

Henton Engineering Limited
Directors' report and financial
statements

Registered number 06453721

Year ended 31 January 2011

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Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditors' report to the members of Henton Engineering Limited	5
Profit and loss account	7
Balance sheet	8
Notes	9

Company information

Registered office	Nasmyth House Coventry Road Exhall Coventry CV7 9FT
Registered number	06453721
Directors	P Smith S Beech M Edmonds
Secretary	M Edmonds
Auditors	KPMG LLP Altus House One North Fourth Street Milton Keynes MK9 1NE

Directors' report

The directors present their report and the audited financial statements for the year to 31 January 2011

Principal activity

The principal activity of the company is the engineering machining and testing of large ring shaped components. These are produced for the demanding requirements dictated by applications in aircraft and marine engine and by the ultra lightweight required for satellite and spacecraft use.

Business review

The profit and loss account is presented on page 7

During the year ended January 2011 the company has relocated from its site in the Burbage area of Hinckley to the ex Chinn Engineering facility in nearby Harrowbrook. Despite the general market conditions and the inevitable disruption caused by this move turnover for the year held up well at £5.9 million (2010 £6.3 million). The lower sales level combined with the cost of preserving the skill base has resulted in a reduction in Gross margin to 15.6% (2010 18.8%). Administration Expenses were slightly down and the company's contribution to the management costs of its parent company remained at the previous year's level of £0.2 million but the credit from amortisation of negative goodwill reduced from £0.3 million in 2010 to £0.1 million. As a result of these factors the company reports a loss before tax for the year of £0.1 million, (2010 profit £0.3 million). Sales for the first four months of the year are 23% up on the same period last year and a consequent improvement in profit before interest and tax. The outlook for the year ending January 2012 continues to be very strong with to date and order cover representing circa 94% of the company's target turnover for the year of £7.2 million. This annual growth of 22% compares favourably with the 23% year on year improvement experienced in the first four months.

The company is part of the group headed by Nasmyth Group Limited and participates in group banking and guarantee arrangements. In May 2011 the Group agreed new facilities with its bank and the bank waived any rights related to any previous covenant breach. The strength provided by these new confirmed facilities will be a valuable resource in the company's progress during 2011-12.

The directors of Nasmyth Group Limited now consider that there will be adequate facilities in place to finance the activities of the group for the foreseeable future. Nonetheless, the directors feel it prudent to note that, in common with many businesses at the moment, the difficult economic environment gives rise to inherent uncertainties within this assessment including, for instance, the impact that any supply chain disruption, lost or delayed sales to key customers or a significant decline in general trading conditions might have upon the ability of the group to maintain its improvement and hence remain within its facilities and covenants over the coming months.

Principal risks and uncertainties

The company operates in a number of markets including aerospace propulsion and exploration systems, medical equipment and instrumentation. The development of major new aircraft programmes and their propulsion systems can be subject to timing variations which in turn will impact upon companies in the supply chain, such as Henton Engineering Limited. It is the opinion of the Board that risks associated with timing variations and in particular programme delay is of a relatively short term nature with the longer term indications for aerospace remaining positive.

Directors

The directors who held office during the year, and since the end of the year, were as follows:

P Smith
S Beech
M Edmonds

Directors' report *(continued)*

Proposed dividend

Dividends of £nil (2010 £nil) were paid during the year

Political and charitable contributions

The company made no political or charitable contributions during the year (2010 £nil)

Disclosure of information to auditors

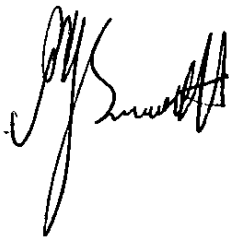
The directors who held office at the date of approval of this directors report confirm that, so far as each of them is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and will therefore continue in office

By order of the board

P Smith
Director

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

Nasmyth House
Coventry Road
Exhall
Coventry
CV7 9FT

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 disclosed 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
United Kingdom

Independent auditors' report to the members of Henton Engineering Limited

We have audited the financial statements of Henton Engineering Limited for the year ended 31 January 2011 set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site 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 31 January 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the company's ability to continue as a going concern. The company's position is dependent on that of the group of which it is part. Major supply chain disruption or lost or delayed sales to key customers may affect the ability of the group to remain within its agreed banking covenants during the coming months. These conditions, along with the other matters explained in Note 1, indicate the existence of material uncertainties which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result were it unable to do so.

Independent auditors' report to the members of Henton Engineering Limited
(continued)

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



P D Selvey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

7 July 2011

Profit and loss account
for the year ended 31 January 2011

	<i>Note</i>	2011 £	2010 £
Turnover	2	5,883,609	6 287 300
Cost of sales		(4,968,337)	(5 107 147)
Gross profit		915,272	1 180 153
Administrative expenses		(1,011,150)	(1 035 654)
Other operating income amortisation of negative goodwill	8	101,497	264 778
Operating profit		5,619	409 277
Interest payable and similar charges	6	(82,426)	(92 907)
(Loss)/profit on ordinary activities before taxation	3	(76,807)	316 370
Tax on profit on ordinary activities	7	52,993	(202 101)
(Loss)/profit for the financial year	16	(23,814)	114 269

There were no recognised gains or losses in the year other than those presented above and, accordingly, no separate statement of total recognised gains and losses has been presented

The results reported above arise from the acquisition of continuing operations.

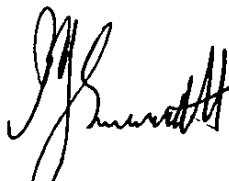
Notes on pages 9 to 18 form part of these financial statements

Balance sheet
at 31 January 2011

	<i>Note</i>	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Intangible assets – negative goodwill	8		(287,772)		(389 269)
Tangible assets	9		824,745		785 397
			<u>536,973</u>		<u>396 128</u>
Current assets					
Stocks	10	896,926		938 986	
Debtors (including £850 000 (2010 £850,000) due after more than one year)	11	2,419,767		2 438 608	
Cash at bank and in hand		64,939		21 946	
		<u>3,381,632</u>		<u>3 399 540</u>	
Creditors amounts falling due within one year	12	(2,148,001)		(2 205 640)	
Net current assets			<u>1,233,631</u>		<u>1 193 900</u>
Total assets less current liabilities			<u>1,770,604</u>		<u>1 590 028</u>
Creditors amounts falling due after more than one year	13		(1,117,432)		(895 387)
Provisions for liabilities	14		(85,186)		(102 841)
Net assets			<u>567,986</u>		<u>591 800</u>
Capital and reserves					
Called up share capital	15		1		1
Profit and loss account	16		567,985		591 799
Shareholders' funds	17		<u>567,986</u>		<u>591 800</u>

These financial statements were approved by the board of directors on 7 July 2011 and were signed on its behalf by

P Smith
Director



Registration number: 06453721

Notes on pages 9 to 18 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Going concern

The company is part of the group headed by Nasmyth Group Limited and participates in group banking and guarantee arrangements. It has net amounts due from group companies. The financial statements of Nasmyth Group Limited for the year ended 31 January 2011, which were approved on 7 July 2011, disclosed the following

"The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons

The group is financed primarily through property based loans and working capital facilities which vary in line with sales. This financing is subject to financial covenants and other conditions which the group monitors regularly. Although the group was in breach of certain covenants during the year ended 31 January 2011, these breaches were waived by the group's bankers. On 17 May 2011 the group reached an agreement with its bankers to provide a revised facility agreement, with new covenants, for a period of 14 months

All group companies have carried out a forecast exercise for the period to 17 July 2012. Based upon the results of this exercise, the directors do not anticipate any further facility or covenant breaches during the forecast period

Accordingly, the directors consider there will be adequate facilities in place to finance the activities of the group for the foreseeable future, particularly given the projections for profitable trading over the coming year. However, the directors consider it prudent to note that, in common with many businesses, the difficult economic environment gives rise to inherent uncertainties within this assessment. The ability of the group to remain within its covenants is sensitive to shortfalls against forecast sales and margins as a result of lost or delayed sales to key customers, supply chain disruption, or a deterioration in general trading conditions. Should these be breached, the group's facilities would become repayable on demand and therefore the group would be dependent upon the continued support of its bankers

The possibility of adverse changes as referred to above represents material uncertainties that may cast significant doubt on the group's and company's ability to continue as a going concern and they may therefore be unable to continue realising assets and discharging liabilities in the normal course of business. The financial statements do not include any adjustments that might result from such circumstances.

The directors of the company have considered this disclosure and believe that these circumstances give rise to material uncertainties that may cast significant doubt over the ability of the company to continue as a going concern and, therefore, that it may be unable to continue realising its assets and discharging its liabilities in the normal course of business. In view of the conclusion reached by the directors of Nasmyth Group Limited, the directors of the company believe that the going concern basis of preparation remains appropriate. The financial statements do not include any adjustments that might result from such circumstances

Notes (continued)

1 Accounting policies (continued)

Related party transactions

As all of the Company's voting rights are controlled within the group headed by Nasmyth Group Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Nasmyth Group Limited, within which this Company is included, can be obtained from the address given in note 20.

Fixed assets and depreciation

Depreciation is calculated to write off the cost of all tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Plant and machinery	-	14% straight line
Fixtures, fittings and equipment	-	20% straight line
Motor vehicles	-	20% straight line

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Post-retirement benefits

The Company operates a defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account in the year in which payment is made.

Taxation

The charge for taxation is based on the profit for the year 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, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents amounts recognised, upon despatch, for the supply of goods and services and is stated net of VAT.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Notes (continued)

1 Accounting policies (continued)

Stocks and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs to completion and disposal.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The outstanding future lease obligations are shown in creditors. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are 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.

Goodwill

Purchased goodwill (both positive and negative) arising on business combination in respect of acquisitions before 1 January 1998, when FRS 10 'Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised.

Negative goodwill arising on business combinations in respect of acquisitions since 1 January 1998 is included within fixed assets and released to the profit and loss account in the years in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

2 Turnover

An analysis of turnover by geographical market is given below

	2011	2010
	£	£
United Kingdom	5,744,206	6,181,087
Europe	90,583	106,213
Africa	48,820	-
	<u>5,883,609</u>	<u>6,287,300</u>

3 (Loss)/profit on ordinary activities before taxation

The (loss)/profit on ordinary activities is stated after charging/(crediting)

	2011	2010
	£	£
Auditors' remuneration		
- audit of these financial statements	5,000	5,000
- other services relating to taxation	2,000	2,000
Depreciation of tangible fixed assets		
- owned assets	205,381	202,849
- assets held under finance leases and hire purchase contracts	21,818	22,511
Amortisation of negative goodwill	(101,497)	(264,778)
Operating lease rentals – hire of plant and machinery	2,429	2,429
	<u>205,381</u>	<u>202,849</u>

Notes (continued)

4 Remuneration of directors

The directors of the company are employed and remunerated by the parent company. Their emoluments are dealt with in the accounts of the parent company where appropriate.

	2011 £	2010 £
Directors' emoluments	-	-

5 Staff numbers and costs

The average number of employees of the company (excluding directors) during the year, analysed by category, was as follows:

	2010 Number	2010 Number
Administration	14	15
Production	45	49
	<u>59</u>	<u>64</u>

The aggregate payroll costs of these persons were as follows:

	2011 £	2010 £
Wages and salaries	1,606,984	1,657,895
Social security costs	169,294	173,810
Pension costs (See note 19)	65,314	78,666
	<u>1,841,592</u>	<u>1,910,371</u>

6 Interest

	2011 £	2010 £
<i>Interest payable and similar charges</i>		
Bank loans and overdrafts	28,082	21,202
Other amounts payable to group companies	48,456	66,000
Hire purchase interest	5,888	5,705
	<u>82,426</u>	<u>92,907</u>

Notes (continued)

7 Taxation

Analysis of (credit)/charge in the year

	2011 £	2010 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Payment in respect of group relief	(33,544)	86,744
(Over)/Under provision in prior years – group relief	(1,794)	14,037
Total current tax	(35,338)	100,781
<i>Deferred taxation</i>		
Origination/reversal of timing differences	(14,322)	(25,404)
Adjustment in respect of prior years	(3,333)	126,724
Total deferred tax	(17,655)	101,320
Tax on profit on ordinary activities	(52,993)	202,101

Factors affecting the tax (credit)/charge for the current year

The current tax (credit)/charge for the year is higher (2010 higher) than the standard rate of corporation tax in the UK 28% (2010 28%). The differences are explained below

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	(76,807)	316,370
Current tax at 28% (2010 28%)	(21,506)	88,584
<i>Effects of</i>		
Expenses not deductible for tax purposes	(26,890)	(27,249)
Depreciation in excess of capital allowances	15,403	33,088
Other short term timing differences	(551)	(7,679)
Adjustment in respect of prior years	(1,794)	14,037
Total current tax (credit)/charge (see above)	(35,338)	100,781

Factors that may affect future current and total tax charges

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2010 has been included in the figures above.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate would create a reduction in the deferred tax liability. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

Notes (continued)

8 Intangible fixed assets

	Negative Goodwill £
<i>Cost</i>	
Cost at beginning and of year	(1 048,275)
<i>Amortisation</i>	
At beginning of year	659,006
Credited to profit and loss in the year	101,497
At end of year	760,503
<i>Net book value</i>	
At 31 January 2011	(287,772)
At 31 January 2010	(389,269)

Negative goodwill arising on the acquisition of certain trade and assets from the receiver of I S Chinn Holdings Limited in 2008 was in excess of the fair value of the non-monetary assets acquired. An amount equal to the fair value of the non-monetary assets acquired is being released to the profit and loss account commensurately with the recovery of the non-monetary assets acquired, whether through depreciation or sale.

9 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<i>Cost</i>				
At beginning of year	1 085 002	38 528	16 434	1 139 964
Additions	260,202	12 406	-	272 608
Disposals	(10 000)	-	-	(10 000)
At end of year	1 335 204	50 934	16 434	1 402 572
<i>Depreciation</i>				
At beginning of year	340,838	3 367	10 362	354 567
Charge in the year	217 093	4 628	5,478	227 199
Disposals	(3 939)	-	-	(3 939)
At end of year	553 992	7 995	15 840	577 827
<i>Net book value</i>				
At 31 January 2011	781,212	42,939	594	824,745
At 31 January 2010	744 164	35 161	6,072	785 397

Included in the total net book value of plant and machinery is £61,818 (2010 £83,636) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £21,818 (2010 £21 818).

Notes (continued)

10 Stocks

	2011 £	2010 £
Raw materials and consumables	217,556	118 019
Work in progress	679,370	820,967
	<u>896,926</u>	<u>938,986</u>

11 Debtors

	2011 £	2010 £
Trade debtors	1,477,259	1 263 185
Other debtors	-	9 000
Amounts owed by group undertakings	907,535	1 138 576
Prepayments and accrued income	34,973	27 847
	<u>2,419,767</u>	<u>2 438 608</u>

Debtors include amounts owed by group undertakings of £850,000 (2010 £850,000) due after more than one year

12 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank loans	61,000	213 500
Amounts owed to group undertakings	39,267	257,387
Trade creditors	787,931	659 758
Other taxes and social security	290,885	271 951
Net obligations under hire purchase contracts	23,016	23,476
Other creditors	841,398	672,944
Accruals and deferred income	104,504	106 624
	<u>2,148,001</u>	<u>2,205,640</u>

Other creditors includes secured debts of £810,823 (2010 £644,007) which are secured upon trade debtors and vary in line with sales

Notes (continued)

12 Creditors, amounts falling due within one year (continued)

The maturity of obligations under bank loans is as follows

	2011 £	2010 £
Within one year	61,000	213,500
In the second to fifth years	91,500	-
	<u>152,500</u>	<u>213,500</u>

The bank loans in 2010 presented above were shown as falling due within one year due to a covenant breach (see note 1)

13 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Bank loans	91,500	-
Amounts owed to group undertakings	1,009,650	856,089
Net obligations under hire purchase contracts	16,282	39,298
	<u>1,117,432</u>	<u>895,387</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows

	2011 £	2010 £
Within one year	23,016	23,476
In the second to fifth years	16,282	39,298
	<u>39,298</u>	<u>62,774</u>

14 Provisions for liabilities

	Deferred taxation £
At beginning of year	102,841
Charged to the profit and loss account	(17,655)
At end of year	<u>85,186</u>

The components of the deferred tax liability/(asset) are as follows

	2011 £	2010 £
Timing differences between depreciation and capital allowances	86,880	105,148
Other short term timing differences	(1,694)	(2,307)
Deferred tax liability at end of year	<u>85,186</u>	<u>102,841</u>

Notes *(continued)*

15 Called up share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

16 Reserves

	2011 £	2010 £
Profit and loss account		
At beginning of the year	591,799	477,530
(Loss)/profit for the financial year	(23,814)	114,269
	<u>567,985</u>	<u>591,799</u>
At end of year	<u>567,985</u>	<u>591,799</u>

17 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
(Loss)/profit for the financial year	(23,814)	114,269
Opening shareholders funds	591,800	477,531
	<u>567,986</u>	<u>591,800</u>
Closing shareholders funds	<u>567,986</u>	<u>591,800</u>

18 Commitments

Operating lease commitments

	2011 £	Other 2010 £
<i>Annual commitments under operating leases which expire</i>		
In over five years	2,553	2,429
	<u>2,553</u>	<u>2,429</u>

Other commitments

The company has given cross guarantees in respect of the bank borrowings of group companies which at 31 January 2011 amounted to £5,120,000 (2010 £6,456,000)

Notes *(continued)*

19 Pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £65,314 (2010 £78,666).

Contributions amounting to £6,274 (2010 £8,242) were payable to the scheme and are included in creditors.

20 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Nasmyth Group Limited, which is the ultimate parent company and is incorporated in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Nasmyth Group Limited. No other group financial statements include the results of the Company. The consolidated financial statements of Nasmyth Group Limited are available to the public and may be obtained from Nasmyth House, Coventry Road, Exhall, Coventry, CV7 9FT.