

SAPA BUILDING SYSTEMS LIMITED

ANNUAL REPORT

YEAR ENDED 31st DECEMBER 2006

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SAPA BUILDING SYSTEMS LIMITED

ANNUAL REPORT

YEAR ENDED 31st DECEMBER 2006

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SAPA BUILDING SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2006

The directors present their report and the audited financial statements for the year ended 31st December 2006

DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st December 2006. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis

The directors are responsible for keeping proper accounting records, that 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 1985, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

BUSINESS REVIEW

Business Review and Principal Activities

Sapa Building Systems is a major force in the UK fenestration industry. We offer architects, specifiers, developers, fabricators, installers and householders a wide range of innovative aluminium systems for curtain walling, doors, windows, conservatory roofs and specialist applications

The results for the year show a pre tax profit of £903,000 (2005 £323,000). Additional profit was driven by an increase in sales volume and a change in product mix

Business Environment

The market has been subjected to a continued rise in aluminium prices during the year which, despite internal cost saving initiatives, required the company to implement a series of price rises to its customers in order to maintain margins

The domestic market remained weak with fierce competition from PVC based product. The commercial and schools segments continue to be the most successful growth areas

Strategy

The company objective is to achieve growth and returns in line with the expectations of its shareholders. This is to be achieved by a combination of building a product range which is customer focused, investment in new equipment and technology to reduce costs and investment in our workforce through training and development initiatives

Product Range

The investment in the Dualframe product range 3 years ago and the addition of the Sapa RC product to our range has resulted in expanding sales of these products. Further development of bomb blast door systems and the new Stormframe door range continues the shift towards replacing old product ranges with more modern systems

Training and Development

The company continues to invest in training and development of its employees in terms of relevant job training and health and safety. Expenditure in this area has more than doubled over previous years

Research and Development

The concept, design and launching of the new systems are evidence of the company's commitment to maintaining its position of a key innovator in the industry

SAPA BUILDING SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2006

Future Outlook

The continued investment in new products and new technology such as Sapa Logic and Biblio products configuration software, and the development of the company's web based customer ordering and order tracking systems is being well received and will all contribute to future growth of the business

Risks and Uncertainties

The continued uncertainties in the cost of aluminium remain a threat, as is the growth in government funding and commercial developments

Competition

The company operates in a highly competitive market and competitor activity is monitored

Employees

The success of the company depends largely on its employees. Investment in on the job training and all aspects of health and safety is key to this issue. We undertake regular team briefing sessions which provide a two way communication flow and result in greater understanding from all employees regarding the aims and goals of the company. Regular staff appraisals are also performed. The company successfully retained its "Investors in People" award during the year.

Key Performance Indicators ("KPIs")

The directors are of the opinion that, given the straightforward nature of the business, analysis using KPIs is not necessary or appropriate for an understanding of the development and performance of the company. The directors consider the data within the financial statements sufficient to enable a considered view of the company's performance to be undertaken.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Price Risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre approval by the board of directors. The amount of exposure to any individual counterparty is subject to a limit, which is reviewed periodically.

Liquidity Risk

The company maintains a mixture of long term and short term financing that is designed to ensure the company has sufficient available funds for operations and planned expansions.

SAPA BUILDING SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2006

DIVIDENDS

The directors do not recommend the payment of an ordinary dividend (2005 £Nil)

RESEARCH AND DEVELOPMENT

The company has maintained its commitment in the area of research and development. Continuity of investment in this area will ensure that the company retains its market leadership role.

DIRECTORS

The directors of the company at 31st December 2006, all of whom have been directors for the whole of the year ended on that date (except as stated) are listed below -

N K Sissons		
J P M Palethorpe	-	Resigned 31 st March 2007
M P Robinson	-	Appointed 27 th January 2006
A J Rogers	-	Appointed 27 th January 2006
H Johansson	-	Appointed 19 th May 2006
D P Ashby	-	Appointed 30 th November 2006
A P Daniels	-	Resigned 27 th September 2006
P Warton	-	Resigned 19 th May 2006
K Cookson	-	Appointed 10 th April 2006

No director has had any beneficial interest in the shares of the company during the year ended 31st December 2006

HEALTH AND SAFETY AT WORK ACT 1974

It is the company's policy that all possible steps will be taken at all times to ensure the health and safety of persons and to prevent damage to the company's property. In accordance with the Act, a comprehensive policy statement together with health and safety rules has been issued within the company to all its employees.

DISABLED EMPLOYEES

Wherever possible it is company policy to employ disabled persons, to offer continuity of employment to employees who become disabled, and to provide career and training opportunities commensurate with their abilities.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings.

SAPA BUILDING SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2006


AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all the steps necessary to make themselves aware of any relevant audit information and to convey that information to the company's auditors

In accordance with the Companies Act 1985 (Section 379A) and Section 386, a resolution to dispense with the annual appointment of auditors was made on 9th July 1996

BY ORDER OF THE BOARD

ALEXANDRA WAY
ASHCHURCH
TEWKESBURY
GLOUCESTERSHIRE


D P ASHBY
COMPANY SECRETARY
3rd OCTOBER 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAPA BUILDING SYSTEMS LIMITED

We have audited the financial statements of Sapa Building Systems Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

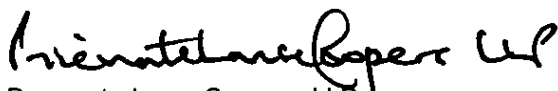
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accounts and Registered Auditors
Bristol

31 October 2007

SAPA BUILDING SYSTEMS LIMITED

ACCOUNTING POLICIES

1 ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies which have been applied consistently, are set out below.

2 TURNOVER

Turnover represents the invoiced value of sales, net of trade discounts, excluding value added tax.

3 FIXED ASSETS AND DEPRECIATION

Fixed assets are depreciated on a straight line basis over their estimated useful lives at the following rates -

Freehold property	2.5%
Leasehold property	over the life of the lease
Plant and equipment	10% - 50%
Office equipment and fittings	20% - 50%
Motor vehicles	25% - 50%

Freehold land is not depreciated.

4 STOCKS

Stocks are stated at the lower of cost and estimated net realisable value. Cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

5 DEFERRED TAXATION

Provision is made for deferred taxation on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities are not discounted.

6 PENSIONS

The company participates in the Sapa Holdings Limited Pension and Life Assurance Scheme, a funded defined benefit pension scheme under which contributions are made to a separately administered trust fund. As it is not possible to identify the underlying assets and liabilities attributable to each participating company, multi employer treatment and therefore accounting on a defined contribution basis is applied.

The company also operates a defined contribution stakeholder pension scheme.

Contributions to both schemes are charged to the profit and loss account as they become payable.

SAPA BUILDING SYSTEMS LIMITED

ACCOUNTING POLICIES

7 FOREIGN CURRENCIES

Transactions involving foreign currency which are covered by forward contracts are translated at contract rates. Other foreign currency balances are translated at the rates of exchange ruling at the balance sheet date. All differences arising on translation are taken to the profit and loss account.

8 OPERATING LEASES

The cost of all operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

SAPA BUILDING SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2006

		2006 £000	2005 £000
TURNOVER	Note 1	30,728	28,019
Cost of sales		(22,556)	(20,517)
GROSS PROFIT		8,172	7,502
Distribution costs		(847)	(791)
Administrative expenses		(6,378)	(6,239)
OPERATING PROFIT		947	472
Interest receivable and similar income	4	24	-
Interest payable and similar charges	5	(68)	(149)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	903	323
Taxation	6	(337)	(165)
RETAINED PROFIT FOR THE YEAR	14	566	158

All of the above figures are derived from the continuing operations of the company

A statement of total recognised gains and losses has not been prepared as there were no recognised gains or losses other than the profit for the year

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

SAPA BUILDING SYSTEMS LIMITED

BALANCE SHEET

31st DECEMBER 2006

		2006 £000	2005 £000
	Note		
FIXED ASSETS			
Tangible Assets	7	4,114	4,479
		<u>4,114</u>	<u>4,479</u>
CURRENT ASSETS			
Stocks	8	3,880	3,628
Debtors	9	6,137	5,769
Cash at bank and in hand		63	2
		<u>10,080</u>	<u>9,399</u>
CREDITORS Amounts falling due within one year	10	(5,584)	(5,799)
NET CURRENT ASSETS		<u>4,496</u>	<u>3,600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,610</u>	<u>8,079</u>
CREDITORS: Amounts falling due after more than one year	11	(1,416)	(1,416)
PROVISIONS FOR LIABILITIES AND CHARGES	12	(29)	(64)
NET ASSETS		<u>7,165</u>	<u>6,599</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,420	1,420
Profit and loss account	14	5,745	5,179
EQUITY SHAREHOLDERS' FUNDS	14	<u>7,165</u>	<u>6,599</u>

The financial statements on pages 6 to 16 were approved by the Board of Directors on 3rd October 2007 and were signed on its behalf by


N K. SISSONS
DIRECTOR

SAPA BUILDING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2006

1 TURNOVER

Turnover is mainly attributable to the marketing and manufacture of aluminium systems for the home improvement and commercial markets

An analysis of the turnover by geographical market is as follows -

	2006 £000	2005 £000
United Kingdom	30,027	27,836
Europe	701	183
	<u>30,728</u>	<u>28,019</u>

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging -

Hire of plant and machinery	61	65
Depreciation of owned fixed assets	665	713
Operating lease rentals - Land and buildings	118	118
- Plant and equipment	498	432
Research and development	148	225
	<u> </u>	<u> </u>
Fees paid to auditors		
Audit fees	19	21
Non-audit services - taxation	9	-
	<u>28</u>	<u>21</u>

SAPA BUILDING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2006

	2006 £000	2005 £000
3 EMPLOYEES		
Staff costs during the year:-		
Wages and salaries	5,313	5,036
Social security costs	549	504
Pension costs	655	328
	6,517	5,868
	<u>Number</u>	<u>Number</u>
The average weekly number of employees was made up as follows.-		
Production	120	121
Office and administration	90	88
	210	209
	<u>2006</u>	<u>2005</u>
	<u>£000</u>	<u>£000</u>
DIRECTORS' EMOLUMENTS		
Aggregate directors' emoluments		
Aggregate emoluments	394	107
Company pension contributions to money purchase scheme	15	-
	409	107
	<u>Highest paid director</u>	<u>Highest paid director</u>
Aggregate emoluments	116	107
Defined benefit scheme		
Accrued pension at year end	17	15
	<u>Retirement benefits are accruing to three directors under the company's defined benefit scheme</u>	<u>Retirement benefits are accruing to three directors under the company's defined benefit scheme</u>
	<u>The emoluments of H Johansson are paid for by Sapa AB His services to Sapa Building Systems Limited are of a non-executive nature and his emoluments are deemed to be wholly attributable to his services to Sapa AB Accordingly the above details include no emoluments in respect of the aforementioned director</u>	<u>The emoluments of H Johansson are paid for by Sapa AB His services to Sapa Building Systems Limited are of a non-executive nature and his emoluments are deemed to be wholly attributable to his services to Sapa AB Accordingly the above details include no emoluments in respect of the aforementioned director</u>
	<u>2006</u>	<u>2005</u>
	<u>£000</u>	<u>£000</u>
4 INTEREST RECEIVABLE AND SIMILAR INCOME		
Other interest receivable	24	-
	24	-

SAPA BUILDING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2006

	2006 £000	2005 £000
5 INTEREST PAYABLE AND SIMILAR CHARGES		
On overdraft	68	149
	-----	-----
6 TAXATION		
Analysis of charge in the year		
UK		
Current Tax		
Corporation tax at 30% (2005 30%)	375	190
Adjustment to current tax in respect of prior years	(3)	(10)
	-----	-----
	372	180
Deferred Tax		
Origination and reversal of timing differences	(35)	(15)
	-----	-----
Tax on profit on ordinary activities	337	165
	-----	-----
Factors affecting tax charge for the period		
The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%)		
The differences are explained below		
	2006 £000	2005 £000
Profit on ordinary activities before taxation	903	323
	-----	-----
Profit on ordinary activities at the standard UK tax rate of 30% (2005 30%)	271	97
Effects of		
Expenses not deductible for tax purposes	66	68
Capital allowances for period in excess of depreciation and other timing differences	38	25
Adjustments to tax charge in respect of prior years	(3)	(10)
	-----	-----
Current tax charge	372	180
	-----	-----

Announcements were made in the March 2007 Budget that the following changes to the corporation tax legislation would be enacted in the 2007 and 2008 Finance Acts

- the reduction of the main rate of corporation tax to 28% from 1 April 2008 onwards (FA 2007),
- the abolition of balancing adjustments on the sale of an industrial building (FA 2007), and,
- the phasing out of industrial buildings allowances from 2008 onwards (FA 2008)

None of the above changes had been substantively enacted at the balance sheet date, and so the numbers reported in the financial statements have not been adjusted for any of the above changes. The effect of the abolition of balancing adjustments would be to reduce the deferred tax liability at 31 December 2006 by £93,600

SAPA BUILDING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2006

7 TANGIBLE ASSETS

	Freehold Land and Property £000	Short Leasehold £000	Plant and Equipment £000	Motor Vehicles £000	Total £000
COST					
1st January 2006	4,386	26	6,858	57	11,327
Additions	-	-	301	-	301
Disposals	-	-	(14)	-	(14)
31st December 2006	4,386	26	7,145	57	11,614
DEPRECIATION					
1st January 2006	1,309	24	5,458	57	6,848
Charge for the year	79	2	584	-	665
Disposals	-	-	(13)	-	(13)
31st December 2006	1,388	26	6,029	57	7,500
NET BOOK VALUE					
31st December 2006	2,998	-	1,116	-	4,114
31st December 2005	3,077	2	1,400	-	4,479

Freehold land amounting to £1,250,000 (2005 £1,250,000) has not been depreciated

	2006 £000	2005 £000
8 STOCKS		
Raw materials and consumables	2,000	1,829
Work in progress	258	154
Finished goods	1,622	1,645
	3,880	3,628
9 DEBTORS		
Trade debtors	5,466	5,149
Amounts owed by group undertakings	145	106
Other debtors	32	30
Prepayments and accrued income	494	436
Corporation tax	-	48
	6,137	5,769

SAPA BUILDING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2006

	2006 £000	2005 £000
10 CREDITORS Amounts falling due within one year		
Bank overdraft	-	1,446
Trade creditors	1,441	1,599
Amounts owed to group undertakings	2,196	1,755
Corporation tax	396	-
Taxation and social security	796	694
Other creditors	20	41
Accruals	735	264
	5,584	5,799
11 CREDITORS Amounts falling due after more than one year		
Amounts owed to group undertakings	1,416	1,416
Amounts owed to group undertakings are unsecured, have no fixed repayment terms and are interest free		
12 PROVISIONS FOR LIABILITIES AND CHARGES		
Provision for deferred tax is as follows		
	2006 £000	2005 £000
Accelerated capital allowances	39	66
Other timing differences	(10)	(2)
	29	64
Movements in the provision are as follows		
Deferred Taxation		
At 1 st January	64	79
Credit to profit and loss account	(35)	(15)
At 31 st December	29	64
13 CALLED UP SHARE CAPITAL		
Authorised Equity		
2,000,000 ordinary shares of £1 each	2,000	2,000
Allotted and fully paid Equity		
1,420,320 ordinary shares of £1 each	1,420	1,420

SAPA BUILDING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2006

14 MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £000	Profit and Loss Reserve £000	2006 Total £000	2005 Total £000
At 1st January	1,420	5,179	6,599	6,441
Profit for the financial year	-	566	566	158
At 31st December	1,420	5,745	7,165	6,599

15 FINANCIAL COMMITMENTS

The company is committed to make payments in the next year on non-cancellable operating leases for the following amounts

	Land and Buildings		Other	
	2006 £000	2005 £000	2006 £000	2005 £000
Operating leases which expire within one year	-	-	178	195
within two to five years	117	117	171	94
	117	117	349	289

16 PENSION COMMITMENTS

The company participates in the Sapa Holdings Limited Pension and Life Assurance Scheme, a funded defined benefit pension scheme under which contributions are made to a separately administered trust fund. This scheme was closed to new members on 1st July 1997.

Contributions to the scheme are determined with the advice of independent qualified actuaries who recommend the projected unit method. The fund is valued every three years by a professionally qualified independent actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The most recent valuation was conducted as at 6th April 2006 the results of which are disclosed in the accounts of Sapa UK Limited. An update of this valuation as at 31 December 2006 resulted in a deficit of £6,425,000 (2005 £8,138,000) none of which has been recognised in the company accounts.

Management has agreed a recovery plan with the scheme trustees which will make good the scheme deficit over a period of ten years from July 2007. Under this recovery plan, additional contributions of £1,543,000 per annum will be made in quarterly instalments until 5 July 2017. These contributions will be split between Sapa UK Limited, Sapa Pressweld Limited, Sapa Profiles Limited and Sapa Building Systems Limited as and when paid on a basis to be determined by management. In accordance with this recovery plan, an additional contribution of £1,220,000 was made in December 2006, £293,000 of which was met by Sapa Building Systems Limited.

SAPA BUILDING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2006

16 PENSION COMMITMENTS (Continued)

The company participated in the Sapa Holdings Limited Money Purchase Pension Scheme until November 2002 when the scheme was replaced by the stakeholder pension scheme. Both of these schemes are defined contribution pension schemes. The assets of these schemes are held separately to those of the company in an independently administered fund.

The transactions with the pension schemes during the year were as follows -

	Contributions	
	2006	2005
	£000	£000
Defined benefit scheme	488	167
Defined contribution schemes	167	161
	-----	-----
	655	328
	-----	-----

17 CONTINGENT LIABILITIES

The company has given an unlimited guarantee over the bank indebtedness of Sapa Profiles Limited, Sapa UK Limited, Plan-it Tewkesbury Limited and Sapa Pressweld Limited.

The company has received a claim from one of its customers for damages. No court proceedings have been served and the claim has been denied and will be defended by the company.

18 CASH FLOW STATEMENTS

No cash flow statement has been prepared since the company is a wholly owned subsidiary undertaking and is exempt from doing so by the provisions of FRS 1.

19 RELATED PARTY TRANSACTIONS

Transactions with entities that are part of the Orkla ASA group are not disclosed as the company has taken advantage of exemptions in FRS8, being a 100% owned subsidiary.

20 PARENT COMPANIES

The company is a subsidiary undertaking and is controlled by Granges Products Limited which is registered in England. Throughout the year ended 31st December 2006, the ultimate parent company was Orkla ASA which is incorporated in Norway.

The largest group into which the results of the company are consolidated is that of which Orkla ASA is the parent company. The consolidated accounts of Orkla ASA may be obtained from Corporate Headquarters, P O Box 423 Skoyen, Oslo, Norway.

The smallest such group is that of which SAPA Holding AB (formerly Sapa AB) is the parent company, whose consolidated accounts may be obtained from Corporate Communications, Sapa Holding AB, Box 5505, SE-114 85 Stockholm, Sweden or on the Internet at <http://www.sapagroup.com>

21 POST BALANCE SHEET EVENTS

The company's intermediate holding company, Sapa AB, changed its name to Sapa Holdings AB on 10 May 2007.