

Clydebridge Chemicals Limited

Report and Financial Statements

Year Ended

31 December 2006

**BDO**BDO Stoy Hayward
Chartered Accountants

Clydebridge Chemicals Limited

Annual report and financial statements for the year ended 31 December 2006

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Directors

M I Farmer
P V Pisacane
M W Walker

Secretary and registered office

M I Farmer, Arc House, Terrace Road South, Binfield, Bracknell, Berks, RG42 4PZ

Company number

1972114

Auditors

BDO Stoy Hayward LLP, Connaught House, Alexandra Terrace
Guildford, Surrey, GU1 3DA

Clydebridge Chemicals Limited

Report of the directors for the year ended 31 December 2006

The directors present their report together with the audited financial statements for the year ended 31 December 2006

Results

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

Principal activities

The principal activity of the company throughout the year has been the manufacture of chemical products

Directors

The directors of the company during the year were

M I Farmer
P V Pisacane
M W Walker

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



M I Farmer
Secretary

Date 11 October 2007

To the shareholders of Clydebridge Chemicals Limited

We have audited the financial statements of Clydebridge Chemicals 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).

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgements 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

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
Guildford*

Date 19 October 2007

Clydebridge Chemicals Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	2,450,180	2,382,500
(Decrease)/increase in stocks of finished goods and work in progress		(26,000)	26,000
		<hr/>	<hr/>
		2,424,180	2,408,500
Raw materials and consumables		1,447,870	1,499,001
Other external charges		60,485	82,618
Staff costs		478,891	414,831
Depreciation and other amounts written off fixed assets		6,655	6,900
Other operating charges		275,514	249,712
		<hr/>	<hr/>
Operating profit	4	154,765	155,438
Interest receivable and similar income		24,437	22,078
		<hr/>	<hr/>
Profit on ordinary activities before taxation		179,202	177,516
Taxation on profit on ordinary activities	5	43,395	42,888
		<hr/>	<hr/>
Profit on ordinary activities after taxation		135,807	134,628
		<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements

Clydebridge Chemicals Limited

Balance sheet at 31 December 2006

	Note	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Tangible assets	7		42,880		16,896
Current assets					
Stocks		120,890		146,890	
Debtors-due within one year	8	199,912		235,515	
Debtors-due after more than one year	8	580,500		580,500	
Total debtors		780,412		816,015	
Cash at bank and in hand		429,225		429,398	
		1,330,527		1,392,303	
Creditors: amounts falling due within one year	9	257,792		279,391	
Net current assets			1,072,735		1,112,912
Total assets less current liabilities			1,115,615		1,129,808
Capital and reserves					
Called up share capital	11	10,000		10,000	
Profit and loss account	12	1,105,615		1,119,808	
Shareholders' funds	13	1,115,615		1,129,808	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the board of directors and authorised for issue on 11 October 2007

Director


M I FARMER

Director


M W WALKER

The notes on pages 7 to 13 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates

Plant and machinery, fittings and equipment	- 2% on a straight line basis per month
Motor vehicles	- 2.5% on a straight line basis per month

Intangible fixed assets

The cost of intangible fixed assets is their purchase cost

Amortisation is provided on all intangible fixed assets at 20% on a straight line basis per annum to write off cost, less any residual values, of each asset over its expected useful economic life

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

Deferred tax balances are not discounted.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Clydebridge Chemicals Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

1 Accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Classicvale Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

2 Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 9.7% (2005 - 6.8%)

3 Directors' remuneration

	2006 £	2005 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	284,611	219,023

There was 1 director in the company's defined contribution pension scheme during the year (2005 - 1)

4 Operating profit

	2006 £	2005 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	6,655	6,900
Audit services	4,690	4,425
Exchange differences	1,509	(89)

Clydebridge Chemicals Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

5 Taxation on profit on ordinary activities

	2006 £	2005 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	43,395	42,888

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before tax	179,202	177,516
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2005 - 30%)	53,761	53,255
Effect of		
Expenses not deductible for tax purposes	1,277	27
Capital allowances for period in excess of depreciation	(2,691)	(1,400)
Marginal relief	(8,952)	(8,994)
Current tax charge for period	43,395	42,888

6 Intangible assets

	Goodwill £
<i>Cost or valuation</i>	
At 1 January 2006 and 31 December 2006	170,000
<i>Amortisation</i>	
At 1 January 2006 and 31 December 2006	170,000
<i>Net book value</i>	
At 31 December 2005 and 31 December 2006	-

7 Tangible fixed assets

	Plant and machinery etc £
<i>Cost</i>	
At 1 January 2006	427,488
Additions	32,639
	<hr/>
At 31 December 2006	460,127
	<hr/>
<i>Depreciation</i>	
At 1 January 2006	410,592
Provided for the year	6,655
	<hr/>
At 31 December 2006	417,247
	<hr/>
<i>Net book value</i>	
At 31 December 2006	42,880
	<hr/>
At 31 December 2005	16,896
	<hr/>

8 Debtors

	2006 £	2005 £
Amounts receivable within one year		
Trade debtors	97,226	172,202
Amounts owed by group undertakings and undertakings in which the company has a participating interest	80,060	61,424
Other debtors	22,626	1,889
	<hr/>	<hr/>
	199,912	235,515
Amounts receivable after more than one year		
Amounts owed by group undertakings and undertakings in which the company has a participating interest	580,500	580,500
	<hr/>	<hr/>
Total debtors	780,412	816,015
	<hr/>	<hr/>

Clydebridge Chemicals Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

9 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	116,642	118,772
Corporation tax	43,427	42,888
Other taxation and social security	8,939	9,864
Other creditors	88,784	107,867
	<u>257,792</u>	<u>279,391</u>

10 Pensions

The company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £160,744 (2005 - £110,954). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

11 Share capital

	2006 £	2005 £
<i>Authorised</i>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
	2006 £	2005 £
<i>Allotted, called up and fully paid</i>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Clydebridge Chemicals Limited

Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

12 Reserves

	Profit and loss account £
At 1 January 2006	1,119,808
Profit for the year	135,807
Dividends	(150,000)
	<hr/>
At 31 December 2006	1,105,615
	<hr/>

13 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the year	135,807	134,628
Dividends	(150,000)	(140,000)
	<hr/>	<hr/>
Net deductions from shareholders' funds	(14,193)	(5,372)
Opening shareholders' funds	1,129,808	1,135,180
	<hr/>	<hr/>
Closing shareholders' funds	1,115,615	1,129,808
	<hr/>	<hr/>

14 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Classicvale Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

Related party transactions and balances

	Sales to related party	Amounts owed by associated company
	£	£
2006		
Gattefosse (UK) Limited	11,281	732
2005		
Gattefosse (UK) Limited	10,851	1,405

Gattefosse (UK) Limited is a joint venture of Alfa Chemicals Limited, a fellow subsidiary of Alfa Technical Industries Limited

15 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Alfa Technical Industries Limited, a company incorporated in England. The ultimate parent undertaking is Classicvale Limited, a company incorporated in England.

The largest and smallest group in which the results of the company are consolidated is that headed by Classicvale Limited. The consolidated accounts of this company are available to the public at

The Registrar of Companies
Companies House
3 Crown Way
Cardiff
CF4 3UZ

No other group accounts include the results of the company