Grant Thornton

Financial statements
WNT (UK) Limited

For the year ended 28 February 2009

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COMPANIES HOUSE

Company No. 3772242

Company information

Company registration number	3772242
Registered office	Sheffield Airport Business Park Europa Link Sheffield South Yorkshire S9 1XU
Directors	A C Pennington T Wolter
Secretary	A C Pennington
Bankers	Barclays Bank Plc 25 Sankey Street Warrington WA1 1XQ
Solicitors	Cobbetts Solicitors LLP Ship Canal House King Street Manchester M2 4WB
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Royal Liver Building Liverpool L3 1PS

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 28 February 2009.

Principal activity and business review

The company is principally engaged in the marketing and selling of hard metal tooling.

Financial overview

Sales were successfully maintained despite a worsening economic situation.

However, profitability was affected badly by the strength of the Euro versus the Pound.

The directors are very pleased with the sales performance during the year and believe that WNT (UK) Limited is in a strong position to continue to expand its market share profitably.

Financial performance

Strategy
The strategy adopted during the year has been to continually build on the market position established by the company.

Turnover
Like for like sales have been maintained over the year. The directors consider the results for the year to be above the overall performance of the market.

Future developments for the business/Future outlook
The directors remain confident that the company will continue to maintain its current level of performance in the foreseeable future with forecasted sales achieving a projected market share of 8.1% by 2009/10.

Summary of key performance indicators
The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial key performance indicators.

	2008/09	**2007/08**
Sales	£12.91m	£12.91m
Growth in sales	£0m	£2.2m
Gross profit margin	35%	41%
ROO Profit	-2%	10%
Market share	7.2%	6.5%

Report of the directors

Results and dividends

The loss for the year amounted to £134,043. The directors have not recommended a dividend.

Financial risk management objectives and policies

The company uses various financial instruments these include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are foreign exchange risk and credit risk. The directors review and agree policies for managing these risks and they are summarised below. These policies have remained unchanged from previous years.

Foreign exchange risk

The company is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures, including those associated with forecast transactions, are hedged when known, principally using foreign currency bank accounts. Whilst the aim is to achieve an economic hedge the company does not adopt an accounting policy of hedge accounting for these financial statements.

In order to manage the company's exposure to those risks, the company operates foreign currency bank accounts. All transactions in foreign currency are undertaken to manage the risks arising from underlying business activities.

Credit risk

The company's principal financial assets are consignment stock, cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its consignment stock and trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history, monthly stock usage and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Directors

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

A C Pennington
T Wolter

Report of the directors

Directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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;
- 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 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year the company made the following contributions:

	2009	2008
	£	£
Charitable	4,030	801

Report of the directors

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A C Pennington
Secretary
10 June 2009

Grant Thornton

Report of the independent auditor to the members of WNT (UK) Limited

We have audited the financial statements of WNT (UK) Limited for the year ended 28 February 2009 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Report of the independent auditor to the members of WNT (UK) Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LIVERPOOL

23 June 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Going concern

Notwithstanding the loss for the year, the directors consider that the financial statements should be prepared on the going concern basis as the company has continuing support from other group companies.

Turnover

Turnover represents the total amount receivable by the company in the ordinary course of business for goods supplied and services provided, excluding VAT and trade discounts. Turnover is recognised when title to the goods passes to the customer, usually upon delivery.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold improvements	-	over the period of the lease
Fixtures, fittings and equipment	-	10-33% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leased assets

All leases regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Contributions to pension funds

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Principal accounting policies

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date. Deferred tax is not subject to discounting.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2009 £	2008 £
Turnover	1	**12,915,135**	12,916,827
Cost of sales		**8,364,388**	7,591,706
Gross profit		**4,550,747**	5,325,121
Other operating charges	2	**4,642,566**	3,973,281
Operating (loss)/profit	3	**(91,819)**	1,351,840
Interest receivable		**11,663**	11,203
Interest payable and similar charges	6	**(69,198)**	(132,422)
(Loss)/profit on ordinary activities before taxation		**(149,354)**	1,230,621
Tax on (loss)/profit on ordinary activities	7	**(15,311)**	334,663
(Loss)/profit for the financial year	17	**(134,043)**	895,958

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	8	262,348	231,243
Current assets			
Stocks	9	1,096,845	825,712
Debtors	10	2,648,779	3,031,603
Cash at bank and in hand		500,386	417,586
		4,246,010	4,274,901
Creditors: amounts falling due within one year	12	3,310,564	3,174,307
Net current assets		935,446	1,100,594
Total assets less current liabilities		1,197,794	1,331,837
Creditors: amounts falling due after more than one year	13	1,195,000	1,195,000
		2,794	136,837
Capital and reserves			
Called-up equity share capital	16	1,000,000	1,000,000
Profit and loss account	17	(997,206)	(863,163)
Shareholders' funds	18	2,794	136,837

These financial statements were approved by the directors and authorised for issue on 10 June 2009, and are signed on their behalf by:

A C Pennington - Director

T Wolter - Director

The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	19	**509,268**	(56,983)
Returns on investments and servicing of finance			
Interest received		**11,663**	11,203
Interest paid		**(69,198)**	(132,422)
Net cash outflow from returns on investments and servicing of finance		**(57,535)**	(121,219)
Taxation		**(238,101)**	(910)
Capital expenditure			
Payments to acquire tangible fixed assets		**(130,832)**	(82,265)
Net cash outflow from capital expenditure		**(130,832)**	(82,265)
Increase/(decrease) in cash	19	**82,800**	(261,377)

Notes to the financial statements

1 Turnover

The turnover and profit on ordinary activities before taxation are attributable to the company's principal activity of the marketing and sale of hard metal tooling.

An analysis of turnover is given below:

	2009	2008
	£	£
United Kingdom	**12,042,085**	12,115,970
Overseas Ireland	**873,050**	800,857
	12,915,135	12,916,827

2 Other operating charges

	2009	2008
	£	£
Selling and distribution costs	**2,938,019**	2,425,919
Administrative expenses	**1,704,547**	1,547,362
	4,642,566	3,973,281

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2009	2008
	£	£
Depreciation of owned fixed assets	**99,727**	194,798
Auditor's remuneration:		
Audit fees	**15,450**	14,700
Taxation fees	**3,750**	3,800
Operating lease costs:		
Land and buildings	**100,990**	100,990
Motor vehicles	**118,239**	119,032
Net loss/(profit) on foreign currency translation	**201,589**	(4,650)

Liability Limitation Agreement with the auditor
The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 28 February 2009. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting.

Notes to the financial statements

4 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2009 No	2008 No
Selling and distribution staff	**42**	43
Administration staff	**6**	6
	48	49

The aggregate payroll costs of the above were:

	2009 £	2008 £
Wages and salaries	**1,667,259**	1,798,523
Social security costs	**183,815**	204,713
Other pension costs	**64,576**	63,452
	1,915,650	2,066,688

5 Directors

Remuneration in respect of directors was as follows:

	2009 £	2008 £
Emoluments receivable	**115,140**	131,732
Value of company pension contributions to money purchase schemes	**7,997**	7,205
	123,137	138,937

During the year one director (2008: one director) participated in a defined contribution pension scheme.

6 Interest payable/receivable and similar charges

	2009 £	2008 £
Other similar charges	**69,198**	132,422
Interest receivable	**11,663**	11,203

Interest paid during the year consists of £69,198 (2008: £129,052) paid to group undertakings.

Interest received during the year consists of £6,997 (2008: £Nil) received from group undertakings.

Notes to the financial statements

7 **Taxation on ordinary activities**

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008: 30%)	**(33,858)**	198,343
Over provision in prior year	**(967)**	-
Total current tax	**(34,825)**	198,343
Deferred tax:		
Origination and reversal of timing differences	**19,514**	136,320
Tax on (loss)/profit on ordinary activities	**(15,311)**	334,663

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008: 30%).

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	**(149,354)**	1,230,621
(Loss)/profit on ordinary activities by rate of tax	**(42,073)**	369,186
Expenses not deductible for tax purposes	**23,175**	21,281
Capital allowances for the period in excess of depreciation	**(16,368)**	12,089
Movement in general provisions	**1,408**	-
Utilisation of tax losses	-	(204,213)
Adjustments to tax charge in respect of previous periods	**(967)**	-
Total current tax (note 7(a))	**(34,825)**	198,343

Notes to the financial statements

8 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 March 2008	51,808	946,929	998,737
Additions	–	130,832	130,832
At 28 February 2009	51,808	1,077,761	1,129,569
Depreciation			
At 1 March 2008	33,403	734,091	767,494
Charge for the year	6,554	93,173	99,727
At 28 February 2009	39,957	827,264	867,221
Net book value			
At 28 February 2009	**11,851**	**250,497**	**262,348**
At 29 February 2008	18,405	212,838	231,243

9 Stocks

	2009 £	2008 £
Goods for resale	**1,096,845**	825,712

10 Debtors

	2009 £	2008 £
Trade debtors	**2,361,413**	2,786,776
Amounts owed by group undertakings	**3,973**	4,694
Corporation tax repayable	**74,583**	–
Other debtors	**7,043**	–
Prepayments and accrued income	**151,601**	170,453
Deferred taxation (note 11)	**50,166**	69,680
	2,648,779	3,031,603

Notes to the financial statements

11 Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2009	2008
	£	£
Included in debtors (note 10)	**50,166**	69,680

The movement in the deferred taxation account during the year was:

	2009	2008
	£	£
Balance brought forward	**69,680**	206,000
Profit and loss account movement arising during the year	**(19,514)**	(136,320)
Balance carried forward	**50,166**	69,680

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2009	2008
	£	£
Excess of depreciation over taxation allowances	**48,766**	69,680
Other timing differences	**1,400**	-
	50,166	69,680

The deferred tax asset has arisen due to short term timing differences in relation to fixed assets and is considered recoverable given forecasted profits going forward.

12 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	**245,776**	221,642
Amounts owed to group undertakings	**2,484,312**	1,857,796
Corporation tax	**-**	198,343
Other taxation and social security	**359,242**	480,721
Accruals and deferred income	**221,234**	415,805
	3,310,564	3,174,307

Included within amounts owed to group undertakings is an unsecured loan from the ultimate parent undertaking amounting to £705,896 (2008: £695,337). The loan is interest bearing from March 2007 at LIBOR and is repayable in full on 17 February 2010. The loan agreement allows for an application from the company for the repayment date of this loan to be extended.

Notes to the financial statements

13 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Amounts owed to group undertakings	**1,195,000**	1,195,000

Included within amounts owed to group undertakings is an unsecured loan from a fellow group undertaking amounting to £500,000. The loan is interest bearing at LIBOR and the directors have confirmed that the loan will not be repaid within 12 months of the balance sheet date.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2009	2008
	£	£
Amounts owed to group undertakings	**695,000**	695,000

14 Leasing commitments

At 28 February 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	2009		2008	
	Land & Buildings	**Motor vehicles**	Land & Buildings	Motor vehicles
	£	**£**	£	£
Operating leases which expire:				
Within 1 year	**-**	**38,079**	-	59,143
Within 1 to 5 years	**100,990**	**80,160**	100,990	59,889
	100,990	**118,239**	100,990	119,032

Notes to the financial statements

15 Related party transactions

During the year the company has had the following transactions with other group companies. These are related parties of the company by virtue of shareholders and directorships:

	Debtor/ (creditor) balance as at 28 February 2009	Loan balance as at 28 February 2009	Sales/ (purchases) during the year	Other operating income/ (expenditure) for the year	Interest receivable/ (payable) for the year
	£	£	£	£	£
Ceratizit UK Limited	1,166	(500,000)	18,326	–	(30,677)
WNT Deutschland GmbH	(1,822,625)	–	(7,014,133)	(206,716)	–
Plansee SE	(70)	–	–	(539)	–
Ceratizit S.A.	–	(705,896)	–	(115,052)	(37,021)
Ceratizit Austria GmbH	47,878	–	(1,112,508)	(23,969)	–
WNT France	(792)	–	–	–	–
Plansee Tooling Holding Co Ltd	–	(569,900)	–	–	–
Emuge Franken Beteilgungen CmbH	–	(125,100)	–	–	–
PCP GmbH	–	–	–	–	5,497

16 Share capital

Authorised share capital:

	2009	2008
	£	£
1,000,000 Ordinary shares of £1 each	**1,000,000**	1,000,000

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	**1,000,000**	**1,000,000**	1,000,000	1,000,000

17 Profit and loss account

	2009	2008
	£	£
Balance brought forward	**(863,163)**	(1,759,121)
(Loss)/profit for the financial year	**(134,043)**	895,958
Balance carried forward	**(997,206)**	(863,163)

Notes to the financial statements

18 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
(Loss)/Profit for the financial year	**(134,043)**	895,958
Opening shareholders' funds/(deficit)	**136,837**	(759,121)
Closing shareholders' funds	**2,794**	136,837

19 Notes to the statement of cash flows

Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operating activities

	2009 £	2008 £
Operating (loss)/profit	**(91,819)**	1,351,840
Depreciation	**99,727**	194,798
Increase in stocks	**(271,133)**	(64,448)
Decrease/(increase) in debtors	**437,893**	(175,503)
Increase/(decrease) in creditors	**334,600**	(1,363,670)
Net cash inflow/(outflow) from operating activities	**509,268**	(56,983)

Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
Increase/(decrease) in cash in the period	**82,800**	(261,377)
	82,800	(261,377)
Change in net debt	**82,800**	(261,377)
Net debt at 1 March 2008	**(777,414)**	(516,037)
Net debt at 28 February 2009	**(694,614)**	(777,414)

Notes to the financial statements

19 Notes to the statement of cash flows (continued)

Analysis of changes in net debt

	At 1 Mar 2008 £	Cash flows £	At 28 Feb 2009 £
Net cash:			
Cash in hand and at bank	417,586	82,800	500,386
Debt:			
Debt due after 1 year	(1,195,000)	–	(1,195,000)
Net debt	(777,414)	82,800	(694,614)

20 Capital commitments

The company had no capital commitments at 28 February 2009 or 29 February 2008.

21 Contingent liabilities

There were no contingent liabilities at 28 February 2009 or 29 February 2008.

22 Pensions

Defined contribution scheme

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the year was £64,576 (2008: £63,452).

23 Ultimate parent company

The company is a subsidiary of Ceratizit UK Holding Company Limited which is registered in England and Wales.

The directors consider that the ultimate parent undertaking of this company is Ceratizit SA, a company incorporated in Luxembourg.

Copies of the group financial statements are available from Ceratizit Group, A6600 Reutte, Tyrol, Austria.