Scapa

26 May 2011

Scapa Group plc
Preliminary Results

Scapa Group plc, a global manufacturer of bonding materials and solutions, today announces its Preliminary Results for the year ended 31 March 2011.

Financial Highlights

- Revenue grew 8.8% to £192.3m (2010: £176.7m)
- Operating profit increased to £8.0m (2010: £1.5m loss)
- Profit before tax improved to £6.1m (2010: £5.2m loss)
- Margins improved progressively to 4.2% for the year (2010: Nil)
- Significant increase in net cash to £18.8m* (2010: £11.4m)

Operational Highlights

- New leadership team appointed to deliver new strategy
- Focus on improving the quality of the business toward higher value, application-specific products
- Improvement in operational execution and efficiency
- Medical sales grew 29% driven by increased demand and new programmes
- Industrial sales increased 6% after concentrating on product portfolio rationalisation
- Investment in additional capacity and R&D capability in Asia to underpin the focus on electronics
- Strong Balance Sheet to support strategic investment

Commenting on the results Chief Executive, Heejae Chae said:
"The Group has achieved solid revenue growth and significantly improved profitability and cash, ahead of market expectations. Our focus on strategic markets is yielding positive results with Medical sales growing 29%. Industrial sales increased 6% after concentrating on product mix and margin enhancement. We have also invested in Asia to drive the Electronics segment and are excited at the future potential.

"We have delivered against the objectives we outlined for the year; to improve margin and cash, to improve the quality of our business portfolio and to increase the strength and depth of the management. Whilst we are pleased with the progress, we recognise that much more needs to be done.

"We will continue to execute our strategy to focus on higher value-added business in growth markets to deliver sustainable and profitable growth. As we build on the progress made in 2010/11, we are in a strong position to take advantage of any opportunities that arise in our markets and we are confident that we will continue to improve and make further progress in the new financial year."

For further information:

Scapa Group plc	Heejae Chae – Chief Executive	Tel: 0161 301 7430
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Arden Partners	Chris Hardie	Tel: 0207 614 5917
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* Including £6.3m of cash restricted to December 2011

Chairman's Statement

In the fiscal year 2011, Scapa Group took significant steps towards sustainable and profitable growth, achieving results ahead of earlier expectations.

Whilst we recognise that we are at the beginning of the journey, we are very pleased with our progress this year. We have reorganised the business around the four strategic markets of Medical, Industrial, Electronics and Transportation and strengthened the management team to deliver our expectations. We have focused our efforts on improving the quality of our business portfolio toward higher value, application-specific products rather than high volume commodities. We have improved our operational execution and efficiency to deliver and exceed our customers' expectations. We have made investments, both in capital and people, to lay the foundations for our future and vision.

Financial highlights

Revenue increased 8.8% to £192.3m and operating profit significantly increased to £8.0m (2010: £1.5m loss) with no exceptional items charged during the year (2010: £3.1m). The operating margin improved progressively throughout the year.

The strong focus on working capital improved our net cash balance to £18.8m (2010: £11.4m) even after incurring a cash outflow of £6.1m relating to legacy issues.

No dividend is proposed for the year. The future recommendation of dividends will stay under review as the Group continues to make progress towards sustainable profitability and cash generation.

Business performance

Medical performance was strong, growing sales by 29%. The reorganisation around the market enabled us to properly allocate the resources and focus to maximise our position at our customers who are global leaders. Given our current market share at these customers and our long-standing relationship, we believe that our potential is significant.

Industrial grew 6% after concentrating on improved product mix. The focus on a higher quality portfolio resulted in a rationalisation of our product range and pricing strategy. As a consequence, we closed our Carlstadt facility in the USA and implemented a series of price adjustments to pass on the increases in input costs. The energy-related accounts, which we identified as strategic segments within Industrial, contributed to the increase in growth.

Electronics/Asia increased 3.2% as we re-profiled the portfolio from cash-consumptive trading business to locally manufactured products for the electronics market. During the year, we made significant investment to address the electronics market. We invested in new production capacity, opened a new R&D laboratory close to our strategic customers and built a team with significant experience in the sector. The focus this year has been to ensure that the investments are properly deployed and enable us to fully engage in this fast-growing and dynamic market.

Transportation grew 2.7% benefiting from improved second half performance. The recovery of the automotive industry during the year has continued into the current financial year.

Legacy issues

The deficit on the Group defined benefit retirement plans now stands at £35.0m (2010: £38.6m), its lowest point in nine years. The Group deficit post tax is £25.6m (2010: £27.7m). The reduction in the deficit was the result of asset increases of £3.7m and a marginal increase in liabilities of £0.1m. The change in assumption in the UK to CPI from RPI to calculate deferred member pensions helped reduce the pension liabilities by around £3.2m.

We are now entering year two of our three-year contributions agreement with the UK pension trustees. During 2011/12 our UK and overseas contributions will be approximately £5.1m (2010: £4.4m) including £0.5m of PPF catch-up payments from 2010/11 and £0.5m of performance-related top-ups owing to the Group's strong cash performance in this financial year. Going forward the Group is developing a road map to pursue all liability and administration cost- reduction initiatives that are in the interests of both pension scheme members and the Company.

During the previous financial year the Group undertook an actuarial and legal review of the outcome of all current and future potential asbestos-related claims against the Group. That review has been revalidated in respect of the current financial year. We remain confident that there will be no impact of these historic product liability claims on the Group's profitability and there is adequate provision in the accounts for the continuing costs of defending against any claims.

Board

We welcomed Paul Edwards as the new Finance Director during the year. Having been appointed since the last AGM, Paul will be proposed for election at the next AGM in July 2011. Richard Perry and Mike Buzzacott, the Non-Executive Directors who retire by rotation, will also be proposed for re-election at the AGM.

We believe that good governance adds value and reduces risk to the business and as such we continually develop and improve our governance structures. This year, as in previous years, the Board has carried out a rigorous exercise of self-assessment to ensure that its performance meets the needs of both the Company and corporate governance best practice. The exercise demonstrated that the current mix of talents and experience of the Board as a whole are appropriate to carry the Group into the next challenging phase of its development.

People

During the year we have assembled a team of experienced and capable executives to implement our strategy and the Board is confident that the new Leadership Team will deliver the short-term expectations as well as establish a platform of entrepreneurialism and accountability to drive sustainable and profitable growth. The quality of our people continues to be our core strength and I am delighted that we have further enhanced our capabilities in so many parts of the business and that cultural change is being embraced. On behalf of the Board, I would like to thank all our employees around the world for their commitment, hard work and continuing support over the last year.

Outlook

Our focus for the coming year will continue to be profits and cash generation to further cement the foundation for the future. Much work will be done to generate greater return from our asset base through improved operational efficiencies and supply chain management. We will continue to prioritise profitable growth in strategic sectors over commodity volume business. We will also continue to invest in Medical and Electronics where we are confident of our strategy and competitive position. Within the Industrial market we are identifying and focusing on attractive segments with high potential that provide improved returns on our investment. The strategic management of our business portfolio will enable us to better respond to the many uncertainties in the current macro environment, particularly rising input costs.

As we build on the progress made last year, we are in a strong position to take advantage of market opportunities and we are confident that we will continue to improve and make further progress in the new financial year.

James A S Wallace
Chairman
26 May 2011

Business Review

Our strategic objectives

Our strategy remains to align ourselves with the requirements of our global customers and focus on high growth and high margin markets.

The key markets are:

- Medical
- Industrial
- Electronics
- Transportation

We will continue to work closely with our global partners in our target markets to develop bonding materials and solutions. Our extensive technical knowledge and global footprint will enable us to increase our market share with existing customers, many of whom are market leaders.

In the past year we have delivered against the following core objectives:

- Focused on increasing cash through efficient utilisation of working capital
- Increasing margins through targeted price increases,operational efficiency and control of costs
- Significantly increased the strength and depth of the operational management team across the Group

These core objectives remain key to the success of Scapa. Cash generation and improved margins through the transition from manufacturing commodity-based products to developing and producing more application-specific tapes, films and foams will continue to be the focus of Scapa building a sustainable foundation from which we can grow further.

Revenue for the year was £192.3m (2010: £176.7m) generating operating profit of £8.0m (2010: £1.5m operating loss) with trading improving throughout the financial year. There was no material movement in revenue for the effects of exchange rates year-on-year.

The first half of the financial year accounted for 51% of revenue. Conversely the split for operating profit was 45% for the first half and 55% for the second half, reflecting the move away from low margin volume business to more application-specific higher margin product.

While the objective has been to concentrate on margins and cash generation, the Group has seen strong year-on-year growth in revenue across all markets, specifically Medical with growth of 29%. The exception is Asia where the strategy has been to delist commodity-based lower margin products while investing in research and development capability and a new production line to increase capacity and develop and drive the Electronics business forward in the coming years.

During the financial year the Group has seen cost pressures in most raw materials but has protected and built margins not only through the change in mix but also through the implementation of price increases across all product sectors and markets.

Europe

The trading performance in Europe improved with revenue growth to £106.7m compared to £101.1m in 2010, an increase of 5.5%. With only 10% of Group sales derived from the UK the driver for growth was from the other main economies in Europe, specifically France and Germany as demand was driven by a mix of restocking and improving macro conditions in the Industrial and Transportation markets. Medical contributed strongly as we continue to improve and expand our relationships with our Medical customers in advanced wound care as they seek to improve their competitive position.

Operating profit was significantly ahead of the prior year at £3.3m (2010: £0.3m). As a consequence operating margins also improved to 3.1% (2010: 0.3%). In line with the rest of the business, Europe has incurred both energy-related and raw material cost pressure which was felt throughout the financial year particularly in rubber, cotton and specific resins. In the second half of the year we implemented a number of strategic price increases which contributed towards a much improved second half performance well ahead of the first, delivering £2.5m which was an operating margin of 4.6%, above the Group average of 4.2%.

The cost control initiatives and a plant closure have been completed and culminated in the closing of our warehouse in Barcelona. There has been a high level of attention to maintaining the benefits in the financial year and, coupled with improved efficiency and pricing, has produced a solid improvement in the performance.

North America

Revenue in North America has increased year-on-year by 15.2% with strong performances across all segments. Medical contributed strongly with demand remaining steady throughout the year as we continue to win an increased market share from our current customers such as Johnson & Johnson and Covidien. Industrial also performed well with a strong contribution from emerging technologies and energy sectors. The growth is pleasing given the closure of our Carlstadt facility in New Jersey USA. Although loss-making in the prior financial year, the closure has removed capacity and impacted volume and therefore revenue in this financial year.

Operating profit for the region increased substantially to £5.3m (2010: £1.3m) accelerating margins to 7.3% for the year (2010: 2.1%).

Asia

This year has seen a change in strategy in our Asian operations. We are moving away from commodity low margin products and concentrating on more engineered application-specific technologies. To support this strategy in the year we completed the investment of £1.2m in a new production line and state of the art research and development facility in Anyang, South Korea which is within a twenty mile radius of our strategic customers Samsung and LG. This ensures we can provide the close customer support and product development in line with the lifecycle of the development of our customers' products.

As a consequence the second half of the year saw a revenue reduction of £0.9m on the first half which led to a modest increase in the level of turnover to £12.9m in 2011 compared to £12.5m in 2010.

This year has seen the Group invest in the Asia cost base to both improve our research and development capability and sales capacity throughout the region to help drive future growth in the Electronics market. As a result the operating profit was £0.4m compared to £0.7m in 2010, reducing the margin to 3.1% (2010: 5.6%).

Corporate

Head office costs increased by £0.3m to £1.0m (2010: £0.7m) due to recruitment of a number of newly created senior positions within the Head Office. While cost control and value for money are fundamental building blocks in the Group's make up we are investing in the cost base to ensure the future development of the Group is supported and controlled. The introduction of a Group HR Director and global HR function alongside the investment in a Group business development team are two examples.

Exceptional items

There are no exceptional items (2010: £3.1m charge).

Finance costs

Net finance costs decreased by £1.8m due to a decrease in the pension financing charge of £1.7m. The IAS 19 finance charge fell due to the increase in asset values in the previous year and reduction in the interest discount rate to 5.6% compared to 5.7% at March 2010. Although cash levels improved during the year, low interest rates have restricted returns.

Taxation
The Group tax charge of £2.6m (2010: £2.4m credit) includes £2.1m charge (2010: £1.4m credit) on operating activities and £0.5m charge owing to a change in the UK tax rate (2010: £Nil).

The operating activities charge is made up of £1.1m of deferred tax and £1.0m of current tax. The announcement during the year of the future UK corporation tax rate reduction from 28% to 26% had a deferred tax impact of £1.2m (2010: £Nil), of which £0.5m has been charged through the profit and loss account with the residue following the pensions movement through reserves.

The effective rate of tax for the Group, excluding the impact of the future rate change in the UK, is 34.4%. This is higher than the UK standard rate of 28% owing mainly to the Group operating in territories which have a higher statutory tax rate than the UK. Despite the high effective rate, the Group's net cash tax payment in the year was minimal, due to the utilisation of tax losses and a cash tax repayment in the year of £0.3m.

Cash flow
The Group ended the year with net cash of £18.8m (2010: £11.4m), an increase of £7.4m. This includes £6.3m (2010: £6.6m) of restricted cash; the restriction ends December 2011.

This is a creditable result given that it is after £4.4m (2010: £5.8m) of defined benefit pension payments, exceptional cash flows of £1.7m (2010: £5.7m) and £2.2m repayment of debt (2010: £0.2m). Effective management of working capital led to no outflow on cash despite the strong growth in sales (2010: £4.0m inflow), supported by a reduced capital expenditure programme of £1.6m (2010: £2.2m).

Pensions
The IAS 19 pension deficit has decreased by £3.6m to £35.0m (2010: £38.6m). The three UK defined benefit schemes, which are closed to new members and to future accrual, represent the largest portion of the deficit and that balance now stands at £28.8m (2010: £32.9m). The net movement in the UK deficits was the result of increases in asset values of £3.0m and a reduction in total liabilities of £1.1m, the latter being mainly the impact of the change in assumption from RPI to CPI.

Last year the Company concluded the negotiations with the Trustees of all three UK defined benefit pension schemes with respect to contributions for three years of which two years remain. Affordability and a strong sponsoring employer were the key shared objectives and as a result annual recurring contributions for the three years from 1 April 2010 were reduced by £0.5m per annum. During the three-year period this annual shortfall can be made good if cash flow targets are outperformed with any benefit being shared between the Company (67%) and the pension funds (33%), with the funds' share limited to the cumulative shortfall. At the end of the three-year period contributions revert to their original level and any remaining cumulative deferred contributions are made good.

The net impact of the agreement has resulted in future UK cash pension costs of up to £3.5m per annum for the next two years. Total pension costs including UK and overseas schemes, plus PPF levy and administration expenses, will be £5.1m for 2011/12.

As noted above, the Group continues to recognise the deferred tax asset of £9.4m in respect of future pension deficit reduction payments which gain tax relief at the time of payment (as opposed to accrual). The pension deficit, net of deferred tax, is therefore £25.6m which includes a provision for future administration and PPF Levy costs of around £6.5m.

Asbestos litigation
During the previous financial year the Group undertook an actuarial and legal review of the outcome of all current and future potential claims against Scapa. That review has been revalidated in respect of the current financial year. In parallel, a similar review of the Group's product liability insurance has been carried out.

As a result, the Group last year recognised a liability and an equal and opposite insurance asset of £20.3m. The position has been revalidated as referred to above, the only movements being foreign exchange and the unwind of the discount, giving a closing balance of £19.9m. In addition, provisions of £5.7m (2010: £7.5m) remain to pay the Group's share of any future litigation costs.

We continue to hold the view that Scapa's products have not been the cause of any alleged personal injury and we therefore continue to adopt the same robust stance with respect to all of the remaining personal injury claims in the USA arising from businesses sold in 1999. During the year 4,967 more plaintiff claims were dismissed and the total now stands at 8,116, a reduction of almost 26,000 since the peak of around 34,000 in 2004.

Shareholder funds
Shareholder funds have increased £3.3m to £68.6m (2010: £65.3m). Contribution from income was £2.9m (2010: £3.0m), being profit after tax of £3.5m with net pension gains of £0.9m (2010: £6.1m), offset by unfavourable currency impact on overseas asset values of £0.8m (2010: £0.3m) and tax charges of £0.7m (2010: £Nil). In addition, movements in equity relating to share issues and share options have added £0.4m.

Performance summary
The Group's performance this financial year is pleasing with growth across all business units and in all regions. Group profits have significantly improved on the prior year and the Balance Sheet continues to strengthen. Strong operational and financial management continues to improve working capital which has contributed to the balance of £18.8m cash on the Balance Sheet. All legacy issues are well understood and controlled and the Group is on a sound footing for sustainable performance.

Consolidated Income Statement
For the year ended 31 March 2011

All on continuing operations	note	**Year ended 31 March 2011 £m**	Year ended 31 March 2010 £m
Revenue	2	**192.3**	176.7
Operating profit/(loss)	2	**8.0**	(1.5)
Trading profit*		**8.0**	1.6
Exceptional items and movements in exceptional provisions	4	**–**	(3.1)
Operating profit/(loss)		**8.0**	(1.5)
Interest payable	5	**(0.3)**	(0.3)
Interest receivable	5	**–**	0.1
		(0.3)	(0.2)
Net discount on provisions	5	**(0.2)**	(0.4)
IAS 19 finance costs	5	**(1.4)**	(3.1)
Net finance costs		**(1.9)**	(3.7)
Profit/(loss) on ordinary activities before tax		**6.1**	(5.2)
Taxation on operating activities	6	**(2.1)**	1.4
Taxation on exceptional losses	6	**–**	1.0
Impact of change in tax rate on deferred tax	6	**(0.5)**	–
Taxation (charge)/credit		**(2.6)**	2.4
Profit/(loss) for the year		**3.5**	(2.8)
Weighted average number of shares	7	**144.8**	144.8
Basic earnings/(loss) per share (p)	7	**2.4**	(1.9)
Diluted earnings/(loss) per share (p)	7	**2.3**	(1.9)
Dividend per share (p)		**–**	–

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2011

All on continuing operations	**Year ended 31 March 2011 £m**	Year ended 31 March 2010 £m
Profit/(loss) for the year	**3.5**	(2.8)
Exchange differences on translating foreign operations	**(0.9)**	(0.7)
Actuarial gains	**1.2**	8.5
Deferred tax on actuarial gains	**(0.3)**	(2.4)
Effect of reduction in UK corporation tax on deferred tax	**(0.7)**	–
Deferred tax on foreign exchange	**0.1**	0.4
Total recognised income for the year	**2.9**	3.0

* Operating profit/(loss) before exceptional items and movements in exceptional provisions.

Consolidated Balance Sheet

As at 31 March 2011

	note	**31 March 2011 £m**	31 March 2010 £m
Assets			
Non-current assets			
Goodwill	9	**12.1**	12.7
Property, plant and equipment	10	**37.6**	41.6
Deferred tax asset	6	**27.6**	30.7
Other receivables	13	**19.1**	19.4
Restricted cash	11	**–**	6.6
		96.4	111.0
Current assets			
Assets held for resale		**0.6**	–
Inventory	12	**21.6**	21.0
Trade and other receivables	13	**34.9**	36.8
Current tax asset		**0.3**	0.8
Restricted cash	11	**6.3**	–
Cash and cash equivalents	14	**14.7**	9.4
		78.4	68.0
Liabilities			
Current liabilities			
Financial liabilities:			
– Borrowings and other financial liabilities	16	**(1.7)**	(3.9)
– Derivative financial instruments		**(0.1)**	–
Trade and other payables	15	**(32.0)**	(30.6)
Current tax liabilities	6	**(0.6)**	(0.2)
Provisions	17	**(3.0)**	(3.9)
		(37.4)	(38.6)
Net current assets		**41.0**	29.4
Non-current liabilities			
Financial liabilities:			
– Borrowings and other financial liabilities	16	**(0.5)**	(0.7)
Trade and other payables	15	**(1.2)**	(1.5)
Deferred tax liabilities	6	**(4.6)**	(4.8)
Non-current tax liabilities		**(1.3)**	(1.3)
Retirement benefit obligations		**(35.0)**	(38.6)
Provisions	17	**(26.2)**	(28.2)
		(68.8)	(75.1)
Net assets		**68.6**	65.3
Shareholders' equity			
Ordinary shares		**7.3**	7.2
Share premium		**0.1**	–
Retained earnings		**42.4**	38.5
Translation reserve		**18.8**	19.6
Total shareholders' equity		**68.6**	65.3

Consolidated Statement of Changes in Equity

For the year ended 31 March 2011

	Share premium £m	Share capital £m	Translation reserves £m	Retained earnings £m	Total equity £m
Balance at 31 March 2009	–	7.2	19.9	35.2	62.3
Currency translation differences	–	–	(0.7)	–	(0.7)
Actuarial gain on pension schemes	–	–	–	8.5	8.5
Deferred tax on actuarial gain	–	–	–	(2.4)	(2.4)
Deferred tax on foreign exchange	–	–	0.4	–	0.4
Net income recognised directly in equity	–	–	(0.3)	6.1	5.8
Loss for the period	–	–	–	(2.8)	(2.8)
Total comprehensive income	–	–	(0.3)	3.3	3.0
Balance at 31 March 2010		7.2	19.6	38.5	65.3
Issue of share capital	0.1	0.1	–	–	0.2
Employee share option scheme – value of employee services	–	–	–	0.2	0.2
Currency translation differences	–	–	(0.9)	–	(0.9)
Actuarial gain on pension schemes	–	–	–	1.2	1.2
Deferred tax on actuarial gain	–	–	–	(0.3)	(0.3)
Effect of reduction in UK corporation rate on deferred tax	–	–	–	(0.7)	(0.7)
Deferred tax on foreign exchange	–	–	0.1	–	0.1
Net income recognised directly in equity	–	–	(0.8)	0.2	(0.6)
Profit for the period	–	–	–	3.5	3.5
Total comprehensive income	–	–	(0.8)	3.7	2.9
Balance at 31 March 2011	**0.1**	**7.3**	**18.8**	**42.4**	**68.6**

Consolidated Cash Flow Statement

For the year ended 31 March 2011

All on continuing operations	**Year ended 31 March 2011 £m**	Year ended 31 March 2010 £m
Cash flows from operating activities		
Net cash flow from/(used in) operations	**9.1**	(0.5)
Cash generated from operations before exceptional items	**10.8**	5.2
Cash outflows from exceptional items	**(1.7)**	(5.7)
Net cash flow from/(used in) operations	**9.1**	(0.5)
Net interest paid	**(0.2)**	(0.2)
Income tax received	**–**	0.9
Net cash generated from operating activities	**8.9**	0.2
Cash flows used in investing activities		
Purchase of property, plant and equipment	**(1.6)**	(2.2)
Proceeds from sale of property, plant and equipment	**0.3**	0.1
Net cash used in investing activities	**(1.3)**	(2.1)
Cash flows (used in)/from financing activities		
Issue of shares	**0.1**	–
Increase in borrowings	**–**	2.7
Repayment of borrowings	**(2.2)**	(0.2)
Net cash (used in)/from financing activities	**(2.1)**	2.5
Net increase in cash and cash equivalents	**5.5**	0.6
Cash and cash equivalents at beginning of the year	**7.8**	7.2
Exchange losses on cash and cash equivalents	**(0.1)**	–
Cash and cash equivalents at end of the year	**13.2**	7.8

Notes on the Accounts

1. Basis of Preparation

The financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 31 March 2011 or 2010. The preliminary results of Scapa Group plc ("the Group") for the year ended 31 March 2011 have been extracted from audited consolidated financial statements which have not yet been delivered to the Registrar of Companies. The auditors have reported on the Group's statutory accounts for the year ended 31 March 2011. The report does not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006. The financial information for the year ended 31 December 2010 is derived from the statutory accounts for that year.

The consolidated financial statements for the year ended 31 March 2011 have been prepared on the basis of the IFRS accounting policies set out in the Group's Annual Report and Financial Statements for the year ended 31 March 2010.

2. Segmental reporting

Primary Reporting Format – Geographical Segments

The Group operates in three main geographical areas: Europe, North America and Asia. All inter-segment transactions are made on an arms-length basis. The home country of the Company is the United Kingdom.

The chief operating decision maker relies primarily on turnover and trading profit to assess the performance of the Group and make decisions about resources to be allocated to the segment. Trading profit is reconciled to operating profit on the face of the Income Statement.

The Board reviews the performance of the business using information presented at consistent exchange rates. The prior year results have been restated as shown on the following page.

Segment results

The segment results for the year ended 31 March 2011 are as follows:

	Europe £m	N America £m	Asia £m	Eliminations £m	Head office £m	Group £m
External revenue	106.7	72.7	12.9	–	–	192.3
Inter-segment revenue	4.5	2.7	1.2	(8.4)	–	–
Total revenue	111.2	75.4	14.1	(8.4)	–	192.3
Operating profit/(loss)	3.3	5.3	0.4	–	(1.0)	8.0
Net finance costs						(1.9)
Profit on ordinary activities before tax						**6.1**
Tax charge						(2.6)
Profit for the year						**3.5**

	Medical £m	Industrial £m	Electronics £m	Transportation £m	Group £m
External revenue	33.8	126.3	12.9	19.3	192.3

Revenue is allocated based on the country in which the order is received. All revenue relates to the sale of goods. The revenue analysis based on the location of the customer is as follows:

	Europe £m	N America £m	Asia/Other £m	Group £m
External revenue	94.7	66.9	30.7	192.3

The segment results for the year ended 31 March 2010 are as follows:

	Europe £m	N America £m	Asia £m	Eliminations £m	Head office £m	Group £m
External revenue	101.1	63.1	12.5	–	–	176.7
Inter-segment revenue	4.2	2.8	3.1	(10.1)	–	–
Total revenue	105.3	65.9	15.6	(10.1)	–	176.7
Trading profit/(loss)	0.3	1.3	0.7	–	(0.7)	1.6
Exceptional items and movements in exceptional provisions	(1.1)	(2.0)	–	–	–	(3.1)
Operating (loss)/profit	(0.8)	(0.7)	0.7	–	(0.7)	(1.5)
Net finance costs						(3.7)
Loss on ordinary activities before tax						**(5.2)**
Tax on operating activities						1.4
Tax on exceptional losses						1.0
Tax credit						2.4
Loss for the year						**(2.8)**

	Medical £m	Industrial £m	Electronics £m	Transportation £m	Group £m
External revenue	26.2	119.2	12.5	18.8	176.7

The Board reviews the performance of the business using information presented at consistent exchange rates. The prior year results have been restated using this year's exchange rates as follows:

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
External revenue	101.1	63.1	12.5	–	176.7
Foreign exchange	(1.7)	2.2	0.8	–	1.3
Underlying external revenue	99.4	65.3	13.3	–	178.0
Trading profit	0.3	1.3	0.7	(0.7)	1.6
Foreign exchange	0.1	–	0.1	–	0.2
Underlying trading profit	0.4	1.3	0.8	(0.7)	1.8

	Medical £m	Industrial £m	Electronics £m	Transportation £m	Group £m
External revenue	26.2	119.2	12.5	18.8	176.7
Foreign exchange	0.3	0.7	0.8	(0.5)	1.3
Underlying external revenue	26.5	119.9	13.3	18.3	178.0

Revenue is allocated based on the country in which the order is received. All revenue relates to the sale of goods. The revenue analysis based on the location of the customer is as follows:

	Europe £m	N America £m	Asia/Other £m	Group £m
External revenue	91.0	59.6	26.1	176.7

3. Segment assets and liabilities

The segment assets and liabilities at 31 March 2011 and capital expenditure for the year then ended are as follows:

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
Inventory	12.5	7.2	1.9	–	21.6
Trade receivables	20.9	8.4	1.7	–	31.0
Trade payables	(16.4)	(3.9)	(0.9)	(1.1)	(22.3)
Cash	5.0	2.7	1.8	5.2	14.7
Additions of property, plant and equipment	0.8	0.5	0.8	–	2.1

The segment assets and liabilities at 31 March 2010 and capital expenditure for the year then ended were as follows:

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
Inventory	11.3	7.2	2.5	–	21.0
Trade receivables	21.8	8.8	2.1	–	32.7
Trade payables	(16.9)	(4.0)	(1.1)	(1.1)	(23.1)
Cash	1.8	5.7	1.1	0.8	9.4
Additions of property, plant and equipment	1.2	0.9	0.1	–	2.2

4. Exceptional items

	2011 £m	2010 £m
Operating Expenses:		
Business disposals	–	–
Reorganisation costs and exceptional provision movements	–	2.0
Impairment of plant and equipment	–	1.1
Recognition of asbestos claims liability	–	20.3
	–	23.4
Operating Income:		
Recognition of asbestos insurance receivable	–	(20.3)
	–	3.1

During the year there were no items of a material and non-recurring nature that would give a better indication of underlying profitability if they were treated as exceptional.

In the year ended 31 March 2010 exceptional costs totalled £3.1m, split between Europe (£1.1m) and North America (£2.0m). These costs related to the closure of operations in France and the USA and the reorganisation of the Group around markets.

Asbestos: In March 2010, following an unsuccessful appeal to the New Jersey Supreme Court, a judgement of US$0.9m was paid in full by Scapa's insurers. Therefore it became appropriate to recognise an estimated liability of £20.3m covering the next 43 years and an equal asset of £20.3m for the insurance receivable.

Tax on exceptional items is covered in note 6.

5. Net finance costs

	2011 £m	2010 £m
Interest payable on bank loans and overdrafts	**0.3**	0.3
Expected return on pension scheme assets less interest on scheme liabilities	**1.4**	3.1
Discount on assets	**(0.6)**	–
Discount on provisions	**0.8**	0.4
	1.9	3.8
Interest receivable and similar income	–	(0.1)
Net finance costs	**1.9**	3.7

6. Taxation

Income tax (charge)/credit

	2011 £m	2010 £m
Current tax:		
Tax on ordinary activities – current year	**(0.6)**	–
Tax on ordinary activities – prior year	**(0.4)**	–
	(1.0)	–
Deferred tax:		
Tax on ordinary activities – current year	**(1.5)**	0.9
Tax on ordinary activities – prior year	**0.4**	0.5
Effect of reduction in UK corporation tax rate to 26%	**(0.5)**	–
Tax on exceptional items	**–**	1.0
	(1.6)	2.4
Tax (charge)/credit for the year	**(2.6)**	2.4

The actual tax on the Group's profit before tax differs from the theoretical amount using the UK corporation tax rate as follows:

	2011 £m	2010 £m
Profit/(loss) on ordinary activities before tax	**6.1**	(5.2)
Theoretical tax (charge)/credit at 28%	**(1.7)**	1.5
Effect of reduction in UK corporation tax rate to 26%	**(0.5)**	–
Income not taxable and other deductions	**0.5**	0.4
Items not deductible for tax purposes and other taxable items	**(0.3)**	(0.2)
Effect of local tax rates being higher than expected tax rate	**(0.6)**	0.2
Adjustments in respect of prior years	**–**	0.5
Actual tax (charge)/credit for the year	**(2.6)**	2.4

Deferred income tax

The deferred tax balances included in these accounts are attributable to the following:

	2011 £m	2010 £m
Deferred tax assets:		
– losses	**10.7**	9.5
– accelerated tax depreciation	**0.1**	–
– litigation and other provisions	**6.1**	8.4
– tax effect of intangibles	**0.1**	0.3
– retirement benefit liabilities	**9.4**	10.9
	26.4	29.1
Deferred tax liabilities:		
– other short term timing differences	**(0.5)**	(0.5)
– provision for potential tax liability	**(2.9)**	(2.7)
	(3.4)	(3.2)

As required by IAS 12, deferred tax assets and liabilities may only be offset where they arise in the same jurisdictions and are therefore presented on the Balance Sheet as follows:

	2011 £m	2010 £m
Deferred tax assets as above:	**26.4**	29.1
– other timing differences on assets moved to liabilities	**(0.1)**	–
– accelerated tax depreciation liabilities/assets in different countries	**1.3**	1.6
Deferred tax asset on the Balance Sheet	**27.6**	30.7
Deferred tax liabilities as above:	**(3.4)**	(3.2)
– other timing differences on liabilities moved to assets	**0.1**	–
– accelerated tax depreciation liabilities/assets in different countries	**(1.3)**	(1.6)
Deferred tax liability on the Balance Sheet	**(4.6)**	(4.8)

Tax losses amounting to £1.3m (2010: £2.4m) have not been recognised due to the uncertainty over the utilisation of the underlying tax losses in each jurisdiction.

Movement in deferred tax	**2011 £m**	2010 £m
Beginning of the year	**25.9**	26.3
Income Statement credit	**(1.1)**	2.4
Effect of reduction in UK corporation tax rate to 26%	**(0.5)**	–
Exchange differences on translating foreign operations	**(0.4)**	(0.8)
Deferred tax on actuarial gains/losses	**(0.3)**	(2.4)
Other comprehensive income effect of reduction in UK corporate tax rate to 26%	**(0.7)**	–
Deferred tax on foreign exchange	**0.1**	0.4
End of year	**23.0**	25.9

Movement in unrecognised deferred tax	**2011 £m**	2010 £m
Beginning of the year	**2.4**	2.7
Prior year adjustments	**(0.2)**	(0.3)
Current year movement	**(1.0)**	–
Exchange differences on translating foreign operations	**0.1**	–
End of year	**1.3**	2.4

In addition to the change in rate of corporation tax disclosed above within the note on taxation, a number of further changes to the UK corporation tax system were announced in the March 2011 UK Budget statement. 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. These further changes had not been substantively enacted at the Balance Sheet date and therefore are not included in these financial statements.

The effect of the changes expected to be enacted in the Finance Act 2011 would be to reduce the deferred tax asset provided at the Balance Sheet date by £0.6m. This £0.6m decrease in the deferred tax asset would decrease profit by £0.3m and decrease other comprehensive income by £0.3m. This is due to the reduction in the corporation tax rate from 26% to 25% with effect from 1 April 2012.

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year. The overall effect of the further changes from 25% to 23%, if these applied to the deferred tax balance at the Balance Sheet date, would be to reduce the deferred tax asset by £1.2m (being £0.6m recognised in 2013 and £0.6m recognised in 2014).

7. Earnings/(loss) per share

Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2011	2010
Profit/(loss) attributable to equity holders of the Company (£m)	**3.5**	(2.8)
Weighted average number of ordinary shares in issue (m)	**144.8**	144.8
Basic earnings/(loss) per share (p)	**2.4**	(1.9)
Weighted average number of shares in issue, including potentially dilutive shares (m)	**148.6**	144.8
Diluted earnings/(loss) per share (p)	**2.3**	(1.9)

Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares (144,818,321). Diluted earnings/(loss) per share has been calculated on share options in existence at 31 March 2011.

8. Impairment of assets

Year ended 31 March 2011

During the year there were no events or changes in circumstance that would indicate the carrying value of tangible fixed assets may not be recoverable.

The carrying value of the Group's goodwill is not subject to annual amortisation and was tested at March 2011. The recoverable amount has been determined on a value-in-use basis on each cash- generating unit using the management approved 12-month forecasts for each cash-generating unit. The base 12-month projection is inflated by 7.1% up to year 5 and then kept constant for years 6-10. These cash flows are then discounted at the Group's weighted cost of capital rate of 11.2% and adjusted for specific risk factors that take into account the sensitivities of the projection (20%). Terminal values are not assumed in the calculations. A reduction in the growth rate in years 1-5 to 0% would not affect the conclusion of the review. An increase in the specific risk factor to 40% would not affect the conclusion of the review.

Year ended 31 March 2010

The carrying value of the Group's goodwill and other tangible assets were reassessed at 31 March 2010 because of the general deterioration in the economic environment in which the Group operates. Fixed assets with a value of £1.0m were impaired in the year as part of the close of a site in the USA and £0.1m impaired for the land and buildings in Bellegarde.

9. Goodwill

	2011 **£m**	2010 £m
Cost		
1 April	**45.8**	46.8
Exchange differences	**(1.7)**	(1.0)
Disposals	**(9.9)**	–
31 March	**34.2**	45.8
Accumulated amortisation and impairment		
1 April	**(33.1)**	(33.3)
Exchange differences	**1.1**	0.2
Disposals	**9.9**	–
31 March	**(22.1)**	(33.1)
Net book value at 31 March	**12.1**	12.7

Goodwill at 31 March 2011 and 2010 relates to the Acutek Medical operation (North America). Its carrying value is reassessed every year and no impairment is required (see note 8). The movement in cost and amortisation relates to Medifix Ltd and Cable Components Ltd which were liquidated in the year.

10. Property, plant and equipment

	Freehold land and buildings £m	Long leasehold buildings £m	Plant and machinery £m	Furniture, fittings and equipment £m	IT systems £m	Assets under construction £m	Total £m
Cost							
1 April 2009	20.1	7.9	86.1	5.5	17.6	4.8	142.0
Exchange differences	0.2	–	0.9	(0.1)	0.1	(0.1)	1.0
Additions	–	–	1.3	–	0.2	0.7	2.2
Disposals	–	–	(2.9)	(0.2)	(0.3)	–	(3.4)
Transfers	–	–	2.9	–	2.1	(5.0)	–
31 March and 1 April 2010	20.3	7.9	88.3	5.2	19.7	0.4	141.8
Exchange differences	0.4	–	0.7	0.1	(0.1)	–	1.1
Additions	–	–	0.9	0.2	0.2	0.8	2.1
Disposals	(0.1)	–	(5.8)	(0.1)	(1.2)	–	(7.2)
Transfers	–	–	0.4	–	0.1	(0.5)	–
Transfer to asset held for sale	(1.1)	–	–	–	–	–	(1.1)
31 March 2011	19.5	7.9	84.5	5.4	18.7	0.7	136.7
Accumulated depreciation							
1 April 2009	(8.5)	(3.8)	(65.5)	(4.2)	(15.2)	–	(97.2)
Exchange differences	–	–	(0.3)	–	–	–	(0.3)
Depreciation	(0.6)	(0.2)	(3.1)	(0.2)	(0.8)	–	(4.9)
Impairment	(0.2)	–	(0.3)	(0.4)	(0.2)	–	(1.1)
Disposals	–	–	2.9	0.2	0.2	–	3.3
31 March and 1 April 2010	(9.3)	(4.0)	(66.3)	(4.6)	(16.0)	–	(100.2)
Exchange differences	(0.2)	–	(0.7)	(0.1)	–	–	(1.0)
Depreciation	(0.6)	(0.2)	(3.1)	(0.1)	(0.9)	–	(4.9)
Disposals	–	–	5.1	0.2	1.2	–	6.5
Transfer to asset held for sale	0.5	–	–	–	–	–	0.5
31 March 2011	(9.6)	(4.2)	(65.0)	(4.6)	(15.7)	–	(99.1)
Carrying amount							
31 March 2011	**9.9**	**3.7**	**19.5**	**0.8**	**3.0**	**0.7**	**37.6**
31 March 2010	11.0	3.9	22.0	0.6	3.7	0.4	41.6

The Group has not revalued any item of property, plant and equipment.

Assets held under finance leases, capitalised and included in property, plant and equipment are as follows:

	2011 £m	2010 £m
Cost	**1.4**	1.4
Accumulated depreciation	**(0.2)**	(0.2)
Net book amount	**1.2**	1.2

The transfer in the year to assets held for sale relates to the land and buildings at the Carlstadt site in the USA.

11. Restricted cash

Under the terms of the agreement for the sale of the Papermaking Products and Services business dated 1 July 1999, Scapa Dryer Fabrics Inc. (SDFI), which is party to the asbestos litigation, made certain undertakings to the purchaser, J M Voith AG, regarding the disposition of US$40.0m of the total sale proceeds (of which approximately US$10.0m was in respect of SDFI business and net assets sold). This required that this sum be retained as cash on deposit from the date of the agreement, effectively as security against the cost of any successful asbestos claims made against the purchaser as successor to the business. In 2003 and 2006 amounts were repaid to the Group companies who had loaned the funds for the deposit totalling US$20.0m and US$10.0m respectively.

The remaining balance of US$10.0m remains in the account and this remains a restricted asset until December 2011. At 31 March 2011 the Sterling value of this fund was £6.3m (2010: £6.6m).

12. Inventory

	2011 £m	2010 £m
Raw materials	**7.8**	7.0
Work in progress	**6.0**	5.6
Finished goods	**7.8**	8.4
	21.6	21.0

The material and overhead element of inventory recognised as an expense and included in the Income Statement amounted to £93.8m (2010: £84.3m).

13. Trade and other receivables

	2011 £m	2010 £m
Amounts due within one year:		
Trade receivables	**31.6**	33.2
Less: provisions for impairment	**(0.6)**	(0.5)
Trade receivables – net	**31.0**	32.7
Other debtors	**2.6**	2.9
Prepayments and accrued income	**1.3**	1.2
Total amounts due within one year	**34.9**	36.8
Amounts due after more than one year:		
Other debtors	**19.1**	19.4
Total amounts due after more than one year	**19.1**	19.4

Included in other debtors is an amount of £19.9m (2010: £20.3m), of which £18.8m (2010: £19.2m) is due after more than one year. This has been discounted at a risk free rate of 4.6% due to the long-term nature of the receivable. All other receivables above are stated at fair value.

In addition £0.3m of other debtors is due after more than one year; this is not discounted since the impact is immaterial.

The carrying amounts of these receivables are denominated in the following currencies:

	2011 £m	2010 £m
Pounds Sterling	**4.0**	4.5
US Dollars	**28.7**	29.3
Euros	**17.4**	18.2
Other	**3.9**	4.2
	54.0	56.2

Management review individual receivables and provide for overdue amounts specifically.

The movement in the impairment provision for trade receivables was as follows:

	2011 £m	2010 £m
Opening provision at 1 April	**0.5**	0.8
Charge for the year	**0.4**	0.1
Receivables written off in the year	**(0.3)**	(0.4)
Closing provision at 31 March	**0.6**	0.5

At the year end, the following trade receivables balances were overdue. All of the below are stated net of any impairment provisions and relate to a number of customers for whom there is no recent history of default:

	2011 £m	2010 £m
Less than one month	**1.8**	1.9
Between 1-3 months	**0.4**	1.0
Greater than 3 months	**–**	0.5
	2.2	3.4

Overdue analysis includes impact of foreign exchange movements. Historically customer default is low. The 'credit quality' of the year end receivables balance is considered high. As such all the above amounts are considered recoverable.

The credit risk position for our major customers is detailed below. This shows a fairly predictable level of credit utilisation across the regions and years, and highlights that there is no concentration of credit risk with respect to trade receivables.

Europe

The top five customers by balance at 31 March 2011 had a total receivable of £3.3m, versus their cumulative credit limit of £5.4m. Total sales to these customers in the year ended 31 March 2011 were £11.6m. The top five customers at 31 March 2010 had a total receivable of £3.8m versus their cumulative credit limit of £6.8m.

North America

The top five customers by balance at 31 March 2011 had a total receivable of £2.3m, versus their cumulative credit limit of £3.3m. Total sales to these customers in the year ended 31 March 2011 were £15.7m. The top five customers at 31 March 2010 had a total receivable of £2.1m, versus their cumulative credit limit of £7.6m.

The total Asian debt is not material and so credit risk is not analysed separately.

14. Cash and cash equivalents

Cash and bank overdrafts include the following for the purposes of the Cash Flow Statement:

	2011 £m	2010 £m
Cash and cash equivalents	**14.7**	9.4
Bank overdrafts – note 16	**(1.5)**	(1.6)
	13.2	7.8

15. Trade and other payables

	2011 £m	2010 £m
Amounts due within one year:		
Trade payables	**22.3**	23.1
Other taxes and social security	**3.9**	3.5
Other creditors	**5.8**	4.0
	32.0	30.6
Amounts due after more than one year:		
Other creditors	**1.2**	1.5
	1.2	1.5

The carrying amounts of these payables are denominated in the following currencies:

	2011 £m	2010 £m
Pounds Sterling	**7.0**	7.4
US Dollars	**5.5**	5.2
Euros	**16.3**	15.8
Other	**4.4**	3.7
	33.2	32.1

16. Borrowings

	2011 £m	2010 £m
Amounts due within one year:		
Bank overdrafts – note 14	**1.5**	1.6
Bank loans	**–**	2.0
Finance lease creditor	**0.2**	0.3
	1.7	3.9
Amounts due after more than one year:		
Finance lease creditor	**0.5**	0.7
Total borrowings	**2.2**	4.6

During the year the Group paid down and exited the US$10.0m committed facility that had been in place between Scapa North America Inc and Bank of America Merrill Lynch.

Bank overdrafts include a facility in Korea with Woori Bank dated May 2006 and which is secured by a charge over land and buildings in Korea. The Group also has in place a cross guarantee between the Parent Company and its UK subsidiaries in respect of UK overdraft facilities and other financial obligations to allow account offset.

The maturity of non-current financial liabilities is as follows:

	1-2 years £m	2-5 years £m	Total £m
31 March 2011			
Finance lease creditor	0.2	0.3	0.5
31 March 2010			
Finance lease creditor	0.2	0.5	0.7

The effective interest rates at the Balance Sheet date were as follows:

	Sterling	Euros	US and Canadian Dollars	Other currencies
31 March 2011				
Bank overdrafts	–	1.3%	–	7.5%
31 March 2010				
Bank overdrafts	–	0.87%-1.25%	–	6.3%

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2011 £m	2010 £m
Pounds Sterling	**0.7**	0.7
Euros	**1.3**	1.7
US Dollars	**–**	2.0
Other currencies	**0.2**	0.2
	2.2	4.6

Movements in forward currency contracts used to hedge against the exposure to exchange differences due to the timing of cash flows are taken through the Income Statement as it is not Group policy to hedge account for these instruments. At 31 March 2011 financial liabilities of £0.1m have been recognised in the Balance Sheet relating to the fair values of derivative financial instruments in place (2010: £Nil).

The Group has the following undrawn borrowing facilities (this includes committed and uncommitted):

	2011 £m	2010 £m
Floating rate		
– expiring within one year	**9.1**	13.3

17. Provisions

	Asbestos litigation claims £m	Asbestos litigation costs £m	Reorganisation and leasehold commitments £m	Environmental £m	Total £m
At 1 April 2010	20.3	7.5	3.6	0.7	32.1
Exchange differences	(1.0)	(0.4)	–	–	(1.4)
Additions in the year	–	–	1.0	0.1	1.1
Unwinding of discount	0.6	0.2	–	–	0.8
Utilised in the year	–	(1.6)	(1.6)	(0.2)	(3.4)
Released in the year	–	–	–	–	–
At 31 March 2011	19.9	5.7	3.0	0.6	29.2
Analysis of provisions:					
Current	1.1	0.3	1.3	0.3	3.0
Non-current	18.8	5.4	1.7	0.3	26.2
	19.9	5.7	3.0	0.6	29.2

18. Reconciliation of operating loss to operating cash flow, and reconciliation of net cash

All on continuing operations	**Year ended 31 March 2011 £m**	Year ended 31 March 2010 £m
Operating profit/(loss)	**8.0**	(1.5)
Adjustments for:		
Depreciation	**4.9**	4.9
Loss on disposal of fixed assets	**0.3**	–
Impairment of tangible fixed assets	**–**	1.1
Pensions payments in excess of charge	**(3.5)**	(5.0)
Movement in fair value of financial instruments	**0.1**	(0.1)
Share options charge	**0.1**	–
Grant income released	**(0.1)**	(0.1)
Changes in working capital:		
– Inventories	**(0.7)**	1.8
– Trade debtors	**1.6**	1.2
– Trade creditors	**(0.8)**	1.0
Changes in trading working capital	**0.1**	4.0
Other debtors	**0.1**	(0.1)
Other creditors	**1.4**	(0.2)
Net movement in environmental provisions	**(0.1)**	(0.2)
Net movement in reorganisation provisions	**(0.6)**	(2.4)
Net movement in asbestos litigation cost provisions	**(1.6)**	(0.9)
Net movement in asbestos litigation claims provisions	–	20.3
Net movement in asbestos insurance receivable	**–**	(20.3)
Cash generated from/(used in) operations	**9.1**	(0.5)

Cash generated from operations before exceptional items	**10.8**	5.2
Cash outflows from exceptional items	**(1.7)**	(5.7)
Cash generated from/(used in) operations	**9.1**	(0.5)

Cash flow from exceptional items relates to amounts provided for at 31 March 2010.

Analysis of cash and cash equivalents and borrowings

	At 1 April 2010 £m	Cash flow £m	Exchange movement £m	**At 31 March 2011 £m**
Cash and cash equivalents	9.4	5.4	(0.1)	**14.7**
Overdrafts	(1.6)	0.1	–	**(1.5)**
	7.8	5.5	(0.1)	**13.2**
Borrowings within one year	(2.3)	2.0	0.1	**(0.2)**
Borrowings after more than one year	(0.7)	0.2	–	**(0.5)**
	(3.0)	2.2	0.1	**(0.7)**
Total	4.8	7.7	–	**12.5**