

Registered no 04509708

Coltec Finance Company Limited

Annual report and financial statements
For the year ended 31 December 2010

WEDNESDAY



A312WY4E

A14

05/10/2011

142

COMPANIES HOUSE

Coltec Finance Company Limited

Contents

Directors and advisers	1
Directors' report for the year ended 31 December 2010	2
Independent auditors' report to the members of Coltec Finance Company Limited	4
Profit and loss account for the year ended 31 December 2010	5
Balance sheet as at 31 December 2010	6
Notes to the financial statements for the year ended 31 December 2010	7

Coltec Finance Company Limited

Directors and advisers

Directors

Robert D Rehley – Resigned 31 December 2010
William Dries
Donald G Pomeroy

Secretaries

Robert P McKinney
Stephanie C Williams

Registered Office

55 Colmore Row
Birmingham
West Midlands
B3 2AS

Independent auditors

PricewaterhouseCoopers LLP
Chartered accountants and statutory auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

Solicitors

Ward Hadaway Solicitors
Sandgate House
102 Quayside
Newcastle Upon Tyne
NE1 3DX

Bankers

Bank of America
Harcourt Building
Harcourt Street
Dublin 2
Ireland

Coltec Finance Company Limited

Directors' report for the year ended 31 December 2010

The directors present their annual report and the audited financial statements for the year ended 31 December 2010. This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

Principal activities

The company's principal activity during the year was the global management of cash for affiliates of the company, all of whom have the same ultimate parent undertaking, EnPro Industries, Inc. in the United States. The global management of cash includes a multilateral netting program, which was launched in December 2002, to simplify the settlement of inter-company transactions between affiliates of the company, and a European cross-border cash pooling program, which was launched in January 2003 to concentrate funds to provide better investment returns, to reduce the need for individual affiliates of the company to borrow from financial institutions, to increase visibility and to control cash reserves.

Review of business and future developments

It is expected that the netting program and the cash pooling program will continue to be the primary focus of the company in the foreseeable future.

Results

The company's profit for the financial year is £1,843,274 (2009 £1,198,359). There were no dividends paid or proposed during the year (2009 £nil).

Directors

The directors of the company are as listed on page 1.

Key Performance Indicators

Given the relatively simple nature and structure of the business, the directors believe that analysis using financial and non-financial KPIs is not necessary for an understanding of the development, performance or position of the business.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Coltec Finance Company Limited

Directors' report for the year ended 31 December 2010 (continued)

Statement of directors' responsibilities (continued)

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken 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 auditors are aware of that information.

Independent auditors

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

By order of the Board



Donald G. Pomeroy
Director

28 September 2011

Coltec Finance Company Limited

Independent auditors' report to the members of Coltec Finance Company Limited

We have audited the financial statements of Coltec Finance Company Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, 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) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 3 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with 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.

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, or
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report.



Randal Casson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

3 October 2011

Coltec Finance Company Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
Interest receivable and similar income	6	3,523,292	2,602,666
Interest payable and similar charges	7	(1,053,613)	(834,418)
Other finance income/(charges)		90,424	(103,861)
Profit on ordinary activities before taxation	4	2,560,103	1,664,387
Tax on profit on ordinary activities	11	(716,829)	(466,028)
Retained profit for the financial year	13	1,843,274	1,198,359

The results shown in the profit and loss account above derive solely from continuing operations

The company has no recognised gains and losses other than those included in the retained profit above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

Coltec Finance Company Limited

Balance sheet as at 31 December 2010

	Note	2010 £	2009 £
Current assets			
Debtors	8	100,641,574	78,070,293
Current asset investments	9	10,694,740	17,682,563
Cash at bank and in hand		8,113,334	887,931
		119,449,648	96,640,787
Creditors – Amounts falling due within one year	10	(114,581,094)	(93,615,507)
Net current assets		4,868,554	3,025,280
Net assets		4,868,554	3,025,280
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	4,868,454	3,025,180
Equity shareholders' funds	14	4,868,554	3,025,280

The financial statements on pages 5 to 11 were approved by the board of directors on 28 September 2011 and were signed on its behalf by


Donald G. Pomeroy
Director

Registered number · 04509708

Coltec Finance Company Limited

Notes to the financial statements for the year ended 31 December 2010

(continued)

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

Foreign currency translation

All monetary assets and liabilities denominated in a foreign currency are translated using the closing rate and all profit and loss account items are translated at the rate of exchange ruling at the date of the transaction. The exchange gain or loss is reported as part of the profit for the year from ordinary activities.

Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Current 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.

Financial Support

The ultimate parent undertaking, EnPro Industries, Inc., will not seek repayment of the intercompany payable due from CFCL unless CFCL has sufficient working capital to enable it to keep trading.

2 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Coltec Industries, Inc., which is a wholly-owned subsidiary of EnPro Industries, Inc., and is included in the consolidated financial statements of EnPro Industries, Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the EnPro Industries, Inc. group or investees of the EnPro Industries group. There are no other related party transactions.

3 Segmental reporting

The company's activities consist solely of the global management of cash.

4 Profit before tax

The profit before tax for the year was stated after charging a net foreign exchange gain of £259,824 (2009 loss of £57,554).

Auditors' remuneration of £13,708 (2009 £13,657) for audit services will be paid by the ultimate parent undertaking, EnPro Industries, Inc., and was included in the profit before tax.

Coltec Finance Company Limited
Notes to the financial statements for the year ended 31 December 2010
(continued)

5 Employee information

The company has no employees working within the UK. Most of the day-to-day activity is outsourced, with various cash management and accounting functions handled by employees of the ultimate parent undertaking, EnPro Industries, Inc. The costs associated with those employees are absorbed by the ultimate parent undertaking.

The directors received no emoluments in either year for the services to the company.

6 Interest receivable and similar income

	2010	2009
	£	£
Short-term investments interest receivable	61,393	29,435
Interest receivable on amounts due from group undertakings	3,461,899	2,573,231
	3,523,292	2,602,666

7 Interest payable and similar charges

	2010	2009
	£	£
Interest payable on amounts due to group undertakings	1,044,765	829,380
Bank interest payable	8,848	5,038
	1,053,613	834,418

8 Debtors

	2010	2009
	£	£
Amounts due from group undertakings	100,548,553	77,921,399
Taxation	92,992	70,476
Other debtors	29	78,418
	100,641,574	78,070,293

All amounts due from group undertakings are repayable on demand, carry no security and interest is charged at 3.25% plus the one month LIBOR rate for the functional currency of the loan, e.g. the one month EURIBOR plus 3.25% for a loan valued in the Euro.

Coltec Finance Company Limited
Notes to the financial statements for the year ended 31 December 2010
(continued)

9 Current asset investments

	2010	2009
	£	£
Money market	8,587,637	-
Overnight time deposits	2,107,103	17,682,563
	10,694,740	17,682,563

The market value of the investments is not materially different from their carrying amount

10 Creditors – Amounts falling due within one year

	2010	2009
	£	£
Amounts due to group undertakings	113,806,749	93,024,390
Taxation and social security	421,420	374,784
Other creditors	352,925	216,333
	114,581,094	93,615,507

Amounts due to group undertakings are repayable on demand, carry no security and interest is charged at the one month LIBOR rate for the functional currency of the loan, e.g. the one month EURIBOR for a loan valued in the Euro

Coltec Finance Company Limited
Notes to the financial statements for the year ended 31 December 2010
(continued)

11 Taxation on the profit for the year

	2010	2009
	£	£
Current tax		
UK corporation tax on profit of the period	716,829	466,028
Tax on profits on ordinary activities	716,829	466,028

The tax assessed for the year is the same as the standard rate of corporation tax in the UK 28% (2009 – 28%) The differences are explained below

Profit on ordinary activities before taxation	2,560,103	1,664,387
Profit on ordinary activities multiplied by standard rate of corporation tax for the company	716,829	466,028
Effects of		
Permanent differences	-	-
Total current tax charge	716,829	466,028

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance Act (No 2) 2010 includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014.

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. A resolution passed by Parliament on 29 March 2011 reduced the main rate of corporation tax to 26% from 1 April 2011. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Coltec Finance Company Limited
Notes to the financial statements for the year ended 31 December 2010
(continued)

12 Called up share capital

	2010	2009
	£	£
Authorised, allotted and fully paid	100	100

13 Reserves

	Profit and loss account
	£
1 January 2010	3,025,180
Profit for the year	1,843,274
31 December 2010	4,868,454

14 Reconciliation of movements in equity shareholders' funds

	£
Profit for the year	1,843,274
Opening equity shareholders' funds	3,025,280
Closing equity shareholders' funds	4,868,554

15 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is EnPro Industries, Inc , which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of EnPro Industries, Inc consolidated financial statements can be obtained by visiting our website, www.enproindustries.com, or by calling +1 704-731-1522