

Special Metals Wiggin Limited

Report and Financial Statements

52 weeks ended 1 April 2012

Registered No 36721

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COMPANIES HOUSE

Special Metals Wiggın Limited

Registered No 36721

DIRECTORS

R P Becker
S C Blackmore
K D Buck
R A Cooke
S R Hagel
R S Pattee
K M Smith (appointed 1 May 2012)

SECRETARIES

P Edelstyn
K Munir

AUDITOR

Deloitte LLP
Chartered accountants and statutory auditor
Nottingham, UK
NG1 3FG

BANKERS

Bank of America, London Branch,
PO Box 407
5 Canada Square,
London E14 5AQ

REGISTERED OFFICE

Wiggın Works
Holmer Road
Hereford
HR4 9SL

Special Metals Wiggins Limited

DIRECTORS' REPORT

The directors submit their report with the audited financial statements for the period ended 1 April 2012

RESULTS

The profit and loss account on page 8 shows that the profit for the period amounted to £14,139,000 (2011 – profit of £10,031,000) Dividends of £2,820,000 (2011 - £ nil) have been paid during the period and a surplus of £11,319,000 (2011 – surplus of £10,031,000) has been transferred to reserves

PRINCIPAL ACTIVITIES

There was no change during the period in the principal activities of Special Metals Wiggins Limited ("SMW" or "the company"), which are the manufacture and sale of nickel alloys The directors do not expect any significant change in the nature of the company's activities in future years

BUSINESS REVIEW

2011/12 was a year of continued improvement for the company, building on 2010/11, which saw improvement following the downturn, consistent with the general economic situation, of 2009/10 The company has continued to see recovery in its traditional markets but has continued to pursue new markets and increase the utilisation of existing available assets while taking effective steps to reduce costs

Focus has been maintained on the extensive use of Continuous Improvement techniques across the business This has helped the business to improve its operational performance In addition, regular management reviews – both monthly and quarterly – have helped drive these improvements Training and selective recruitment of graduate level personnel has underpinned the strategy to develop and improve the business Career development of high potential employees is a cornerstone of the business growth strategy

During the period, turnover increased from £150.0 million in 2010/11 to £156.0 million in 2011/12, an increase of 4% representing increased sales volumes while raw material costs fell during the period, profitability improved with profit before interest and tax increasing from £15.5 million in 2010/11 to £20.4 million in 2011/12 Net assets increased from £83.8 million at 3 April 2011 to £88.4 million at 1 April 2012, an increase attributable to improved earnings and in the face of an increase in the pension deficit The number of employees reduced from 658 at 3 April 2011 to 617 at 1 April 2012, a 6% decrease

Business Risks and Uncertainties

The main operational risk to the business is a major outage of key processing equipment This risk is mitigated by an ongoing focused capital expenditure program to improve this equipment's reliability. A risk analysis has identified back up equipment both within the parent company and at sub contractors that could be used in the event of a catastrophic failure

Risk of a sudden and unexpected market downturn is always present In order to reduce the impact of such an event, the company has adopted a strategy of supplying niche products in a diverse number of markets, both industry sectors and geographic markets

Special Metals Wiggin Limited

DIRECTORS' REPORT

BUSINESS REVIEW (continued)

The company's activities expose it to a number of financial risks including price risk, cash flow risk, credit risk and liquidity risk

Price risk

The company is exposed to commodity price risk, particularly for nickel, its major raw material component. It is company policy to hedge the nickel cost of all firm price sales contracts by entering into fixed price contracts with suppliers. Raw material prices throughout the period remained volatile but with an overall downward trend with the nickel price ending on a low for the period.

Cash flow risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates. It is company policy to hedge 100% of all balance sheet exposures, and firm commitments, in foreign currencies and to hedge 100% of foreign currency exposures arising from highly probable forecast items in the quarter ahead and 80% of such items for subsequent quarters. Probable forecast items may be hedged at a lower percentage.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The company's credit risk is primarily attributable to trade receivables. The amount presented in the balance sheet is net of allowance for doubtful receivables. The company's trade receivables contain no significant concentration of credit risk, with exposure spread over a large number of customers. The credit risk is further limited by the use of credit checks and by prudent reserving for bad debts in line with the policy of PCC, the ultimate parent company. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

The company manages its cash flow so as to maintain sufficient working capital as to meet the needs of ongoing operations and has access to PCC funds to meet short-term fluctuations or longer term funds for investment.

FIXED ASSETS

In the opinion of the directors, the market value of land and buildings approximates to £8.5 million, which is equivalent to the valuation of these assets held for US GAAP accounting and higher by £2.3 million than the historic cost reported in note 10. For US GAAP accounting, the assets are held at values established by a market valuation in 2006 following the acquisition by PCC while for UK GAAP they are held at historic cost.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period the company made charitable contributions totalling £5,000 (2011, £10,000). There were no political contributions made in either the period ended 1 April 2012 or the period ended 3 April 2011.

Special Metals Wiggin Limited

DIRECTORS' REPORT

DIRECTORS

The directors of the company during the period ended 1 April 2012 and subsequently were

R P Becker
S C Blackmore
K D Buck
R A Cooke
S R Hagel
R S Pattee
K B Smith (appointed 1 May 2012)
D Waring (resigned 1 May 2012)

RESEARCH AND DEVELOPMENT

During the period, the company continued work on developing process routes and yield improvement projects. Development of new alloys and products continued across Special Metals Corporation of which the company is part.

EMPLOYEE INVOLVEMENT

Monthly employee team briefs continue to be used for the dissemination of information to all employees. In addition, a newspaper is produced and sent to employees' homes.

There are also the following arrangements for consultation:

- (1) The Factory Affairs Panel is available to discuss particular issues as and when required and consult employees annually concerning the scheduling of holidays.
- (2) The Safety Committee, covering the whole plant, holds regular meetings and conducts regular inspections.

DISABLED PERSONS

It is the policy of the company to give full and fair consideration to applications for employment made by disabled persons and to continue whenever possible the employment of staff who have become disabled, and to provide opportunities for the training and career development of disabled employees.

GOING CONCERN

The directors have given due consideration to the funding available to their parent company, fellow group undertakings and the UK group from the ultimate parent company and are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. They therefore continue to adopt the going concern basis in the financial statements.

INDEMNITY INSURANCE

The ultimate parent undertaking has indemnity insurance which covers the directors of the company.

Special Metals Wiggin Limited

DIRECTORS' REPORT

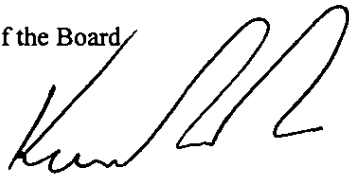
AUDITOR

By elective resolution, the company has dispensed with the obligation to appoint its auditor annually. As such, Deloitte LLP are assumed to continue in office following approval of these accounts. Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

By Order of the Board



K B Smith
Director
7 December 2012

Special Metals Wiggin Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed subject to any material departures and explained in the financial statements, and
- 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.

Special Metals Wiggin Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPECIAL METALS WIGGIN LIMITED

We have audited the financial statements of Special Metals Wiggin Limited for the 52 weeks ended 1 April 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 23. 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 (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 annual report 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 1 April 2012 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

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.

David Hall, FCA

David Hall FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK

7 December 2012

Special Metals Wiggin Limited

PROFIT AND LOSS ACCOUNT for the 52 weeks ended 1 April 2012

		<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
	<i>Notes</i>		
TURNOVER	2	155,912	149,961
Cost of sales		(121,582)	(123,100)
GROSS PROFIT		<u>34,330</u>	<u>26,861</u>
Distribution costs		(1,949)	(2,253)
Administrative expenses		(12,143)	(9,161)
Other operating income		139	73
PROFIT BEFORE INTEREST AND TAXATION	3	<u>20,377</u>	<u>15,520</u>
Income from shares in group undertakings		799	-
Interest receivable and similar income		22	21
Interest payable and similar charges	6	(2,666)	(1,188)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>18,532</u>	<u>14,353</u>
Taxation on profit on ordinary activities	7	(4,393)	(4,322)
PROFIT FOR THE FINANCIAL PERIOD	17	<u><u>14,139</u></u>	<u><u>10,031</u></u>

The above results relate entirely to continuing operations

Special Metals Wiggin Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the 52 weeks ended 1 April 2012

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD TRANSFERRED TO RESERVES	14,139	10,031
Pension fund – actuarial (loss)/gain for the period	(9,273)	9,878
Less tax in relation to pension fund	2,194	(2,842)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	7,060	17,067

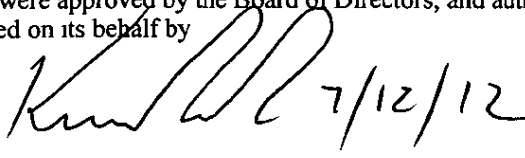
Special Metals Wiggins Limited

BALANCE SHEET at 1 April 2012

		<i>1 April 2012 £'000</i>	<i>3 April 2011 £'000</i>
	<i>Notes</i>		
FIXED ASSETS			
Tangible assets	10	32,515	37,255
Investments	11	-	-
		<u>32,515</u>	<u>37,255</u>
CURRENT ASSETS			
Stocks	12	41,672	45,166
Debtors - falling due within one year	13	52,198	41,164
Cash at bank and in hand		2,640	1,870
		<u>96,510</u>	<u>88,200</u>
CREDITORS amounts falling due within one year	14	(29,848)	(36,742)
NET CURRENT ASSETS		<u>66,662</u>	<u>51,458</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>99,177</u>	<u>88,713</u>
PROVISIONS deferred taxation	15	(1,789)	(2,067)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>97,388</u>	<u>86,646</u>
Net pension liability	19	(8,949)	(2,830)
NET ASSETS		<u><u>88,439</u></u>	<u><u>83,816</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	770	770
Share premium account	17	50,955	50,955
Profit and loss account	17	36,714	32,091
SHAREHOLDERS' FUNDS	17	<u><u>88,439</u></u>	<u><u>83,816</u></u>

Notes 1 to 23 form part of these accounts

The accounts were approved by the Board of Directors, and authorised for issue on
They are signed on its behalf by


K B Smith
Director
7 December 2012
Company registration number 36721

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

1 ACCOUNTING POLICIES

Basis of Preparation

The accounts have been prepared in accordance with applicable UK accounting standards under the historical cost convention. The accounting policies adopted have been applied consistently in both the current period and prior period.

Group Accounts

The company is exempt from the requirement to prepare and deliver group accounts as it and all of its subsidiaries are included within the financial statements of Precision Castparts Corp, 4650 S W Macadam Avenue, Suite 440, Portland, Oregon 97239-4262, USA – a company incorporated in USA. Copies of these accounts can be obtained from Precision Castparts Corp, at the above address.

Going concern

The directors have given due consideration to the funding available to their parent company, fellow group undertakings and the UK group from the ultimate parent company and are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. They therefore continue to adopt the going concern basis in the financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, net of any provision for impairment. Depreciation is calculated using the straight-line method based on the estimated economic lives of the assets. Such lives are generally limited to a maximum of twenty years and are subject to periodic review by management. No depreciation has been provided on freehold land. Estimated useful lives are principally:

Freehold properties	-	20 years
Plant and machinery	-	5 to 20 years
Land is not depreciated		

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recovered.

Pension costs

The company operates a defined benefit pension scheme. This scheme has been closed to new members since July 31, 2002, from which time membership of a defined contribution scheme has been available.

The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method, which attributes entitlements to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. As the scheme is closed to new members, adopting the projected unit credit method will result in the current service cost increasing as the members of the scheme approach retirement. Past service costs are recognised in profit or loss on a straight line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

Debt factoring

During the period the company has factored its trade debtors. The agreement commenced and finished during the period. Under the factoring agreement all the risks and rewards are considered to be transferred to the factoring company and therefore trade debtors are derecognised.

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

1. ACCOUNTING POLICIES *(continued)*

Pension costs (continued)

The interest element of the defined benefit cost represents the change in present value of the scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the period. The expected return on plan assets is based on an assessment made at the beginning of the year of long term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the period. The difference between the expected return on plan assets and the interest cost is recognised in the profit and loss account as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of total recognised gains and losses in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension asset is restricted to the sum of any unrecognised past service costs and the present value of any amount the company expects to recover by way of refunds from the plan or reductions in future contributions.

Contributions to the defined contribution scheme are recognised in the profit and loss account in the period in which they become payable.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Share-based payment

The Company has applied the requirements of FRS 20 *Share-based Payment*. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006.

The Company's ultimate parent company, PCC, issues equity-settled share-based payments to certain employees of the Company. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The company also provides its employees with the ability to purchase ordinary shares in PCC at a discount of 15% of the lower of the market value at the beginning of the calendar year and the end of the calendar year. The company records as an expense the difference between the cost to the employees of the shares purchased and the market value of the shares at the date of purchase.

Stocks

Stocks are stated at the lower of production or purchase cost on a FIFO cost basis and net realisable value. Costs include an appropriate share of production overheads.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

1. ACCOUNTING POLICIES (*continued*)

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract date. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

Research and technical development

Research and development expenditure is charged to the profit and loss account when incurred except for expenditure on buildings and equipment which is written off over the estimated useful lives of the assets.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the exception that 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 taxation profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted 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.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Cash flow statement

The cash flows of the company for the period are included within the consolidated cash flow statement disclosed in the accounts of its ultimate parent company, Precision Castparts Corp. In accordance with the provisions of FRS 1 (Revised), no cash flow statement is required in these accounts.

Related party transactions

The company has taken advantage of the exemption not to disclose related party transactions with other wholly owned members of the group under FRS8 (Related Party Disclosures) as it is a wholly owned subsidiary and the consolidated accounts of the ultimate parent undertaking, Precision Castparts Corp are publicly available.

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

2. TURNOVER

Turnover represents the invoiced amounts of goods and services provided after deducting discounts and net of value added tax. The company only has one class of business.

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
Geographical market		
Europe	101,902	119,965
Americas	15,347	11,627
Rest of the world	38,663	18,369
	<u>155,912</u>	<u>149,961</u>

3. PROFIT BEFORE INTEREST AND TAXATION

This is stated after charging/(crediting)

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
Operating lease rentals - plant and machinery	607	517
Depreciation of tangible fixed assets	3,540	3,674
Auditor's remuneration – Deloitte LLP audit of company accounts pursuant to legislation	125	125
Redundancy costs	11	-
Profit on disposal of tangible fixed assets	(257)	(1,403)
Profit on foreign exchange	(228)	(270)
	<u></u>	<u></u>

4. DIRECTORS' EMOLUMENTS

This note only relates to those directors who received remuneration from the Company (Remunerated Directors), of which there was 1 (2011: 1). The other directors were remunerated by other group companies (Precision Castparts Corp and Special Metals Corporation) and it is not practical to allocate their remuneration between the various companies they act as directors of.

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
Emoluments	337	223
Company contributions to defined contribution pension scheme	17	24
	<u>354</u>	<u>247</u>

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

4. DIRECTORS' EMOLUMENTS *(continued)*

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
Remuneration of the highest paid Remunerated Director		
Emoluments	337	223
Company contributions to defined contribution pension scheme	17	24
	<u>354</u>	<u>247</u>
	<i>52 weeks ended 1 April 2012 No</i>	<i>53 weeks ended 3 April 2011 No</i>
Remunerated Directors accruing benefits under defined benefit pension schemes	-	-
Remunerated Directors accruing benefits under defined contribution pension schemes	1	1
1 Remunerated Director (2011 - 1) exercised share options during the period		

5. STAFF COSTS

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
Staff costs		
Wages and salaries	20,136	19,167
Social security costs	2,150	1,972
Share based payments	383	513
Other pension costs	1,958	2,121
	<u>24,627</u>	<u>23,773</u>
	<i>52 weeks ended 1 April 2012 No</i>	<i>53 weeks ended 3 April 2011 No</i>
The average number of employees during the period was		
Production staff	428	447
Administrative staff	202	206
	<u>630</u>	<u>653</u>

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
Interest payable – Intergroup	2,524	581
Net financing cost of pension scheme (see note 19)	142	607
	<u>2,666</u>	<u>1,188</u>

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
<i>Current tax</i>		
UK Corporation Tax at 26% (2011 28%)	4,666	3,690
Adjustment in respect of prior periods	5	(248)
	<u>4,671</u>	<u>3,442</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 15)	(278)	880
Tax on profit on ordinary activities	<u>4,393</u>	<u>4,322</u>

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower (2010 – lower) than the standard rate of corporation tax in the UK of 26% (2010 – 28%) The differences are reconciled below

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
Profit/(loss) on ordinary activities before tax	18,532	14,353
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax of 26% (2011 – 28%)	4,818	4,019
Effect of		
Expenses not deductible for tax purposes	239	317
Capital allowances in excess of depreciation for the period	35	(353)
Adjustments to tax charge in respect of previous periods	5	(248)
Share acquisition relief	(369)	(216)
Non-taxable income	(208)	(14)
Other short term timing difference	151	(63)
Current tax (credit)/charge	4,671	3,442

(c) Factors that may affect future tax charges

Based on current capital investment plans, the company expects to be able to claim capital allowances in excess of depreciation in future years and that there will therefore be no reversal of timing differences in respect of capital allowances but that such timing difference will increase

The Finance Bill 2012 which reduces the corporation tax rate to 23% from 1 April 2013 was substantively enacted on 3 July 2012 This reduction in the main rate of UK corporation tax to 23% from 1 April 2013 will be reflected in the measurement of current and deferred tax for periods ending on or after 3 July 2012 The previous reduction in the main rate of UK Corporation tax rate to 24% from 1 April 2012 was substantively enacted pre year end on 26 March 2012 and therefore deferred tax has been calculated at 24% at 1 April 2012

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(d) Deferred tax

The amounts of deferred taxation provided and not provided as at 1 April 2012 and 3 April 2011 calculated at 24% (2011 - 26%) are as follows

	<i>1 April 2012 £'000</i>	<i>3 April 2011 £'000</i>
<u>Provided</u>		
Accelerated capital allowances	2,740	3,031
Share based payments	(315)	(414)
Other timing differences	(636)	(550)
Net liability provided (note 15)	<u>1,789</u>	<u>2,067</u>
Deferred tax on pension liability	(2,826)	(995)
Total provided	<u>(1,037)</u>	<u>1,072</u>

8. DIVIDENDS

	<i>52 weeks ended 1 April 2012 £'000</i>	<i>53 weeks ended 3 April 2011 £'000</i>
Dividends paid £2,820,000 (£35.25 per share) (2011 - £nil)	<u>2,820</u>	<u>-</u>

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

9. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company's ultimate parent company, PCC, issues share options over ordinary shares in PCC to certain employees of the Company. Options are exercisable at prices established by PCC at the date of grant. The vesting period is normally four years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire.

Details of the share options outstanding during the period are as follows

	52 weeks ended 1 April 2012		53 weeks ended 3 April 2011	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
Outstanding at the beginning of the period	63,946		71,117	
Granted during the period	11,241	101.30	6,912	85.62
Exercised during the period	(33,345)	57.64	(13,882)	37.62
Released during the period	(4,702)	72.98	(201)	90.50
Outstanding at the end of the period	37,140	73.34	63,946	58.24
Exercisable at the end of the period	5,297		25,766	

The weighted average share price at the date of exercise for share options exercised during the period was £96.17 (US\$157.19). The options outstanding at 1 April 2012 had a weighted average exercise price of £73.34 (US\$116.71) and a weighted average remaining contractual life of 8.1 years. The prices at which options outstanding at the end of the period can be exercised range from US\$57.77 per share to US\$161.62 per share. During the period to 1 April 2012 options were granted on 16 November 2011. The aggregate of the estimated fair values of the options granted on that date is £411,000. During the period to 3 April 2011, options were granted on 18 November 2010. The aggregate of the estimated fair values of the options granted on that date is £215,000.

The inputs into the Black-Scholes Option Pricing Model are as follows

	52 weeks ended 1 April 2012
Weighted average share price (US\$)	159.94
Weighted average exercise price (US\$)	105.87
Expected volatility (%)	42.70
Expected life (years)	3.00-4.40
Risk-free rate (%)	0.70
Expected dividend-yield (%)	0.10

Expected volatility was determined by calculating the historical volatility of the PCC share price over the previous 10 years. The expected life used in the model has been adjusted, based on PCC management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The company recognised total expenses of £284,000 related to equity-settled share-based payment transactions during the period (period ended 3 April 2011 - £406,000). In addition, the company recorded a cost of £99,000 in respect of PCC shares purchased at a discount by its employees under the provisions of the Employee Stock Purchase Program (period ended 3 April 2011 - £107,000).

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

10. TANGIBLE FIXED ASSETS

	<i>Freehold properties £'000</i>	<i>Plant and machinery £'000</i>	<i>Total £'000</i>
Cost			
At 4 April 2011	16,480	90,657	107,137
Additions	65	2,007	2,072
Disposals	-	(4,742)	(4,742)
At 1 April 2012	16,545	87,922	104,467
Accumulated depreciation:			
At 4 April 2011	9,910	59,972	69,882
Charge for the period	480	3,060	3,540
Disposals	-	(1,470)	(1,470)
At 1 April 2012	10,390	61,562	71,952
Net book value			
At 1 April 2012	6,155	26,360	32,515
At 3 April 2011	6,570	30,685	37,255

There were no assets held on finance leases at 1 April 2012 or 3 April 2011

Plant and machinery includes £4,490,000 (3 April 2011 - £7,018,000) in respect of assets under construction that are not currently being depreciated

Cost at 1 April 2012 includes £44,000 (3 April 2011 - £44,000) in respect of freehold land on which no depreciation charge has been made

11. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

Subsidiaries

	<i>1 April 2012 £'000</i>	<i>3 April 2011 £'000</i>
Cost		
At the beginning of the period	2,083	2,225
Disposal during the period	(2,083)	(142)
At the end of the period	-	2,083
Provisions		
At the beginning of the period	2,083	2,225
Disposal during the period	(2,083)	(142)
At the end of the period	-	2,083
Net book value	-	-

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

11. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS (continued)

<i>Subsidiary undertakings</i>	<i>Business</i>	<i>Country of incorporation and operation</i>	<i>Proportion of nominal value of shares held and voting rights</i>
Special Metals Services Limited	Sales liaison Office	England/ India	100%
Special Metals Wiggin Trustees Limited	Pension fund trustee	England	100%

Note All holdings are in respect of the ordinary share capital of the undertaking concerned

During the period, Greengrove Welding Wires Limited and Incotherm Limited, both wholly owned subsidiaries which had been dormant for several years, were struck off, at the request of the shareholder, under the provisions of Section 1003 of the Companies Act 2006. The investment in both companies had been fully provided against. The remaining investments are of minimal cost.

12. STOCKS

	<i>1 April 2012 £'000</i>	<i>3 April 2011 £'000</i>
Raw materials and consumables	17,081	17,801
Work-in-progress	19,020	20,808
Finished goods	5,571	6,557
	<u>41,672</u>	<u>45,166</u>

In the opinion of the directors the replacement cost of the above stock is not significantly different from the values stated

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

13. DEBTORS

	<i>1 April</i>	<i>3 April</i>
	<i>2012</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>
Falling due within one year		
Trade debtors	2,641	36,869
Amounts owed by group undertakings	49,278	3,992
Other debtors	134	156
Prepayments and accrued income	145	147
	<u>52,198</u>	<u>41,164</u>

14. CREDITORS: amounts falling due within one year

	<i>1 April</i>	<i>3 April</i>
	<i>2012</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>
Trade creditors	18,737	21,090
Amounts owed to group undertakings	7,535	10,343
Corporation tax payable	309	1,847
Other taxes and social security costs	1,595	871
Accruals and deferred income	1,672	2,591
	<u>29,848</u>	<u>36,742</u>

15. PROVISIONS FOR LIABILITIES

The movements in deferred taxation during the current period are as follows

	<i>Deferred tax £'000</i>
At 3 April 2011	2,067
Deferred tax credit in profit and loss account (note 7(a))	(278)
At 1 April 2012 (note 7(d))	<u>1,789</u>

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

16. SHARE CAPITAL

	<i>Authorised</i>	
	<i>1 April</i>	<i>3 April</i>
	<i>2012</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>
80,000 Ordinary shares of £10 each	800	800
	<u> </u>	<u> </u>
	<i>Allotted, called up and fully paid</i>	
	<i>1 April</i>	<i>3 April</i>
	<i>2012</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>
77,009 Ordinary shares of £10 each	770	770
	<u> </u>	<u> </u>

17. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share Capital £'000</i>	<i>Share Premium Account £'000</i>	<i>Profit and loss account £'000</i>	<i>Total shareholders' funds £'000</i>
At 28 March 2010	770	50,955	14,511	66,236
Profit for the period	-	-	10,031	10,031
Credit to equity for equity-settled share-based payment	-	-	513	513
Pension fund – actuarial gain for the period	-	-	7,036	7,036
At 3 April 2011	<u>770</u>	<u>50,955</u>	<u>32,091</u>	<u>83,816</u>
At 4 April 2011	770	50,955	32,091	83,816
Profit for the period	-	-	14,139	14,139
Dividends paid	-	-	(2,820)	(2,820)
Credit to equity for equity-settled share-based payment	-	-	383	383
Pension fund – actuarial loss for the period	-	-	(7,079)	(7,079)
At 1 April 2012	<u>770</u>	<u>50,955</u>	<u>36,714</u>	<u>88,439</u>

The credit to equity for equity-settled share-based payment arises in connection with equity-settled share-based payments to certain employees as detailed in Note 1. At 1 April 2012, the reserve related to approximately 37,000 ordinary shares in PCC (3 April 2011 64,000), of which approximately 5,000 (3 April 2011 26,000) were vested at the balance sheet date. The market value of these shares at the balance sheet date was £4,035,000 (3 April 2011 £5,955,000). Further details are provided at note 9.

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

18. CAPITAL COMMITMENTS

At 1 April 2012, amounts contracted for but not provided in the accounts amounted to £869,000 (3 April 2011 £215,000)

19. PENSION COMMITMENTS

The Special Metals Wiggin Pension Plan is a defined benefit pension plan covering substantially all employees. Plan assets are held separately from those of the company, in funds administered by Trustees and invested by independent fund managers. This defined benefit plan was closed to new entrants with effect from July 31, 2002. It should therefore be noted that under the projected unit method that is required under FRS 17, the current service cost will increase as the members of the Plan approach retirement. A defined contribution plan has been set up for employees joining the company after that date. During the period, the Company made contributions to the defined contribution plan totalling £294,000. There were no contributions outstanding or pre-paid at the balance sheet date. Employees and former employees of Special Metals Deutschland Limited (SMD) are members of the SMW Plan, with all liabilities met by Special Metals Wiggin Limited (SMW) and no contributions made by that company. With effect from 29 March 2006, SMD withdrew from the SMW Plan, its active members became deferred and their benefits from that date continue to accrue on an unfunded basis, outside the SMW Plan, but guaranteed by SMW. At 1 April 2012, the estimated unfunded contingent liability arising from this arrangement was £450,000, and this amount is included within the Plan liabilities disclosed under FRS 17. The cumulative amount of losses recognised in the Statement of Recognised Gains and Losses since the adoption of FRS 17 in 2005 is £45.73 million.

Calculations have been performed by an independent qualified actuary to provide the information required for FRS 17 as set out below. The valuation used for FRS 17 disclosures has been based on a full assessment of the liabilities of the Plan using the latest actuarial valuation, which was at 31 December 2009. Following this valuation, it was agreed in May 2011 by the Trustees and the company that contributions from the Company under the recovery plan will be £112,500 per month from April 2011 to December 2018 plus a lump sum payment of £1.1 million payable no later than December 2018. In addition the company agreed to pay 18% of monthly pensionable pay plus £30,000 per month by way of ordinary contributions to cover the estimated ongoing funding cost. Regular employer contributions to the Plan in the year to 1 April 2013 are estimated to be £3.16 million. Additional employer contributions will be required if there are any augmentations during the year.

The principal assumptions used by the independent qualified actuaries in updating the latest valuation for FRS 17 were:

Main financial assumptions

	1 April 2012 (% p.a.)	3 April 2011 (% p.a.)	28 March 2010 (% p.a.)
RPI inflation	3.25	3.50	3.70
CPI inflation	2.25	2.60	N/A
Rate of general long-term increase in salaries	4.00	4.00	4.20
Pension increases (on pensions accrued since April 1997)	3.10	3.30	3.50
Discount rate for Plan liabilities	5.00	5.60	5.60

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

19. PENSION COMMITMENTS *(continued)*

On 8 July 2010 the UK Government announced that it believed the Consumer Price Index ("CPI") to be a more appropriate measure of pensioner inflation experiences than the Retail Price Index ("RPI"). The Government intends to legislate that RPI be replaced by CPI for private sector pension schemes. Based upon this and the Plan rules and whether they refer specifically to RPI, the FRS 17 calculations assume that CPI will apply to increases in deferment pensions while RPI will apply to increases in pensions in payment, in both cases only for pensions in excess of the guaranteed minimum.

The mortality assumptions are based on standard mortality tables which allow for expected future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 21.1 years if they are male and for a further 23.2 years if they are female. For a member who retires in 2032 at age 65 the assumptions are that they will live on average for a further 22.4 years after retirement if they are male and for a further 24.7 years after retirement if they are female.

Expected return on assets

	Long term rate of return expected as at 1 April 2012 (%p.a.)	Market value as at 1 April 2012 £'000	Long term rate of return expected as at 3 April 2011 (% p.a.)	Market value as at 3 April 2011 £'000	Long term rate of return expected as at 28 March 2010 (% p.a.)	Market value as at 28 March 2010 £'000
Equities	8.40	27,120	8.40	27,389	8.50	25,825
Fixed Interest Government Bonds	3.10	33,550	4.40	29,373	4.50	30,240
Absolute return strategies	4.35	14,753	5.65	23,446	5.75	15,504
Commodities	7.40	12,406	7.40	-	7.50	6,979
Other (including cash)	1.80	2,589	1.50	9,651	1.00	8,837
Total	5.45	90,418	5.63	89,859	5.79	87,385

Basis used to determine expected return

Special Metals Wiggin Limited employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return in each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Plan at 1 April 2012.

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

19. PENSION COMMITMENTS *(continued)*

Reconciliation of funded status to balance sheet

	Value at 1 April 2012 £'000	Value at 3 April 2011 £'000	Value at 28 March 2010 £'000
Fair value of plan assets	90,418	89,859	87,385
Present value of funded defined benefit obligations	(102,193)	(93,684)	(101,799)
Liability recognised on the balance sheet	(11,775)	(3,825)	(14,414)
Related deferred tax asset	2,826	995	4,036
Net pension liability	(8,949)	(2,830)	(10,378)

Analysis of amount charged to profit and loss

	For period ending 1 April 2012 £'000	For period ending 3 April 2011 £'000
Current service cost	1,664	1,830
Interest cost	5,120	5,581
Expected return on plan assets	(4,978)	(4,974)
Expense recognised in profit and loss	1,806	2,437

The current service cost includes an allowance for the unfunded benefits in respect of some employees of Special Metals Deutschland Limited based in Germany

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 1 April 2012

19. PENSION COMMITMENTS *(continued)*

Changes to the present value of the defined benefit obligation during the period

	For period ending 1 April 2012 £'000	For period ending 3 April 2011 £'000
Opening defined benefit obligation	93,684	101,799
Current service cost	1,664	1,830
Interest cost	5,120	5,581
Actuarial losses/(gains) on plan liabilities, including changes to the actuarial assumptions	7,949	(9,351)
Net benefits paid out	(6,224)	(6,175)
Closing defined benefit obligation	102,193	93,684

Changes to the fair value of plan assets during the period

	For period ending 1 April 2012 £'000	For period ending 3 April 2011 £'000
Opening fair value of plan assets	89,859	87,385
Expected return on plan assets	4,978	4,974
Actuarial (losses)/gains on plan assets	(1,324)	527
Contributions by the employer	3,129	3,148
Net benefits paid out	(6,224)	(6,175)
Closing fair value of plan assets	90,418	89,859

Special Metals Wiggins Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 3 April 2012

19 PENSION COMMITMENTS *(continued)*

Actual return on plan assets

	For period ending 1 April 2012 £'000	For period ending 3 April 2011 £'000
Expected return on plan assets	4,978	4,974
Actuarial (loss)/gain on plan assets	(1,324)	527
Actual return on plan assets	3,654	5,501

Analysis of amounts recognised in STRGL

	For period ending 1 April 2012 £'000	For period ending 3 April 2011 £'000
Total actuarial (losses)/gains	(9,273)	9,878
Total (loss)/gain in STRGL	(9,273)	9,878
Cumulative amount of losses recognised in STRGL	(45,729)	(36,456)

History of asset values, obligations and surplus/deficit in plan

	For period ending 1 April 2012 £'000	For period ending 3 April 2011 £'000	For period ending 28 March 2010 £'000	For period ending 29 March 2009 £'000	For period ending 30 March 2008 £'000
Fair value of plans assets	90,418	89,859	87,385	77,686	82,777
Defined benefit obligation	(102,193)	(93,684)	(101,799)	(83,197)	(84,945)
Deficit in plan	(11,775)	(3,825)	(14,414)	(5,511)	(2,168)

Special Metals Wiggin Limited

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 3 April 2012

19. PENSION COMMITMENTS *(continued)*

History of experience gains and losses

	For period ending 1 April 2012	For period ending 3 April 2011	For period ending 28 March 2010	For period ending 29 March 2009	For period ending 30 March 2008
	£'000	£'000	£'000	£'000	£'000
Experience gains/(losses) on plan assets	(1,324)	527	6,946	(11,764)	(5,175)
Experience gains/(losses) on Plan liabilities	(199)	6,589	-	-	(1,787)

Experience gains/(losses) on Plan liabilities consists of gains/(losses) in respect of liability experience only and excludes any change in liabilities in respect of changes to the actuarial assumptions used

20. OTHER FINANCIAL COMMITMENTS

The company has annual commitments under non-cancellable operating leases as follows

	<i>Land and buildings</i>	<i>Other</i>	<i>Total</i>	<i>Land and buildings</i>	<i>Other</i>	<i>Total</i>
	<i>1 April</i>	<i>1 April</i>	<i>1 April</i>	<i>3 April</i>	<i>3 April</i>	<i>3 April</i>
	<i>2012</i>	<i>2012</i>	<i>2012</i>	<i>2011</i>	<i>2011</i>	<i>2011</i>
	£'000	£'000	£'000	£'000	£'000	£'000
Operating leases which expire						
Within one year	-	212	212	6	214	220
In two to five years	-	200	202	-	202	202
	<u>-</u>	<u>412</u>	<u>422</u>	<u>6</u>	<u>416</u>	<u>422</u>

Special Metals Wiggins Limited

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 3 April 2012

21. DERIVATIVES NOT INCLUDED AT FAIR VALUE

The company has derivatives which are not included at fair value in the accounts

	<i>Principal 1 April 2012 £'000</i>	<i>Principal 3 April 2011 £'000</i>	<i>Fair Value 1 April 2012 £'000</i>	<i>Fair Value 3 April 2011 £'000</i>
Notional value of forward foreign exchange contracts	15,020	43,805	153	(1,245)
	<u>15,020</u>	<u>43,805</u>	<u>153</u>	<u>(1,245)</u>

The company uses the derivatives to hedge its exposures to changes in foreign currency exchange rates arising from sales and purchases in foreign currencies. The company has also used derivatives to hedge its exposure to changes in commodity prices but now uses fixed price contracts with its suppliers. The fair values are based on market values of equivalent instruments at the balance sheet date.

22. CONTINGENT LIABILITIES

At 1 April 2012 the company had no contingent liabilities. At 3 April 2011 the company had contingent liabilities of £706,000 in respect of bank guarantees given in the normal course of business.

23. PARENT UNDERTAKING AND CONTROLLING PARTY

SMW Holdings Limited, which is incorporated in the UK, is the immediate parent company. Precision Castparts Corp, incorporated in the USA is the ultimate parent company and is the only company in the group to prepare consolidated accounts. Copies of these accounts can be obtained from Precision Castparts Corp, 4650 SW Macadam Avenue, Suite 440, Portland, Oregon 97239-4262, USA.