



Grant Thornton

Financial Statements WNT (UK) Limited

For the year ended 29 February 2012

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COMPANIES HOUSE

Registered number: 03772242

WNT (UK) Limited

Company Information

| | |
|--------------------------|---|
| Directors | A C Pennington T Wolter |
| Company secretary | A C Pennington |
| Company number | 03772242 |
| Registered office | Sheffield Airport Business Park Europa Link Sheffield South Yorkshire S9 1XU |
| Auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS |
| Bankers | Barclays Bank Plc 25 Sankey Street Warrington WA1 1XQ |
| Solicitors | Cobbetts Solicitors LLP Ship Canal House King Street Manchester M2 4WB |

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Directors' Report

For the year ended 29 February 2012

The directors present their report and the financial statements for the year ended 29 February 2012

Principal activity

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 | 2011/12 |
|-------------------------|---------|---------|
| Sales | £13.95m | £18.01m |
| Gross profit margin | 34.3% | 35.5% |
| Operating profit margin | 6.5% | 10.2% |

Results

The profit for the year, after taxation, amounted to £1,348,484 (2011 - £791,311). The directors have not recommended the payment of a dividend.

Directors' Report

For the year ended 29 February 2012

Directors

The directors who served during the year were

A C Pennington
T Wolter

Donations

During the year the company made charitable donations of £7,441 (2011 £2,056)

Financial risk management objectives and policies

The company uses various financial instruments. These include, 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.

Credit risk

The company's principal financial assets are stock held at customer 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.

Provision of information to auditor

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

WNT (UK) Limited

Directors' Report

For the year ended 29 February 2012

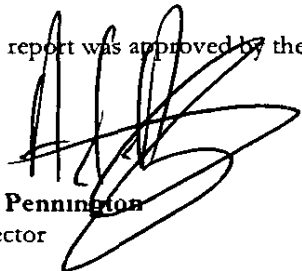
Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on

18 May 2012

and signed on its behalf


A C Pennington
Director

Directors' Responsibilities Statement

For the year ended 29 February 2012

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,
- 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.



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 29 February 2012, which comprise the Profit and loss account, the Balance sheet, the 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 auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board'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 29 February 2012 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 Auditor's Report to the Members of WNT (UK) 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

Grant Thornton UK LLP

Carl Williams (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Liverpool
Date 21/6/12

Profit and Loss Account

For the year ended 29 February 2012

| | Note | 2012 £ | 2011 £ |
|--|------|-------------------------|-----------------------|
| Turnover | 1,2 | 18,007,886 | 13,935,108 |
| Cost of sales | | (11,620,300) | (9,158,407) |
| Gross profit | | <u>6,387,586</u> | <u>4,776,701</u> |
| Other operating charges | | (4,546,818) | (3,868,099) |
| Operating profit | 3 | <u>1,840,768</u> | <u>908,602</u> |
| Interest receivable and similar income | | 2,896 | 1,121 |
| Interest payable and similar charges | 6 | (9,604) | (10,143) |
| Profit on ordinary activities before taxation | | <u>1,834,060</u> | <u>899,580</u> |
| Tax on profit on ordinary activities | 7 | (485,576) | (108,269) |
| Profit for the financial year | 15 | <u><u>1,348,484</u></u> | <u><u>791,311</u></u> |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 10 to 20 form part of these financial statements

Balance Sheet

As at 29 February 2012

| | Note | £ | 29 February 2012 £ | £ | 28 February 2011 £ |
|--|------|--------------------|--------------------------|--------------------|--------------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 352,335 | | 301,880 |
| Current assets | | | | | |
| Stocks | 9 | 1,558,884 | | 1,143,712 | |
| Debtors | 10 | 4,431,751 | | 3,528,907 | |
| Cash at bank | | 300,928 | | 408,432 | |
| | | <u>6,291,563</u> | | <u>5,081,051</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(4,578,145)</u> | | <u>(4,165,662)</u> | |
| Net current assets | | | <u>1,713,418</u> | | <u>915,389</u> |
| Total assets less current liabilities | | | <u>2,065,753</u> | | <u>1,217,269</u> |
| Creditors: amounts falling due after more than one year | 12 | | <u>(695,000)</u> | | <u>(1,195,000)</u> |
| Net assets | | | <u><u>1,370,753</u></u> | | <u><u>22,269</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 1,000,000 | | 1,000,000 |
| Profit and loss account | 15 | | 370,753 | | (977,731) |
| Shareholders' funds | 16 | | <u><u>1,370,753</u></u> | | <u><u>22,269</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 May 2012


A C Pennington
 Director

The notes on pages 10 to 20 form part of these financial statements

Cash Flow Statement

For the year ended 29 February 2012

| | Note | 2012 £ | 2011 £ |
|---|------|------------------|----------------|
| Net cash flow from operating activities | 17 | 814,629 | 723,581 |
| Returns on investments and servicing of finance | 18 | (6,708) | (9,022) |
| Taxation | | (236,698) | (37,498) |
| Capital expenditure and financial investment | 18 | (178,727) | (198,895) |
| Cash inflow before financing | | 392,496 | 478,166 |
| Financing | 18 | (500,000) | - |
| (Decrease)/Increase in cash in the year | | (107,504) | 478,166 |

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 29 February 2012

| | 2012 £ | 2011 £ |
|--|------------------|------------------|
| (Decrease)/Increase in cash in the year | (107,504) | 478,166 |
| Cash outflow from decrease in debt and lease financing | 500,000 | - |
| Movement in net debt in the year | 392,496 | 478,166 |
| Net debt at 1 March 2011 | (786,568) | (1,264,734) |
| Net debt at 29 February 2012 | (394,072) | (786,568) |

The notes on pages 10 to 20 form part of these financial statements

Notes to the Financial Statements

For the year ended 29 February 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 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 the title to the goods passes to the customer, usually upon delivery.

1.3 Tangible fixed assets and depreciation

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

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

1.4 Operating leases

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.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value means selling price less selling and distribution costs.

1.6 Current taxation

The current tax charge is based on the profit 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.

Notes to the Financial Statements

For the year ended 29 February 2012

1. Accounting Policies (continued)

1.7 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

1.8 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account

1.9 Pensions

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

1.10 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

Notes to the Financial Statements

For the year ended 29 February 2012

2. Turnover

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

An analysis of turnover is given below

| | 2012 £ | 2011 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 16,493,183 | 12,778,552 |
| EU | 1,514,703 | 1,156,556 |
| | <u>18,007,886</u> | <u>13,935,108</u> |

3. Operating profit

Operating profit is stated after charging/(crediting)

| | 2012 £ | 2011 £ |
|--|--------------|--------------|
| Depreciation of tangible fixed assets | | |
| - owned by the company | 117,819 | 91,439 |
| Auditors' remuneration | 16,480 | 16,000 |
| Auditors' remuneration - non-audit | 6,773 | 3,590 |
| Operating lease rentals | | |
| - motor vehicles | 183,031 | 159,274 |
| - land and buildings | 29,791 | 27,508 |
| Difference on foreign exchange | (113,412) | (165,061) |
| (Profit)/loss on sale of tangible assets | 2,159 | (243) |
| | <u>2,159</u> | <u>(243)</u> |

Notes to the Financial Statements

For the year ended 29 February 2012

4. Staff costs

The aggregate payroll costs of the above were

| | 2012 | 2011 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,065,194 | 1,832,562 |
| Social security costs | 241,718 | 209,849 |
| Other pension costs | 78,804 | 55,976 |
| | <u>2,385,716</u> | <u>2,098,387</u> |

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

| | 2012 | 2011 |
|--------------------------------|-----------|-----------|
| | No. | No. |
| Selling and distribution staff | 41 | 40 |
| Administrative staff | 7 | 7 |
| | <u>48</u> | <u>47</u> |

5. Directors' remuneration

| | 2012 | 2011 |
|---|----------------|----------------|
| | £ | £ |
| Emoluments | <u>130,219</u> | <u>122,404</u> |
| Company pension contributions to defined contribution pension schemes | <u>6,221</u> | <u>5,566</u> |

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

6. Interest payable

| | 2012 | 2011 |
|----------------------------------|--------------|---------------|
| | £ | £ |
| On loans from group undertakings | <u>9,604</u> | <u>10,143</u> |

Notes to the Financial Statements

For the year ended 29 February 2012

7. Taxation

| | 2012 £ | 2011 £ |
|--|----------------|----------------|
| Analysis of tax charge in the year | | |
| Current tax (see note below) | | |
| UK corporation tax charge on profit for the year | 473,978 | 18,684 |
| Deferred tax (see note 13) | | |
| Origination and reversal of timing differences | 11,598 | 89,585 |
| Tax on profit on ordinary activities | <u>485,576</u> | <u>108,269</u> |

Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2011 - 28%)

| | 2012 £ | 2011 £ |
|---|------------------|----------------|
| Profit on ordinary activities before tax | <u>1,834,060</u> | <u>899,580</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 17% (2011 - 28%) | 479,974 | 251,882 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 5,626 | 6,812 |
| Capital allowances for year in excess of depreciation | (14,228) | (25,955) |
| Utilisation of tax losses | - | (214,055) |
| Other timing differences leading to an increase (decrease) in taxation | 2,606 | - |
| Total current tax (see note above) | <u>473,978</u> | <u>18,684</u> |

Notes to the Financial Statements

For the year ended 29 February 2012

8. Tangible fixed assets

| | Leasehold property improvements £ | Fixtures, fittings & equipment £ | Total £ |
|--|--|---|------------|
| Cost | | | |
| At 1 March 2011 | 51,808 | 1,288,094 | 1,339,902 |
| Additions | 51,258 | 138,922 | 190,180 |
| Transfers to fellow group undertaking | - | (8,294) | (8,294) |
| Disposals | - | (14,986) | (14,986) |
| At 29 February 2012 | 103,066 | 1,403,736 | 1,506,802 |
| Depreciation | | | |
| At 1 March 2011 | 49,784 | 988,238 | 1,038,022 |
| Charge for the year | 6,269 | 111,550 | 117,819 |
| On disposals | - | (1,374) | (1,374) |
| At 29 February 2012 | 56,053 | 1,098,414 | 1,154,467 |
| Net book value | | | |
| At 29 February 2012 | 47,013 | 305,322 | 352,335 |
| At 28 February 2011 | 2,024 | 299,856 | 301,880 |

9. Stocks

| | 29 February 2012 £ | 28 February 2011 £ |
|------------------|--------------------------|--------------------------|
| Goods for resale | 1,558,884 | 1,143,712 |

10. Debtors

| | 29 February 2012 £ | 28 February 2011 £ |
|------------------------------------|--------------------------|--------------------------|
| Trade debtors | 4,118,900 | 3,258,154 |
| Amounts owed by group undertakings | 24,330 | 11,508 |
| Other debtors | - | 56,316 |
| Prepayments and accrued income | 286,944 | 189,754 |
| Deferred tax asset (see note 13) | 1,577 | 13,175 |
| | 4,431,751 | 3,528,907 |

Notes to the Financial Statements

For the year ended 29 February 2012

11. Creditors:**Amounts falling due within one year**

| | 29 February 2012 | 28 February 2011 |
|------------------------------------|---------------------|---------------------|
| | £ | £ |
| Trade creditors | 211,312 | 160,332 |
| Amounts owed to group undertakings | 2,959,587 | 2,874,536 |
| Corporation tax | 237,280 | - |
| Social security and other taxes | 631,001 | 614,054 |
| Accruals and deferred income | 538,965 | 516,740 |
| | <u>4,578,145</u> | <u>4,165,662</u> |

Included within amounts owed to group undertakings is an unsecured loan from the ultimate parent undertaking amounting to £Nil (2011 - £534,823) The loan is interest bearing from March 2007 at LIBOR and is repayable in full at the end of February 2012

12. Creditors:**Amounts falling due after more than one year**

| | 29 February 2012 | 28 February 2011 |
|------------------------------------|---------------------|---------------------|
| | £ | £ |
| Amounts owed to group undertakings | <u>695,000</u> | <u>1,195,000</u> |

Included within amounts owed to group undertakings is an unsecured loan from a fellow group undertaking amounting to £Nil (2011 £500,000) The loan is interest bearing at LIBOR.

13. Deferred tax asset

| | 29 February 2012 | 28 February 2011 |
|--|---------------------|---------------------|
| | £ | £ |
| Balance brought forward | 13,175 | 102,760 |
| Profit & loss account movement arising during the year | (11,598) | (89,585) |
| Balance carried forward | <u>1,577</u> | <u>13,175</u> |

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

| | 29 February 2012 | 28 February 2011 |
|---|---------------------|---------------------|
| | £ | £ |
| Excess of depreciation over taxation allowances | <u>1,577</u> | <u>13,175</u> |

Notes to the Financial Statements

For the year ended 29 February 2012

14. Share capital

| | 29 February 2012 | 28 February 2011 |
|---|---------------------|---------------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1,000,000 Ordinary Shares shares of £1 each | 1,000,000 | 1,000,000 |

15. Reserves

| | Profit and loss account |
|---------------------|----------------------------|
| | £ |
| At 1 March 2011 | (977,731) |
| Profit for the year | 1,348,484 |
| At 29 February 2012 | 370,753 |

16. Reconciliation of movement in shareholders' funds

| | 29 February 2012 | 28 February 2011 |
|---------------------------------------|---------------------|---------------------|
| | £ | £ |
| Opening shareholders' funds/(deficit) | 22,269 | (769,042) |
| Profit for the year | 1,348,484 | 791,311 |
| Closing shareholders' funds | 1,370,753 | 22,269 |

17. Net cash flow from operating activities

| | 2012 | 2011 |
|--|-----------|-----------|
| | £ | £ |
| Operating profit | 1,840,768 | 908,602 |
| Depreciation of tangible fixed assets | 117,819 | 91,439 |
| Loss/(profit) on disposal of tangible fixed assets | 2,159 | (243) |
| Increase in stocks | (406,877) | (305,330) |
| Increase in debtors | (901,620) | (956,478) |
| Increase in amounts owed by group undertakings | (12,822) | (4,771) |
| Increase in creditors | 90,151 | 447,543 |
| Increase in amounts owed to group undertakings | 85,051 | 542,819 |
| Net cash inflow from operating activities | 814,629 | 723,581 |

Notes to the Financial Statements

For the year ended 29 February 2012

18. Analysis of cash flows for headings netted in cash flow statement

| | 2012 £ | 2011 £ |
|--|------------------|------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 2,896 | 1,121 |
| Interest paid | (9,604) | (10,143) |
| Net cash outflow from returns on investments and servicing of finance | <u>(6,708)</u> | <u>(9,022)</u> |
| | 2012 £ | 2011 £ |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (190,180) | (215,502) |
| Sale of tangible fixed assets | 11,453 | 16,607 |
| Net cash outflow from capital expenditure | <u>(178,727)</u> | <u>(198,895)</u> |
| | 2012 £ | 2011 £ |
| Financing | | |
| Repayment of other loans | <u>(500,000)</u> | <u>-</u> |

19. Analysis of changes in net debt

| | 1 March 2011 £ | Cash flow £ | 29 February 2012 £ |
|--|----------------------|----------------|--------------------------|
| Cash at bank and in hand | 408,432 | (107,504) | 300,928 |
| Debt: | | | |
| Debts falling due after more than one year | (1,195,000) | 500,000 | (695,000) |
| Net debt | <u>(786,568)</u> | <u>392,496</u> | <u>(394,072)</u> |

20. Contingent liabilities

There were no contingent liabilities at 29 February 2012 or 28 February 2011

Notes to the Financial Statements

For the year ended 29 February 2012

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £78,804 (2011 - £55,976).

22. Operating lease commitments

At 29 February 2012 the company had annual commitments under non-cancellable operating leases as follows

| | Land and buildings | | Other | |
|-------------------------|---------------------|---------------------|---------------------|---------------------|
| | 29 February 2012 | 28 February 2011 | 29 February 2012 | 28 February 2011 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Within 1 year | - | 100,990 | 42,987 | 45,477 |
| Between 2 and 5 years | - | - | 57,541 | 68,742 |
| After more than 5 years | 63,842 | - | - | - |

23. Related party transactions

29 February 2012

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

| | Debtor/ (creditor) balance at 29 February 2012 | Loan balance at 29 February 2012 | Sales/ (purchases) for the year | Other operating income/ (expenditure for the year) | Interest Receivable/ (payable for the year) |
|-------------------------------------|---|--|---------------------------------------|--|--|
| | £ | £ | £ | £ | £ |
| Ceratzit UK Limited | 17,600 | - | 48,602 | 463,120 | 3,972 |
| WNT Deutschland GmbH | (2,932,182) | - | (11,637,521) | (116,903) | - |
| Ceratzit S A | (11,007) | - | - | (128,511) | (2,909) |
| Ceratzit Austria GmbH | (9,843) | - | (31,435) | (28,260) | - |
| PCP | 174 | - | - | (3,000) | 2,774 |
| Plansee Tooling Holding Co Ltd | - | (569,900) | - | (19,730) | - |
| Emuge Franken Beteiligungen GmbH | - | (125,100) | - | - | - |
| WNT DE | - | - | - | 23,181 | - |
| WNT Hungary | - | - | - | 677 | - |

Notes to the Financial Statements

For the year ended 29 February 2012

28 February 2011

| | Debtor/ (creditor) balance at 28 February 2011 £ | Loan balance 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) | - | - | - |

24. Ultimate parent undertaking and controlling party

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

Detailed Trading and Profit and Loss Account

For the year ended 29 February 2012

| | Page | 2012 £ | 2011 £ |
|----------------------------|------|------------------|------------------|
| Turnover | 22 | 18,007,886 | 13,935,108 |
| Cost of sales | 22 | (11,620,300) | (9,158,407) |
| Gross profit | | 6,387,586 | 4,776,701 |
| Gross profit % | | 35.5 % | 34.3 % |
| Less: Overheads | | | |
| Administration expenses | 22 | (4,546,818) | (3,868,099) |
| Operating profit | | 1,840,768 | 908,602 |
| Interest receivable | 23 | 2,896 | 1,121 |
| Interest payable | 23 | (9,604) | (10,143) |
| Profit for the year | | 1,834,060 | 899,580 |

Schedule to the Detailed Accounts

For the year ended 29 February 2012

| | 2012 £ | 2011 £ |
|--|-------------------|-------------------|
| Turnover | | |
| Sales - United Kingdom | 16,493,183 | 12,778,552 |
| Sales - EU | 1,514,703 | 1,156,556 |
| | <u>18,007,886</u> | <u>13,935,108</u> |
| | | |
| | 2012 £ | 2011 £ |
| Cost of sales | | |
| Cost of sales | <u>11,620,300</u> | <u>9,158,407</u> |
| | | |
| | 2012 £ | 2011 £ |
| Administration expenses | | |
| Directors salaries | 127,146 | 119,644 |
| Directors pension costs - money purchase schemes | 6,221 | 5,566 |
| Staff salaries | 1,938,048 | 1,712,918 |
| Staff national insurance | 241,718 | 209,849 |
| Staff pension costs | 72,583 | 50,410 |
| Staff training | 12,526 | 470 |
| Motor vehicle leasing | 183,031 | 159,274 |
| Hotels, travel and subsistence | 222,936 | 201,367 |
| Printing and stationery | 22,358 | 17,746 |
| Telephone and fax | 134,024 | 111,095 |
| Computer costs | 127,144 | 168,272 |
| Advertising and promotion | 571,114 | 390,389 |
| Charity donations | 7,441 | 2,056 |
| Legal and professional | 7,629 | 26,649 |
| Auditors' remuneration | 16,480 | 16,000 |
| Accountancy fees | 6,773 | 4,068 |
| Bank charges | 25,314 | 27,162 |
| Bad debts | 46,509 | 22,207 |
| Difference on foreign exchange | (113,412) | (165,061) |
| Sundry expenses | 12,295 | 8,055 |
| Rent | 29,791 | 27,508 |
| Light and heat | 8,776 | 10,334 |
| Insurances | 42,973 | 43,399 |
| Repairs and maintenance | 62,760 | 29,963 |
| Depreciation - plant and machinery | 117,817 | 91,439 |
| Loss / profit on sale of tangible assets | 2,159 | (243) |
| Carriage and packing | 614,664 | 577,563 |
| | <u>4,546,818</u> | <u>3,868,099</u> |

Schedule to the Detailed Accounts

For the year ended 29 February 2012

| | 2012 £ | 2011 £ |
|----------------------------|--------------|--------------|
| Interest receivable | | |
| Bank interest receivable | <u>2,896</u> | <u>1,121</u> |

| | 2012 £ | 2011 £ |
|-------------------------|--------------|---------------|
| Interest payable | | |
| Group interest payable | <u>9,604</u> | <u>10,143</u> |