434
Taxation and social security	23	22
Other creditors	704	946
Accruals and deferred income	128	208
	<u>2,139</u>	<u>3,059</u>

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

	2011	2010
	£000	£000
Amounts owed to group undertakings	<u>2,784</u>	<u>3,284</u>

## Notes to the financial statements

at 31 December 2011

### 14. Issued share capital

		2011		2010
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£000</i>	<i>No</i>	<i>£000</i>
Ordinary shares of £1 each	619,150	619	619,150	619

### 15. Movements on reserves

	<i>Share premium account £000</i>	<i>Other reserves £000</i>	<i>Profit and loss account £000</i>
At 1 January 2011	3,281	1,500	(9,368)
Profit for the year	–	–	1,059
Actuarial gain on pension scheme	–	–	874
Movement on deferred tax relating to pension scheme	–	–	26
At 31 December 2011	3,281	1,500	(7,409)

Other reserves consist of a capital contribution received from Gnutt Powertrain Components AB, the company's immediate parent undertaking

### 16. Reconciliation of shareholders' funds

	2011	2010
	£000	£000
Opening shareholders' funds	(3,968)	(3,507)
Profit / (loss) for the year	1,059	(732)
Actuarial gain on pension scheme	874	271
Movement on deferred tax relating to pension scheme	26	–
Closing shareholders' funds	(2,009)	(3,968)



## Notes to the financial statements

at 31 December 2011

### 17. Pension commitments

The most recent actuarial valuation of the company pension scheme was at 1 July 2010. The scheme closed to new members and future accruals as at 31 October 2006. The valuation of the scheme used the projected unit method and was carried out by independent, professionally qualified actuaries.

An actuarial estimate performed by independent qualified actuaries, based on the last full valuation as at 1 July 2010 updated to 31 December 2011 has been undertaken to provide the information required for FRS 17. The major assumptions used by the actuaries to calculate the Scheme liabilities under FRS17 are as follows:

	2011	2010
Rate of increase in pension payment	2.30%	3.40%
Discount rate	4.70%	5.40%
Retail price inflation assumption	3.00%	3.40%
Consumer price inflation assumption	2.30%	—
Expected return on assets	4.70%	6.00%
Life expectancy of a male age 65	21.4	22.0
Life expectancy at age 65 of a male aged 45	23.3	23.1
Life expectancy of a female age 65	24.0	25.0
Life expectancy at age 65 of a female aged 45	25.9	25.9

On 8 July 2010, the Government announced its intention to change the measure of price inflation for private sector schemes from the Retail Prices Index ('RPI') to the Consumer Prices Index ('CPI'). In light of this, the statutory revaluation orders published in January 2011 were based on CPI for the first time and the statutory minimum requirement for pension increases in payment has been linked to CPI rather than RPI.

Scheme assets are stated at their market value at the respective balance sheet dates. The market value applied is based on the current bid price as per the FRS 17 amendment which was subject to first year adoption for the year ended 31 December 2008. The assets in the scheme and the expected rate of return were:

	Market related long term rate of return expected at		Gnuttli Pension and Life Assurance scheme value at	
	2011	2010	2011 £000	2010 £000
Equities	6.80%	8.00%	3,481	3,710
Bonds	3.60%	4.50%	6,569	5,323
Other	0.50%	0.50%	55	97
			<u>10,105</u>	<u>9,130</u>

## Notes to the financial statements

at 31 December 2011

### 17. Pension commitments (continued)

The following amounts at the year end were measured in accordance with the requirements of FRS 17

	<i>Gnutti Pension and Life Assurance Scheme</i>	
	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Total market value of assets	10,105	9,130
Present value of scheme liabilities	(10,207)	(10,400)
Deficit in scheme	(102)	(1,270)
Related deferred tax asset	26	–
Net pension liability	(76)	(1,270)
Analysis of amount (credited) / charged to operating profit		
	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Current service cost	–	–
Total operating (credit) / charge	–	–
Analysis of amount (charged)/credited to other finance income		
	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Expected return on pension scheme assets	550	548
Interest on pension scheme liabilities	(556)	(555)
Net charge	(6)	(7)
Analysis of statement of total recognised gains and losses (STRGL)		
	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Actual return less expected return on pension scheme assets	341	393
Changes in assumptions underlying the present value of the Scheme liabilities	533	(122)
Actuarial gain recognised in STRGL	874	271

## Notes to the financial statements

at 31 December 2011

### 17. Pension commitments (continued)

Changes in the fair value of plan assets are analysed as follows

	2011 £000	2010 £000
At 1 January	9,130	8,267
Expected return on plan assets	550	548
Actuarial gain arising on plan assets	341	393
Contributions by employer	300	300
Benefits paid	(216)	(378)
At 31 December	10,105	9,130

Changes in the present value of the defined benefit obligations are analysed as follows

	2011 £000	2010 £000
At 1 January	10,400	9,926
Interest cost	556	555
Actuarial (gain) / loss arising on plan liabilities	(533)	297
Benefits paid	(216)	(378)
At 31 December	10,207	10,400

The Company expects to contribute £300,000 to the Scheme during the year ending 31 December 2012

History of scheme movements

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Scheme liabilities	(10,207)	(10,400)	(9,926)	(7,019)	(8,571)
Scheme assets	10,105	9,130	8,267	7,363	8,120
(Deficit) / surplus in the scheme	(102)	(1,270)	(1,659)	344	(451)
Change in scheme liabilities	—	171	—	(1)	(499)
Change in scheme assets	341	393	384	(1,488)	88

The trustees of the scheme have powers under the trust deed to set the contribution rate payable by the company to the Scheme. They also have powers under certain circumstances to trigger a wind up of the Scheme and to transfer the pension obligations on a buy out basis to an insurer.

## Notes to the financial statements

at 31 December 2011

### 18. Other financial commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases for plant and machinery as set out below

	2011 £000	2010 £000
Operating leases which expire		
Within one year	18	11
In two to five years	8	22
	<u>26</u>	<u>33</u>

### 19. Related party transactions

Under FRS 8 the company is exempt from the requirement to disclose details of transactions with its ultimate parent and group undertakings

### 20. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Gnutti Powertrain AB, incorporated in Sweden

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Gnutti Powertrain AB, which is incorporated in Sweden. Copies of the group financial statements are available from Lasarettgatan 3, Box 103, S-331 21 Varnamo, Sweden

The parent undertaking and controlling party of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Gnutti Carlo SPA, a company incorporated in Italy. Copies of the group financial statements are available from Via Artigiani 2 – 25030, Macclodio (BS), Italy