

MMC Hardmetal UK Limited

**Annual report and financial
statements**

Registered number 897899

For the year ended 31 March 2017



Contents

Strategic report	1
Director's report	2
Statement of director's responsibilities in respect of the Strategic report, Director's report and the financial statements	3
Independent auditor's report to the members of MMC Hardmetal UK Limited	4
Statement of profit and loss and other comprehensive income	6
Balance sheet	7
Statement of Changes in Equity	8
Notes	9

Strategic report

Principal activities

The principal activity of the company continues to be that of the sale of engineers' cutting tools.

Business review and results

The results for the year and financial position of the company are set out in the attached financial statements.

The company's turnover as a whole decreased from £10,677,033 in the year to 31/03/2016 to £9,729,705 in the year to 31/03/2017.

The decrease in turnover was due to the closure of the Hardfacing Alloys division which had sales of £1,409,999 in 2015/16.

A gross profit of £3,271,940 (31 March 2016: £3,482,575) resulted from the turnover and the director is reasonably pleased with this.

The profit for the year after taxation of £105,583 (2016: £86,049) has been transferred to reserves.

Cutting Tools made up 100% of the company's turnover in the year to 31/03/2017. Increased turnover is the most important key performance indicator for these products and it was pleasing to see an increase for this division compared to the previous 12 months.

Turnover growth for the cutting tools division was 5% for the year ending 31/03/2017, £9,267,534 to £9,730,232.

Principal risks and uncertainties.

As with many companies who deal with the manufacturing sector, there is always a risk of a major customer going into liquidation. However, the wide customer base of the company would help to minimise the effect of any such occurrences. Ongoing credit evaluation is performed on the financial condition of customers' accounts and where appropriate, credit guarantee insurance cover is purchased.

As with any industry there is also the threat of competition, but the director believes that the company's products and employees are good enough to continue to produce a significant growth in turnover.

By order of the Board



Yutaka Tanaka
Director

Director's report

The director presents his annual report on the audited financial statements for the year ended 31 March 2017.

Proposed dividends

The director does not recommend the payment of a dividend (2016: £Nil).

Directors

The director who served during the year was as follows:

Y Tanaka

Charitable donations

During the year, the company made charitable donations of £4,315 (2016: £953).


Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

By order of the board



Yutaka Tanaka
Director

Mitsubishi House
Galena Close
Amington Heights
Amington Industrial Estate
Tamworth
Staffordshire
B77 4AS

6 June 2017

Statement of director's responsibilities in respect of the Strategic report, Director's report and the financial statements

The director is responsible for preparing the strategic report, the director's 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), including FRS 101 Reduced Disclosure Framework.

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 judgements 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
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of MMC Hardmetal UK Limited

We have audited the financial statements of MMC Hardmetal UK Limited for the year ended 31 March 2017 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 set out on page 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2017 and of its profit 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of MMC Hardmetal UK Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report



Xavier Timmermanns (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

6 June 2017

Statement of profit and loss and other comprehensive income
for the year ended 31 March 2017

	<i>Note</i>	2017 £	2016 £
Turnover			
Continuing operations		9,730,232	9,267,534
Discontinued operations		(527)	1,409,499
		<hr/>	<hr/>
	2	9,729,705	10,677,033
 Cost of sales		 (6,457,765)	 (7,194,458)
		<hr/>	<hr/>
Gross profit		3,271,940	3,482,575
 Distribution costs		 (2,482,981)	 (2,657,690)
Administrative expenses (2016: including exceptional cost of £51,888)	4	(677,516)	(708,884)
		<hr/>	<hr/>
Operating profit			
Continuing operations		101,483	187,088
Discontinued operations		9,960	(71,087)
		<hr/>	<hr/>
		111,443	116,001
 Loss on disposal of fixed assets – discontinued operating		 -	 (2,546)
Interest receivable	7	29,556	7,254
		<hr/>	<hr/>
Profit before taxation	3	140,999	120,710
 Taxation	8	 (35,417)	 (34,661)
		<hr/>	<hr/>
Profit for the year, being total comprehensive income for the year		105,583	86,049
		<hr/>	<hr/>

Balance sheet
at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	95,742	125,474
Current assets			
Stocks	10	1,202,318	1,071,440
Debtors	11	2,484,969	2,487,647
Cash in hand and at bank		1,051,705	991,960
		<u>4,738,992</u>	<u>4,551,047</u>
Creditors: Amounts falling due within one year	12	<u>(2,675,468)</u>	<u>(2,622,838)</u>
Net current assets		<u>2,063,524</u>	<u>1,928,209</u>
Total assets less current liabilities being total net assets		<u>2,159,266</u>	<u>2,053,683</u>
Capital and reserves			
Called up share capital	14	500,000	500,000
Profit and loss account		1,659,266	1,553,683
Shareholder's funds		<u>2,159,266</u>	<u>2,053,683</u>

These financial statements were approved by the board of directors on 6 June 2017 and were signed on its behalf by:


Yutaka Tanaka
Director

Company number: 897899

Statement of Changes in Equity
at 31 March 2017

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2015	500,000	1,467,634	1,967,634
Total comprehensive income for the year			
Profit	-	86,049	86,049
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	86,049	86,049
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	500,000	1,553,683	2,053,683
	<hr/>	<hr/>	<hr/>
Balance at 1 April 2016	500,000	1,553,683	2,053,683
Total comprehensive income for the year			
Profit	-	105,583	105,583
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	105,583	105,583
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	500,000	1,659,266	2,159,266
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

MMC Hardmetal UK Limited (the “Company”) is a company incorporated and domiciled in the UK. The functional currency of the Company is denoted in Sterling’s (£).

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken in the transition to FRS 101.

The Company’s ultimate parent undertaking, Mitsubishi Materials Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Mitsubishi Materials Corporation are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 1-5-1 Otemachi, Chiyoda-ku, Tokyo 100, Japan.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for tangible fixed assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS.

As the consolidated financial statements of Mitsubishi Materials Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Disclosures required by *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by *IFRS 13 Fair Value Measurement* and the disclosures required by *IFRS 7 Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern

The financial statements have been prepared on a going concern basis. The director has considered the principal risks and uncertainties outlined in the strategic report and the fact that the Company is a member of Mitsubishi Materials Corporation based in Japan.

The Director believes that, with group support, the Company can continue to operate for a period of at least 12 months from the date of approval of these financial statements and have therefore, continued to adopt the going concern basis of preparation.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment 33%
- Motor vehicles 25%
- Fixtures and fittings 15%

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes (continued)

1 Accounting policies (continued)

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.7 Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.8 Employee benefits

Defined contribution plans

The Company contributes to a deferred contribution pension scheme.

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.10 Turnover

The turnover shown in the profit and loss account represents the amounts (excluding value added tax) invoiced in respect of the sale of goods and services to customers during the year. Turnover is recognised on despatch of goods.

1.11 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.13 Non-current assets held for sale and discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit and loss account is restated as if the operation has been discontinued from the start of the comparative period.

1.14 Future adoption of international reporting standards

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2017 but have not yet been endorsed by the EU and therefore have not been applied in preparing the financial statements. None of these are expected to have a significant effect on the financial statements.

2 Turnover

The geographical analysis of turnover is as follows:

	2017 £	2016 £
United Kingdom	9,330,961	9,187,025
Rest of Europe	398,744	1,480,187
Asia	-	9,821
	<hr/>	<hr/>
	9,729,705	10,677,033
	<hr/>	<hr/>

Notes (continued)

3 Profit before taxation

	2017 £	2016 £
<i>Profit before taxation is stated after charging</i>		
Depreciation:		
Owned	57,386	63,153
Operating lease rental		
Land and buildings	65,000	72,852
Equipment	166,528	164,648
Exchange gains	(29,554)	(7,165)
<i>Auditor's remuneration</i>		
Audit of these financial statements	17,950	17,500
Other services related to taxation	3,750	3,650
	<u> </u>	<u> </u>

4 Exceptional items

	2017 £	2016 £
Cost relating to discontinuance	-	51,888
	<u> </u>	<u> </u>

5 Director emoluments

	2017 £	2016 £
Director's emoluments	-	-
Company contributions to money purchase pension schemes	-	-
Compensation for loss of office	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The aggregate emoluments (including benefits) of the highest paid director were £Nil (2016: £Nil) and the company made pension contributions of £Nil (2016: £Nil) on his behalf.

During the year ended 31 March 2017, no director received contributions in respect of a money purchase scheme (2016: none).

Going forward no director will be paid within this company. All director costs will be borne by another group entity.

Notes (continued)

6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Selling and distribution	37	40
Administration	4	2
	<u>41</u>	<u>42</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	1,611,369	1,677,380
Social security costs	204,190	209,826
Other pension costs	180,100	127,257
	<u>1,995,659</u>	<u>2,014,463</u>

7 Interest receivable and similar income

	2017 £	2016 £
Other interest receivable	-	89
Foreign exchange gain	29,556	7,165
	<u>29,556</u>	<u>7,254</u>

8 Taxation on profit on ordinary activities

(i) Analysis of charge for the year

	2017 £	£	2016 £	£
<i>Current tax</i>				
UK corporation tax	39,560		38,978	
Adjustment in respect of prior years	(1,038)		2,730	
	<u>38,522</u>		<u>41,708</u>	
Total current taxation charge		38,522		41,708
<i>Deferred tax (see note 13)</i>				
Origination and reversal of timing differences	(4,568)		(5,588)	
Adjustment in respect of prior years	1,218		(1,465)	
Effect of tax rate change on opening balance	245		6	
	<u>(3,105)</u>		<u>(7,047)</u>	
Tax charge on profit on ordinary activities		<u>35,417</u>		<u>34,661</u>

Notes (continued)

8 Taxation (continued)

(ii) Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2016: higher) to the standard rate of corporation tax in the UK of 19% (2016: 20%). The differences are explained below:

	2017 £	2016 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	140,999	120,710
Current tax at 19% (2016: 20%)	28,200	24,142
<i>Effects of:</i>		
Depreciation in excess of capital allowances for the year	45	53
Expenses not deductible for tax purposes	5,941	8,574
Depreciation on ineligible	-	-
Other short term timing differences	1,051	627
Adjustment in respect of prior year	180	1,265
Total current tax charge (including tax on discontinued operation)	35,417	34,661

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly..

9 Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>			
At beginning of year	282,963	137,089	420,052
Additions	27,655	-	27,655
Disposals	(7,818)	(5,455)	(13,273)
At end of year	302,800	131,634	434,434
<i>Depreciation</i>			
At beginning of year	190,408	104,171	294,579
Charge for year	48,704	8,682	57,386
Disposals	(7,818)	(5,455)	(13,273)
At end of year	231,294	107,398	338,692
<i>Net book value</i>			
At 31 March 2017	71,506	24,236	95,742
At 31 March 2016	92,555	32,918	125,474

Notes (continued)

10 Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,202,318	1,071,440

11 Debtors

	2017 £	2016 £
Amounts owed by parent and fellow subsidiary undertakings	2,375	2,660
Trade debtors	2,339,533	2,369,149
Other debtors	4,161	7,359
Prepayments and accrued income	130,155	102,840
Deferred taxation	8,744	5,639
	<u>2,484,969</u>	<u>2,487,647</u>

12 Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	197,070	433,335
Amounts owed to parent and fellow subsidiary undertakings	1,873,541	1,659,222
Corporation tax	15,000	1,478
Other taxation and social security	409,471	358,632
Accruals and deferred income	180,386	150,860
Other creditors	-	19,311
	<u>2,675,468</u>	<u>2,622,838</u>

13 Deferred tax asset and liabilities

Amounts provided for deferred taxation at 19% (2016: 20%) are as follows:

	£
At beginning and end of year	(5,639)

The elements of the provided deferred tax liability are as follows:

	2017 £	2016 £
Difference between accumulated depreciation and capital allowances	(664)	(5,699)
Other timing differences	(8,080)	11,338
	<u>8,744</u>	<u>5,639</u>

Notes (continued)

14 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid:</i>		
500,000 ordinary shares of £1 each	500,000	500,000

15 Contingent liabilities

The company has a contingent liability in respect of a bond provided to HMRC. At 31 March 2017, this contingent liability amounted to £6,000 (2016: £6,000).

16 Commitments

- (a) There were no capital commitments at 31 March 2017 (2016: £Nil).
- (b) Annual commitments under non-cancellable operating leases are as follows:

	Other		Land and buildings	
	2017 £	2016 £	2017 £	2016 £
Operating leases which expire:				
As within one year	149,677	112,350	65,000	65,000
In the second to fifth year inclusive	126,213	9,968	195,000	195,000
In over five years	-	-	48,750	113,750
	<u>275,890</u>	<u>122,318</u>	<u>308,750</u>	<u>373,750</u>

17 Pension scheme

The pension cost charge represents contributions payable by the company to the fund and amounted to £180,100 (2016: £127,257) for the year.

Contributions totalling £Nil (2016: £16,219) were owed by the company to the fund at the year end.

18 Related party transactions

The Company has taken advantage of the exemptions available as per Note 1 not to disclose related party transactions with wholly owned group companies.

19 Ultimate controlling party

The company is a wholly owned subsidiary undertaking of MMC Hardmetal Europe (Holdings) GmbH, a company incorporated in Germany. The registered office of the immediate parent undertaking is:

Comeniusstraße 2
40610 Meerbusch
Germany

The ultimate parent company and ultimate controlling party is Mitsubishi Materials Corporation, a company incorporated in Japan. The registered office of the ultimate parent undertaking is:

1-5-1 Otemachi
Chiyoda-Ku
Tokyo 100
Japan