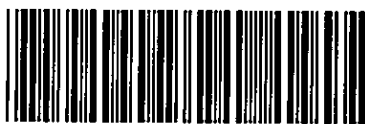


Financial statements WNT (UK) Limited

For the year ended 28 February 2011

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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 Statutory Auditor Chartered Accountants Royal Liver Building Liverpool Merseyside 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 2011

Principal activity and business review

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

Financial overview

Year on year sales were considerably better than the sector average

Profitability was very healthy and the outlook going forward is extremely positive

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

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 we will improve on our current level of performance in the foreseeable future with forecasted sales achieving a projected market share of 10% by 2014/15

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

	2010/11	2009/10
Sales	£13.9m	£10.6m
Gross profit margin	34%	26%
ROO Profit	7%	-8%

Results and dividends

The profit for the year, after taxation, amounted to £791,311 (2010 loss of £771,838). The directors have not recommended a dividend.

Financial risk management objectives and policies

The company uses various financial instruments. These include loans from group undertakings, 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 stock held at customers premises, 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 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

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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.

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

	2011	2010
	£	£
Charitable	<u>2,056</u>	<u>-</u>

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 485 of the Companies Act 2006

ON BEHALF OF THE BOARD

A C Pennington
Secretary

18/5

2011

A handwritten signature in black ink, appearing to be 'A C Pennington', written over a horizontal line.



Independent auditor's report to the members of WNT (UK) Limited

We have audited the financial statements of WNT (UK) Limited for the year ended 28 February 2011 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement 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).

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 pages 4 to 5, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 28 February 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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of WNT (UK) Limited (continued)

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

Grant Thornton UK LLP

Emma Stoddart (Senior Statutory Auditor)

For and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Liverpool

31 May 2011

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and applicable United Kingdom accounting standards

The principal accounting policies of the company are set out below. The policies have been applied consistently in dealing with items which are considered to be material in relation to the company's financial statements and have remained unchanged from the previous year.

Going concern

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. Net realisable value means selling price less selling and distribution costs.

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 year. The assets of the defined contribution scheme are held separately from those of the company.

Current taxation

The current tax charge is based on the result for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the year except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

Deferred taxation

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

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.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Profit and loss account

	Note	2011 £	2010 £
Turnover	1	13,935,108	10,595,095
Cost of sales		<u>9,158,407</u>	<u>7,831,232</u>
Gross profit		4,776,701	2,763,863
Other operating charges	2	<u>3,868,099</u>	<u>3,428,759</u>
Operating profit/(loss)	3	908,602	(664,896)
Cost of restructuring the company	6	<u>—</u>	<u>(165,342)</u>
		908,602	(830,238)
Interest receivable		1,121	523
Interest payable and similar charges	7	(10,143)	(10,627)
Profit/(loss) on ordinary activities before taxation		899,580	(840,342)
Tax on profit/(loss) on ordinary activities	8	108,269	(68,504)
Profit/(loss) for the financial year	18	<u>791,311</u>	<u>(771,838)</u>

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	2011 £	2010 £
Fixed assets			
Tangible assets	9	<u>301,880</u>	<u>194,181</u>
Current assets			
Stocks	10	1,143,712	838,382
Debtors	11	3,528,907	2,657,243
Cash at bank and in hand		<u>408,432</u>	<u>91,835</u>
		<u>5,081,051</u>	<u>3,587,460</u>
Creditors, amounts falling due within one year	13	<u>4,165,664</u>	<u>3,355,685</u>
Net current assets		<u>915,387</u>	<u>231,775</u>
Total assets less current liabilities		<u>1,217,267</u>	<u>425,956</u>
Creditors: amounts falling due after more than one year	14	<u>1,195,000</u>	<u>1,195,000</u>
		<u>22,267</u>	<u>(769,044)</u>
Capital and reserves			
Called-up equity share capital	17	1,000,000	1,000,000
Profit and loss account	18	(977,733)	(1,769,044)
Shareholders' funds/(deficit)	19	<u>22,267</u>	<u>(769,044)</u>

These financial statements were approved by the directors and authorised for issue on 18 May 2011, and are signed on their behalf by

A C Pennington - Director

T Wolter - Director

Company registration number 3772242

Cash flow statement

	Note	2011 £	2010 £
Net cash inflow/(outflow) from operating activities	20	723,581	(644,179)
Returns on investments and servicing of finance			
Interest received		1,121	523
Interest paid		(10,143)	(10,627)
Net cash outflow from returns on investments and servicing of finance		(9,022)	(10,104)
Taxation	20	(37,498)	109,307
Capital expenditure			
Payments to acquire tangible fixed assets		(215,502)	(39,715)
Receipts from sale of fixed assets		16,607	14,571
Net cash outflow from capital expenditure		(198,895)	(25,144)
Increase/(decrease) in cash	20	<u>478,166</u>	<u>(570,120)</u>

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

Notes to the financial statements

1 Turnover

The turnover and profit/(loss) 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

	2011 £	2010 £
United Kingdom	12,778,552	9,761,571
EU	1,156,556	833,524
	<u>13,935,108</u>	<u>10,595,095</u>

2 Other operating charges

	2011 £	2010 £
Selling and distribution costs	2,798,324	2,311,206
Administrative expenses	1,069,775	1,117,553
	<u>3,868,099</u>	<u>3,428,759</u>

3 Operating profit/(loss)

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

	2011 £	2010 £
Depreciation of owned fixed assets	91,439	93,311
Profit on disposal of fixed assets	(243)	—
Auditor's remuneration		
Audit fees	16,000	15,600
Non audit fees	3,590	3,500
Operating lease costs		
- Motor vehicles	159,274	181,432
- Land and buildings	27,508	83,949
Net profit on foreign currency translation	<u>(165,061)</u>	<u>(73,662)</u>

4 Directors and employees

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

	2011 No	2010 No
Selling and distribution staff	40	38
Administration staff	7	7
	<u>47</u>	<u>45</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	1,832,562	1,465,161
Social security costs	209,849	145,789
Other pension costs	55,976	49,522
	<u>2,098,387</u>	<u>1,660,472</u>

5 Directors

Remuneration in respect of directors was as follows

	2011 £	2010 £
Remuneration receivable	122,404	74,263
Value of company pension contributions to money purchase schemes	5,566	5,170
	<u>127,970</u>	<u>79,433</u>

During the year one director (2010 one director) participated in a defined contribution pension scheme

6 Cost of restructuring

	2011 £	2010 £
Cost of restructuring company	<u>—</u>	<u>165,342</u>

7 Interest payable and similar charges

	2011 £	2010 £
Other similar charges	<u>10,143</u>	<u>10,627</u>

Interest paid during the year consists of £10,143 (2010 £10,627) paid to group undertakings

8 Taxation on profit/(loss) on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2010 - 28%)	18,684	(15,910)
Total current tax	<u>18,684</u>	<u>(15,910)</u>
Deferred tax		
Origination and reversal of timing differences	89,585	(52,594)
Tax on profit/(loss) on ordinary activities	<u>108,269</u>	<u>(68,504)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2010 - 28%)

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation	<u>899,580</u>	<u>(840,342)</u>
Profit/(loss) on ordinary activities by rate of tax	251,882	(235,296)
Expenses not deductible for tax purposes	6,812	17,361
Capital allowances for the year in excess of depreciation	(25,955)	59
Utilisation of tax losses	(214,055)	-
Adjustments to tax charge in respect of previous years	-	(1,190)
Unrelieved tax losses	-	203,156
Total current tax (note 8(a))	<u>18,684</u>	<u>(15,910)</u>

9 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 March 2010	51,808	1,102,905	1,154,713
Additions	–	215,502	215,502
Disposals	–	(13,949)	(13,949)
Transfer to fellow group undertaking	–	(16,364)	(16,364)
At 28 February 2011	<u>51,808</u>	<u>1,288,094</u>	<u>1,339,902</u>
Depreciation			
At 1 March 2010	46,508	914,024	960,532
Charge for the year	3,276	88,163	91,439
On disposals	–	(13,949)	(13,949)
At 28 February 2011	<u>49,784</u>	<u>988,238</u>	<u>1,038,022</u>
Net book value			
At 28 February 2011	<u>2,024</u>	<u>299,856</u>	<u>301,880</u>
At 28 February 2010	<u>5,300</u>	<u>188,881</u>	<u>194,181</u>

10 Stocks

	2011 £	2010 £
Goods for resale	<u>1,143,712</u>	<u>838,382</u>

11 Debtors

	2011 £	2010 £
Trade debtors	3,258,154	2,388,776
Amounts owed by group undertakings	11,508	6,737
Other debtors	56,316	–
Prepayments and accrued income	189,754	158,970
Deferred taxation (note 12)	13,175	102,760
	<u>3,528,907</u>	<u>2,657,243</u>

12 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2011 £	2010 £
Included in debtors (note 11)	<u>13,175</u>	<u>102,760</u>

The movement in the deferred taxation account during the year was

	2011 £	2010 £
Balance brought forward	102,760	50,166
Profit and loss account movement arising during the year	<u>(89,585)</u>	<u>52,594</u>
Balance carried forward	<u>13,175</u>	<u>102,760</u>

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

	2011 £	2010 £
Excess of depreciation over taxation allowances	13,175	48,825
Other timing differences	<u>-</u>	<u>53,935</u>
	<u>13,175</u>	<u>102,760</u>

13 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank overdraft	-	161,569
Trade creditors	160,332	173,266
Amounts owed to group undertakings	2,874,536	2,331,717
Corporation tax	-	18,814
Other taxation and social security	614,054	412,182
Accruals and deferred income	516,742	258,137
	<u>4,165,664</u>	<u>3,355,685</u>

The bank overdraft balance is WNT's allocation of the group's cash pooling facility. To maximise the Group's liquidity a cash pooling facility is in place where the daily surplus of the participating group companies bank accounts are transferred each day. The overdraft is unsecured.

Included within amounts owed to group undertakings is an unsecured loan from the ultimate parent undertaking amounting to £534,823 (2010 £534,823). The loan is interest bearing from March 2007 at LIBOR and is repayable in full at the end of February 2012. The loan agreement allows for an application from the company for the repayment date of this loan to be extended.

14 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	<u>1,195,000</u>	<u>1,195,000</u>

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.

	2011 £	2010 £
Amounts owed to group undertakings	<u>695,000</u>	<u>695,000</u>

15 Leasing commitments

At 28 February 2011 the company had annual commitments under non-cancellable operating leases as set out below.

	2011 Land and buildings £	Other Items £	2010 Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	100,990	45,477	-	18,604
Within 2 to 5 years	-	68,742	100,990	107,653
	<u>100,990</u>	<u>114,219</u>	<u>100,990</u>	<u>126,257</u>

16 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.

28 February 2011

	Debtor/ (creditor) balance as at 28 February 2011 £	Loan balance as at 28 February 2011 £	Sales/ (purchases) for the year £	Other operating income/ (expenditure) for the year £	Interest receivable/ (payable) for the year £
Ceratizit UK Limited	7,386	(500,000)	21,230	304,574	(4,646)
WNT Deutschland GmbH	(2,313,004)	–	(9,169,451)	(150,946)	–
CT China Limited	–	–	–	(176)	–
Ceratizit S A	–	(553,597)	–	(96,197)	(5,044)
Ceratizit Austria GmbH	(3,905)	–	(10,930)	(10,381)	–
PCP	93	–	–	3,000	686
Plansee Tooling Holding Co Ltd	–	(569,900)	–	–	–
Emuge Franken Beteiligungen GmbH	–	(125,100)	–	–	–

28 February 2010

	Debtor/ (creditor) balance as at 28 February 2010 £	Loan balance as at 28 February 2010 £	Sales/ (purchases) for the year £	Other operating income/ (expenditure) for the year £	Interest receivable/ (payable) for the year £
Ceratizit UK Limited	(2,783)	(500,000)	7,590	203,163	(7,532)
WNT Deutschland GmbH	(1,763,206)	–	(7,236,541)	(39,911)	–
Plansee SE	–	–	–	(1,533)	–
Ceratizit S A	–	(556,631)	–	(124,563)	(5,502)
Ceratizit Austria GmbH	2,229	–	(16,228)	(13,865)	–
Ceratizit Luxembourg SARL	–	–	1,033	–	–
PCP	133	–	3,000	–	415
Plansee Tooling Holding Co Ltd	–	(569,900)	–	–	–
Emuge Franken Beteiligungen GmbH	–	(125,100)	–	–	–

During the year WNT (UK) Limited transferred toolservice machines from fixed assets to Ceratizit UK Limited at a cost of £16,364 (2010 £14,571). Included in other operating expenditure is £57,893 in relation to tool service machines purchased from WNT Deutschland GmbH.

17 Share capital

Authorised share capital

	2011 £	2010 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

17 Share capital (continued)

Allotted, called up and fully paid

	2011		2010	
	No	£	No	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

18 Profit and loss account

	2011	2010
	£	£
Balance brought forward	(1,769,044)	(997,206)
Profit/(loss) for the financial year	<u>791,311</u>	<u>(771,838)</u>
Balance carried forward	<u>(977,733)</u>	<u>(1,769,044)</u>

19 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit/(loss) for the financial year	<u>791,311</u>	<u>(771,838)</u>
Opening shareholders' (deficit)/funds	<u>(769,044)</u>	<u>2,794</u>
Closing shareholders' funds/(deficit)	<u>22,267</u>	<u>(769,044)</u>

20 Notes to the cash flow statement

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

	2011	2010
	£	£
Operating profit/(loss)	908,602	(664,896)
Depreciation	91,439	93,311
Profit on disposal of fixed assets	(243)	—
(Increase)/decrease in stocks	(305,330)	258,463
Increase in debtors	(961,249)	(30,453)
Increase/(decrease) in creditors	990,362	(135,262)
Re-organisation costs	—	(165,342)
Net cash inflow/(outflow) from operating activities	<u>723,581</u>	<u>(644,179)</u>

Taxation

	2011	2010
	£	£
Taxation	<u>(37,498)</u>	<u>109,307</u>

20 Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net debt

	2011 £	2010 £
Increase/(decrease) in cash in the year	478,166	(570,120)
Movement in net debt in the year	<u>478,166</u>	<u>(570,120)</u>
Net debt at 1 March 2010	(1,264,734)	(694,614)
Net debt at 28 February 2011	<u>(786,568)</u>	<u>(1,264,734)</u>

Analysis of changes in net debt

	At 1 Mar 2010 £	Cash flows £	At 28 Feb 2011 £
Net cash			
Cash in hand and at bank	91,835	316,597	408,432
Overdrafts	(161,569)	161,569	–
	<u>(69,734)</u>	<u>478,166</u>	<u>408,432</u>
Debt			
Debt due after 1 year	(1,195,000)	–	(1,195,000)
Net debt	<u>(1,264,734)</u>	<u>478,166</u>	<u>(786,568)</u>

21 Capital commitments

The company had no capital commitments at 28 February 2011 or 28 February 2010

22 Contingent liabilities

There were no contingent liabilities at 28 February 2011 or 28 February 2010

23 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 £55,976 (2010 £49,522)

24 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. Ceratizit SA is also the company's ultimate controlling related party.

The largest group in which the results of the company are consolidated is that headed by Ceratizit SA. Copies of the group financial statements are available from Ceratizit Group, A6600 Reutte, Tyrol, Austria.

The smallest group in which the results of the company are consolidated is that headed by Ceratizit UK Holding Company Limited. Copies of the group financial statements are available from Companies House.