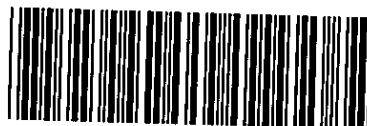


WHT HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2012



A1NRY9O3

A31

14/12/2012

#255

COMPANIES HOUSE

DIRECTORS AND ADVISERS

Directors	M R Allen R C Burslem R P Carpenter H A Wallwork S J Wallwork
Secretary	R C Burslem
Company number	6088612
Registered office	Wallwork Offices 69 Hacking Street Bury BL9 0RG
Registered auditors	ajp Corporate Accountants Ltd Unit 9, Brenton Business Complex Bury Lancs BL9 7BE
Business address	Wallwork Offices 69 Hacking Street Bury BL9 0RG

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Statement of recognised gains and losses	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 22

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012

Principal activities and review of the business

The principal activity of the group continued to be that of heat treatment specialists

The year ending 31 March 2012 saw an increase in sales from the trading companies with organic growth and increase of market share both making a substantial contribution. The strong trading conditions enabled a major programme of repairs to be undertaken which impacted on the profit.

The directors believe that there is a low level of risk and uncertainty associated with the business, it operates in a stable, mature market mainly within the UK and the directors have always adopted conservative policies.

Risks that have been identified are as follows:

Deepening of the recession leading to greatly reduced manufacturing output and so significantly reducing volumes of work processed.

Alteration to regulation or legislation such as environmental or health and safety that would take the production facilities out of compliance.

Significant increase in energy prices caused by reduction in capacity, "green taxes" and lack of competition.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect some growth in the foreseeable future.

Sales for the group were up over the year by 12%, costs were increased by the repair programme so that gross profit was up by 7%. Overheads were up by 11% and this resulted in operating profit falling by 4%. The financial position of the group remained strong, with fixed assets rising by 23% and net assets rising by 13%.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Group research and development activities

We engage in world class research for the development of processes in house as well as external projects with academic and multi national commercial partners. Significant opportunities exist to develop coatings for 'green' applications in the aerospace market as well as innovative technical solutions for medical applications.

Future developments

Investment in additional state of the art equipment to serve the aerospace and advanced manufacturing markets.

Continuation of replacement of 'in house' heat treatment with our outsourced service.

Increasing our staff development programme to ensure we have suitably qualified staff with a below average age demographic to aid longer term stability.

The 'green agenda' continues to provide opportunities for the application of our coatings and treatments for fuel saving and material preservation.

WHT HOLDINGS LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012**

Directors

The following directors have held office since 1 April 2011

M R Allen
R C Burslem
R P Carpenter
H A Wallwork
S J Wallwork

Auditors

The auditors, ajp Corporate Accountants Ltd, are deemed to be reappointed under section 487(2) of the Companies Act 2006

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 group and of the profit or loss of the group 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 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board



R C Burslem

Secretary

9 November 2012

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WHT HOLDINGS LIMITED**

We have audited the group and parent company financial statements (the "financial statements") of WHT Holdings Limited for the year ended 31 March 2012 set out on pages 5 to 22. 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 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 pages 1 - 2, 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 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

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 group's and 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

WHT HOLDINGS LIMITED**INDEPENDENT AUDITORS' REPORT (CONTINUED)****TO THE MEMBERS OF WHT HOLDINGS LIMITED**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Andrew Pearce FCA (Senior Statutory Auditor)
for and on behalf of *ajp* Corporate Accountants Ltd

9 November 2012

Chartered Accountants
Statutory Auditor

Unit 9, Brenton Business Complex
Bury
Lancs
BL9 7BE

WHT HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 £	2011 £
Turnover	2	15,303,521	13,698,000
Cost of sales		(9,011,597)	(7,808,275)
Gross profit		6,291,924	5,889,725
Distribution costs		(1,456,200)	(1,312,299)
Administrative expenses		(3,711,399)	(3,178,193)
Other operating income		433,570	221,474
Operating profit	3	1,557,895	1,620,707
Other interest receivable and similar income		44,909	36,572
Profit on ordinary activities before taxation		1,602,804	1,657,279
Tax on profit on ordinary activities	4	(312,674)	(438,335)
Profit on ordinary activities after taxation		1,290,130	1,218,944

The profit and loss account has been prepared on the basis that all operations are continuing operations

WHT HOLDINGS LIMITED

**STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012**

	2012	2011
	£	£
Profit for the financial year	1,290,130	1,218,944
EMI share options exercised	<u>49,950</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u><u>1,340,080</u></u>	<u><u>1,218,944</u></u>

WHT HOLDINGS LIMITED



BALANCE SHEETS

AS AT 31 MARCH 2012

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
Fixed assets					
Intangible assets	6	72,898	78,370	2,470,309	2,598,745
Tangible assets	7	6,443,187	5,198,589	5,125,515	5,187,977
Investments	8	-	-	3,002,629	3,002,629
		<u>6,516,085</u>	<u>5,276,959</u>	<u>10,598,453</u>	<u>10,789,351</u>
Current assets					
Stocks	9	314,257	299,111	-	-
Debtors	10	3,975,238	3,672,794	3,594,993	1,914,592
Cash at bank and in hand		<u>3,392,721</u>	<u>3,431,186</u>	<u>2,866,813</u>	<u>2,518,968</u>
		7,682,216	7,403,091	6,461,806	4,433,560
Creditors, amounts falling due within one year	11	<u>(2,266,725)</u>	<u>(2,125,172)</u>	<u>(126,100)</u>	<u>(302,006)</u>
Net current assets		<u>5,415,491</u>	<u>5,277,919</u>	<u>6,335,706</u>	<u>4,131,554</u>
Total assets less current liabilities		11,931,576	10,554,878	16,934,159	14,920,905
Provisions for liabilities	12	<u>(225,534)</u>	<u>(220,934)</u>	-	-
		<u>11,706,042</u>	<u>10,333,944</u>	<u>16,934,159</u>	<u>14,920,905</u>
Capital and reserves					
Called up share capital	14	2,679	2,629	2,679	2,629
Other reserves	15	31,968	-	31,968	-
Profit and loss account	15	<u>11,671,395</u>	<u>10,331,315</u>	<u>16,899,512</u>	<u>14,918,276</u>
Shareholders' funds	16	<u>11,706,042</u>	<u>10,333,944</u>	<u>16,934,159</u>	<u>14,920,905</u>

Approved by the Board and authorised for issue on 9 November 2012

R C Burslem
Director

Company Registration No. 6088612

WHT HOLDINGS LIMITED*ajp***CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2012**

	£	2012 £	£	2011 £
Net cash inflow from operating activities		2,364,801		1,832,411
Returns on investments and servicing of finance				
Interest received	44,909		36,572	
Net cash inflow for returns on investments and servicing of finance		44,909		36,572
Taxation		(574,731)		(92,073)
Capital expenditure				
Payments to acquire intangible assets	-		(13,385)	
Payments to acquire tangible assets	(1,896,538)		(746,847)	
Receipts from sales of tangible assets	23,044		8,868	
Net cash outflow for capital expenditure		(1,873,494)		(751,364)
Net cash (outflow)/inflow before management of liquid resources and financing		(38,515)		1,025,546
Financing				
Issue of ordinary share capital	50		-	
Net cash inflow/(outflow) from financing		50		-
(Decrease)/increase in cash in the year		(38,465)		1,025,546

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
		£	£
	Operating profit	1,557,895	1,620,707
	Depreciation of tangible assets	631,490	512,848
	Amortisation of intangible assets	5,471	15,457
	Profit/(loss) on disposal of tangible assets	(2,594)	12,881
	Increase in stocks	(15,146)	(25,533)
	Increase in debtors	(302,444)	(414,056)
	Increase/(decrease) in creditors within one year	408,211	110,107
	EMI share options granted	81,918	-
	Net cash inflow from operating activities	2,364,801	1,832,411

2	Analysis of net funds	1 April 2011	Cash flow	Other non-cash changes	31 March 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	3,431,186	(38,465)	-	3,392,721
	Net funds	3,431,186	(38,465)	-	3,392,721

3	Reconciliation of net cash flow to movement in net funds	2012	2011
		£	£
	(Decrease)/increase in cash in the year	(38,465)	1,025,546
	Movement in net funds in the year	(38,465)	1,025,546
	Opening net funds	3,431,186	2,405,640
	Closing net funds	3,392,721	3,431,186

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of five years.

1.6 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of seven years.

1.7 Intellectual property rights

Acquired intellectual property rights are written off in equal annual instalments over their expected useful economic life of eight years.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Land and buildings Freehold	0% - 2% p a on cost
Plant and machinery	20% p a on book value
Computer equipment	20% p a on book value
Fixtures, fittings & equipment	20% p a on book value
Motor vehicles	20% p a on book value

1.9 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.10 Stock

Stock is valued at the lower of cost and net realisable value.

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies (continued)

1.11 Revenue recognition

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed.

Income that is contingent on events outside the control of the company is recognised when the contingent event occurs.

1.12 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

In the opinion of the directors it would be seriously prejudicial to disclose the group turnover, results before taxation and net assets analysed by classes of business.

3 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Amortisation of intangible assets	5,471	15,457
Depreciation of tangible assets	631,490	512,848
Research and development	257,440	216,913
Operating lease rentals		
- Plant and machinery	61,171	50,652
- Other assets	9,307	38,500
Fees payable to the group's auditor for the audit of the group's annual accounts (company £-, 2011 £-)	12,000	12,000
and after crediting		
Government grants	433,570	221,474

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

4	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	340,103	422,756
	Adjustment for prior years	(32,029)	(3)
	Total current tax	<u>308,074</u>	<u>422,753</u>
	Deferred tax		
	Deferred tax charge/credit current year	4,600	15,582
		<u>312,674</u>	<u>438,335</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,602,804</u>	<u>1,657,279</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	<u>416,729</u>	<u>464,038</u>
	Effects of		
	Non deductible expenses	24,101	1,837
	Depreciation add back	163,513	147,204
	Capital allowances	(201,803)	(150,809)
	Enhanced R&D relief	(36,550)	(34,264)
	Adjustments to previous periods	(32,029)	(3)
	EMI share options exercised	(16,887)	-
	Marginal relief	(9,000)	(5,250)
		<u>(108,655)</u>	<u>(41,285)</u>
	Current tax charge for the year	<u>308,074</u>	<u>422,753</u>

5 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2012 £	2011 £
Holding company's profit for the financial year	<u>1,931,286</u>	<u>2,594,940</u>

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

6 Intangible fixed assets

Group

	Patents	Goodwill	Intellectual property rights	Total
	£	£	£	£
Cost				
At 1 April 2011 & at 31 March 2012	22,347	29,350	102,000	153,697
Amortisation				
At 1 April 2011	5,298	29,349	40,680	75,327
Charge for the year	2,235	-	3,237	5,472
At 31 March 2012	7,533	29,349	43,917	80,799
Net book value				
At 31 March 2012	14,814	1	58,083	72,898
At 31 March 2011	17,049	1	61,320	78,370

Intangible fixed assets (continued)

Company

	Intellectual property rights £
Cost	
At 1 April 2011 & at 31 March 2012	3,190,567
Amortisation	
At 1 April 2011	591,822
Charge for the year	128,436
At 31 March 2012	720,258
Net book value	
At 31 March 2012	2,470,309
At 31 March 2011	2,598,745

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

7 Tangible fixed assets

Group

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2011	3,596,620	11,330,929	491,613	776,247	16,195,409
Additions	42,060	1,705,729	66,619	82,130	1,896,538
Disposals	-	(34,544)	-	(36,881)	(71,425)
At 31 March 2012	3,638,680	13,002,114	558,232	821,496	18,020,522
Depreciation					
At 1 April 2011	823,564	9,355,926	364,834	452,496	10,996,820
On disposals	-	(28,681)	-	(22,294)	(50,975)
Charge for the year	60,162	479,232	31,347	60,749	631,490
At 31 March 2012	883,726	9,806,477	396,181	490,951	11,577,335
Net book value					
At 31 March 2012	2,754,954	3,195,637	162,051	330,545	6,443,187
At 31 March 2011	2,773,056	1,975,003	126,780	323,750	5,198,589

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Tangible fixed assets

Company

	Land and buildings Freehold £
Cost	
At 1 April 2011	5,531,426
Additions	42,060
	<hr/>
At 31 March 2012	5,573,486
Depreciation	
At 1 April 2011	343,449
Charge for the year	104,522
	<hr/>
At 31 March 2012	447,971
Net book value	
At 31 March 2012	5,125,515
	<hr/>
At 31 March 2011	5,187,977
	<hr/>

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

8 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 April 2011 & at 31 March 2012	3,002,629
Net book value	
At 31 March 2012	3,002,629
At 31 March 2011	3,002,629

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Wallwork Heat Treatment Limited	England	Ordinary	100
Wallwork Heat Treatment (Birmingham) Ltd	England	Ordinary	100
Tecvac Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Wallwork Heat Treatment Limited	Heat treatment specialists
Wallwork Heat Treatment (Birmingham) Ltd	Heat treatment specialists
Tecvac Limited	Surface Engineering

9 Stocks

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Raw materials and consumables	314,257	299,111	-	-

WHT HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012
10 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	3,595,120	3,308,281	-	-
Amounts owed by group undertakings	-	-	3,594,923	1,914,592
Other debtors	8,271	8,110	70	-
Prepayments and accrued income	371,847	356,403	-	-
	<u>3,975,238</u>	<u>3,672,794</u>	<u>3,594,993</u>	<u>1,914,592</u>

11 Creditors . amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	740,431	790,796	-	-
Corporation tax	156,013	422,670	126,100	302,006
Other taxes and social security costs	710,991	654,187	-	-
Other creditors	-	3,440	-	-
Accruals and deferred income	659,290	254,079	-	-
	<u>2,266,725</u>	<u>2,125,172</u>	<u>126,100</u>	<u>302,006</u>

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

12 Provisions for liabilities

Group

Deferred
taxation
£

Balance at 1 April 2011	220,934
Profit and loss account	4,600
	<hr/>
Balance at 31 March 2012	225,534
	<hr/>

The deferred tax liability is made up as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	225,534	220,934	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

13 Pension and other post-retirement benefit commitments

Defined contribution

	2012	2011
	£	£
Contributions payable by the group for the year	457,411	424,347
	<hr/>	<hr/>

14 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
2,679 Ordinary shares of £1 each	2,679	2,629
	<hr/>	<hr/>

WHT HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

15 Statement of movements on reserves

Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2011	-	10,331,315
Profit for the year	-	1,290,130
EMI share options exercised	-	49,950
EMI share options not yet exercised	31,968	-
Balance at 31 March 2012	<u>31,968</u>	<u>11,671,395</u>

Other reserves

EMI share options not yet exercised

Special reserve movement

31,968

Balance at 31 March 2012

31,968

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2011	-	14 918,276
Profit for the year	-	1,931,286
EMI share options exercised	-	49,950
EMI share options not yet exercised	31,968	-
Balance at 31 March 2012	<u>31,968</u>	<u>16,899,512</u>

Other reserves

EMI share options not yet exercised

Special reserve movement

31,968

Balance at 31 March 2012

31,968

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

16 Reconciliation of movements in shareholders' funds	2012	2011
Group	£	£
Profit for the financial year	1,290,130	1,218,944
Other recognised gains and losses	49,950	-
Proceeds from issue of shares	50	-
EMI share options not yet exercised	31,968	-
	<u>1,372,098</u>	<u>1,218,944</u>
Net addition to shareholders' funds	1,372,098	1,218,944
Opening shareholders' funds	10,333,944	9,115,000
	<u>11,706,042</u>	<u>10,333,944</u>

	2012	2011
Company	£	£
Profit for the financial year	1,931,286	2,594,940
Other recognised gains and losses	49,950	-
Proceeds from issue of shares	50	-
EMI share options not yet exercised	31,968	-
	<u>2,013,254</u>	<u>2,594,940</u>
Net addition to shareholders' funds	2,013,254	2,594,940
Opening shareholders' funds	14,920,905	12,325,965
	<u>16,934,159</u>	<u>14,920,905</u>

17 Financial commitments

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	-	-	3,541	4,563
Between two and five years	-	-	50,066	30,673
In over five years	38,500	38,500	3,641	3,641
	<u>38,500</u>	<u>38,500</u>	<u>57,248</u>	<u>38,877</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

18 Directors' emoluments	2012 £	2011 £
Emoluments for qualifying services	589,799	448,046
Company pension contributions to money purchase schemes	223,432	208,476
	<u>813,231</u>	<u>656,522</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 5 (2011- 5)

The number of directors who exercised share options during the year was 1 (2011- 0)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	114,646	92,897
Company pension contributions to money purchase schemes	51,700	52,254
	<u>166,346</u>	<u>145,151</u>

The highest paid director was granted options under an Enterprise Management Incentive scheme to subscribe for 82 shares in the company. The options were granted on 15 November 2011 and allowed the grantee to acquire the shares at a cost of £1 each. The market value of the shares at the date of grant was agreed with HMRC at £1,000 per share. On 15 March 2012 options over 50 shares were exercised. The market value of the shares at this date was estimated to be £1,300 per share.

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Management	12	12
Administration	42	40
Production	188	177
	<u>242</u>	<u>229</u>

Employment costs	2012 £	2011 £
Wages and salaries	6,836,849	5,875,501
Social security costs	656,862	583,749
Other pension costs	457,411	424,347
	<u>7,951,122</u>	<u>6,883,597</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

20 Control

The ultimate controlling party are trusts for the benefit of the Wallwork family

21 Related party relationships and transactions

Group

The group rents property from its pension fund on an arms length basis. The annual rent payable is £38,500 (2010 £38,500)

Company

The company has taken advantage of the exemption available in FRS 8 'Related party disclosures' whereby it has not disclosed transactions with any wholly owned subsidiary undertaking