

**International Process Technologies Limited
and subsidiary companies**

Report and Financial Statements

31 December 2010



**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

REPORT AND FINANCIAL STATEMENTS 2010

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**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J M Stoke (Chairman)
P R Benson
K J Bilham
C F Dunnett

SECRETARY

K J Bilham

REGISTERED OFFICE

Trading Estate
Farnham
Surrey
GU9 9NY

BANKERS

Lloyds Bank Corporate Markets (formerly Bank of Scotland)
PO Box 112
Canons House
Canons Way
Bristol
BS99 7LB

AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditors
Southampton, United Kingdom

SOLICITORS

Burges Salmon
One Glass Wharf
Bristol
BS2 0ZX

INTERNATIONAL PROCESS TECHNOLOGIES LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

Year ended 31 December 2010

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding and management service company to the IPT Group of companies. The principal trading activity of the group is that of plastic engineering operations, covering the manufacture of plastic materials, plastic moulding, compounding and grinding and plastic coating.

The group continues to invest in research and development which has resulted in a number of new products being introduced to the market in the year. The directors regard this investment as key to the continued success in the medium to long term future of the business.

As shown in the consolidated profit and loss account on page 7, the group's sales have increased by 14.9% over the prior year (2009 15.6% decrease). Following the turbulent trading environment that started in 2009 due to the world wide recession there has been a marked improvement in trading fortunes with most regions recovering from the 2009 levels. Most of the regions have shown significant recovery from the 2009 results with the UK up 15.8%, the USA up 65% and the Rest of the World up 48.6%. In Europe, however the recovery has been somewhat slower and 2010 volumes are lower than 2009. As a consequence of the recession a major toll grinding customer decided to close its rotomoulding powder division and as a result the turnover to this customer fell by £366,000 in the year as they exited the market. The turnover to this customer is anticipated to fall further in 2011. The company has already marketed its services to other customers and will recover some of the lost turnover. There have been some significant customer gains for the business in the coating powder sector and these customers have started 2011 at significantly higher turnover levels than 2010. Both Plastic Coatings and United Moulders have recovered their turnover in 2010 as the markets have become more active and we have also seen a widening in the customer base. The recovery of the automotive sector has been significant in the improvement of the fortunes for Plastic Coatings. The start of 2011 has been encouraging with sales volumes performing ahead of second half levels across the business. There has been a continual rise in the cost of material feedstocks at the start of 2011, which will be a challenge for the new year, but we have been able to increase customer prices in many areas.

The group's net borrowings increased by £1.4m from £1.6m total net borrowings at the end of 2009 to £3.0m total borrowings at the end of the current financial year, due to the capital buyback of preference shares to the value of £2.4m on the 9 March 2010. The group interest payable on loans and overdrafts at £0.2m (2009 £0.2m) was at last year's level, and continues to benefit in the coming year due to low base rate levels in the UK and Europe.

PRINCIPAL RISKS AND UNCERTAINTIES

The group's sales to customers in the United States, Middle East and the Far East are in US Dollars and therefore the group is exposed to movement in the US Dollar to pounds sterling exchange rates, however there is limited hedging as there are purchases that the company makes in US Dollars from time to time. The group also sells and purchases products in Europe but minimises this risk by operating currency accounts for these transactions. Where possible the group will enter forward sale and purchase contracts to secure rates of exchange.

The group is also financed by long term loan and operational finance agreements which have a fixed premium related to the bank base rates and therefore there is exposure to changes in these base rates.

With many manufacturers in the United Kingdom and Western Europe reviewing where they make their products there is a risk that metal fabrication could move offshore to possibly China or Eastern Europe. The group continues to focus on supply chain management and by following this strategy the group have been able to replace lost business by growing existing customers and attracting new customers.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £1.5m (2009 £0.9m). The directors do not recommend payment of a dividend (2009 £nil) and propose that the profit for the year is transferred to reserves. The gross profit at £6.1m represents 25.6% of sales and compares to the 2009 performance (25.7%). Throughout the year there were significant increases in material costs and more modest rises in processing costs, the latter has been mitigated due to some forward fixing of contract based costs. Whilst sales prices have been increased it has taken some time to pass these onto customers.

INTERNATIONAL PROCESS TECHNOLOGIES LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT (CONTINUED) **Year ended 31 December 2010**

FUTURE PROSPECTS

The directors intend to take advantage of the market opportunities in Europe and the Far East that have opened up to the company in 2010 and are in negotiations with new customers in these regions. It is the directors' aim to improve where possible operating efficiencies to ensure that group operating profit is maintained. This will be achieved through focussed improvement initiatives and targeted capital investment.

GOING CONCERN

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current banking facility. The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. The company is in a net current liabilities position, due to intercompany debt. The directors have satisfied themselves that this debt will not be called and hence will not have a detrimental effect on the company. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DIVIDENDS

The directors are not recommending payment of a dividend on the ordinary shares (2009 £nil). No dividend is due to the preference shareholders as they have previously agreed to waive their entitlement to past unpaid dividends together with future dividends in respect of the 7% cumulative redeemable preference shares.

DIRECTORS AND THEIR INTERESTS

The current list of directors is shown on page 1. All directors served throughout the year and to the date of this report.

EMPLOYEES

The Group pursues a policy of employee communication through meetings, including briefings and team meetings, and through internal notification of the Group focus and movement.

The Group employs disabled persons whenever circumstances permit, and full and fair consideration is given to applications for employment by disabled persons having regard to their particular aptitudes and disabilities.

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

DIRECTORS' REPORT (CONTINUED)
Year ended 31 December 2010

AUDITORS

In the case of the director of the company at the date when this report is approved

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue as auditors and a resolution for the re-appointment of Deloitte LLP will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on behalf of the Board



K J Bilham
Director

29th June 2011

INTERNATIONAL PROCESS TECHNOLOGIES LIMITED AND SUBSIDIARY COMPANIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL PROCESS TECHNOLOGIES LIMITED

We have audited the group and parent company financial statements (the "financial statements") of International Process Technologies Limited for the year ended 31 December 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Reconciliation of Movements in Consolidated Shareholders' Funds, the Consolidated Statement of Total Recognised Gains and Losses and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

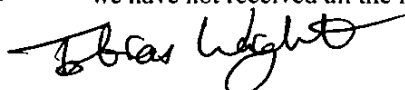
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Tobias Wright (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Southampton, United Kingdom

9 July 2011

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Turnover – continuing operations	2	24,110	20,990
Cost of sales		(18,030)	(15,604)
Gross profit		<u>6,080</u>	<u>5,386</u>
Distribution costs		(1,334)	(1,083)
Administrative expenses - ordinary		(2,690)	(2,644)
- exceptional		<u>-</u>	<u>(15)</u>
		<u>(4,024)</u>	<u>(3,742)</u>
Operating profit – continuing operations	3	2,056	1,644
Total interest receivable and similar income	5	26	26
Interest payable and similar charges		(164)	(167)
Net expense on pension		-	(345)
Interest payable and similar charges	5	<u>(164)</u>	<u>(512)</u>
Profit on ordinary activities before taxation		1,918	1,158
Tax charge on profit on ordinary activities	6	<u>(422)</u>	<u>(282)</u>
Retained profit for the financial year	18	<u><u>1,496</u></u>	<u><u>876</u></u>

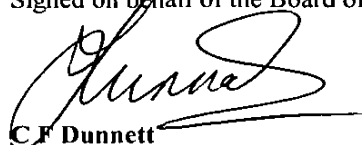
**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED BALANCE SHEET
31 December 2010**

	Note	2010 £'000	2009 £'000
FIXED ASSETS			
Intangible assets	8	34	28
Tangible assets	9	5,388	5,788
		<u>5,422</u>	<u>5,816</u>
CURRENT ASSETS			
Stocks	11	1,782	1,654
Debtors	12	3,903	3,427
Cash at bank and in hand		660	979
		<u>6,345</u>	<u>6,060</u>
CREDITORS: amounts falling due within one year	13	(4,758)	(4,531)
NET CURRENT ASSETS		<u>1,587</u>	<u>1,529</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,009</u>	<u>7,345</u>
CREDITORS: amounts falling due after more than one year	14	2,358	1,704
PENSION LIABILITY	18, 20	1,069	1,295
PROVISIONS FOR LIABILITIES AND CHARGES	16	476	170
CAPITAL AND RESERVES			
Called up share capital	17	1,261	1,714
Share premium account	18	10,385	12,334
Capital redemption reserve	18	82	82
Profit and loss account deficit	18	(8,622)	(9,954)
CAPITAL AND RESERVES		<u>3,106</u>	<u>4,176</u>
CAPITAL EMPLOYED		<u>7,009</u>	<u>7,345</u>

These financial statements of International Process Technologies Limited, registered number 03139509, were approved and authorised for issue by the Board of Directors on *29th June* 2011

Signed on behalf of the Board of Directors


C F Dunnett

Director

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

**COMPANY BALANCE SHEET
31 December 2010**

	Note	2010 £'000	2009 £'000
FIXED ASSETS			
Tangible assets	9	2	3
Investments	10	56,292	56,292
		<u>56,294</u>	<u>56,295</u>
CURRENT ASSETS			
Debtors	12	136	102
Cash at bank and in hand		59	607
		<u>195</u>	<u>709</u>
CREDITORS: amounts falling due within one year	13	<u>(6,186)</u>	<u>(9,625)</u>
NET CURRENT LIABILITIES		<u>(5,991)</u>	<u>(8,916)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>50,303</u>	<u>47,379</u>
 CREDITORS: amounts falling due after more than one year	14	 47,155	 47,330
CAPITAL AND RESERVES			
Called up share capital	17	1,261	1,714
Share premium account	18	10,385	12,334
Capital redemption reserve	18	82	82
Profit and loss account deficit	18	(8,580)	(14,081)
CAPITAL AND RESERVES		<u>3,148</u>	<u>49</u>
CAPITAL EMPLOYED		<u>50,303</u>	<u>47,379</u>

These financial statements of International Process Technologies Limited, registered number 03139509, were approved and authorised for issue by the Board of Directors on *29th June* 2011

Signed on behalf of the Board of Directors



C.F. Dunnett

Director

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Net cash inflow from operating activities	22	1,953	3,054
Returns on investments and servicing of finance	23	(164)	(141)
Net taxation paid		(306)	(447)
Capital expenditure and financial investment	23	(454)	(291)
Net cash inflow before financing		<u>1,029</u>	<u>2,175</u>
Financing	23	<u>(2,248)</u>	<u>(954)</u>
(Decrease)/increase in cash in the year	24	<u><u>(1,219)</u></u>	<u><u>1,221</u></u>

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

Year ended 31 December 2010

	2010 £'000	2009 £'000
Profit for the financial year	1,496	876
Actuarial gain/(loss) relating to pension scheme	7	(1,769)
UK deferred tax attributable to actuarial gain/(loss)	(15)	495
Currency translation differences on net assets of overseas subsidiaries	(156)	(230)
Purchase of Equity Shares	(2,402)	-
Net decrease in shareholders' funds	(1,070)	(628)
Opening shareholders' funds	4,176	4,804
Closing shareholders' funds	3,106	4,176

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2010

	2010 £'000	2009 £'000
Group		
Profit for the financial year	1,496	876
Actuarial gain/ (loss) relating to pension scheme	7	(1,769)
UK deferred tax attributable to actuarial gain/(loss)	(15)	495
Currency translation differences on net assets of overseas subsidiaries	(156)	(230)
Purchase of Equity Shares	(2,402)	-
Total recognised gains and losses relating to the year	(1,070)	(628)

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

**NOTES TO THE ACCOUNTS
Year ended 31 December 2010**

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries for the year ended 31 December 2010

Going concern

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current banking facility. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Goodwill

On acquisition of a business, fair values are attributed to the Group's share of net tangible assets acquired. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and, prior to the adoption of FRS 10, was written off directly to reserves in the year of acquisition. Following the adoption of FRS 10, goodwill arising on acquisitions is capitalised and amortised over its useful economic life, which is generally considered to be twenty years. The directors regard twenty years as a reasonable maximum for the estimated useful life of goodwill since it is difficult to make projections exceeding this period.

The profit or loss on the disposal of previously acquired businesses includes the attributable amount of any purchased goodwill previously written off to reserves relating to that business.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and provision for any impairment. Depreciation is not provided on freehold land or assets in the course of construction. On other assets it is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation used are as follows:

Freehold and long leasehold buildings	-	over 50 years
Short leasehold buildings	-	over the period of the lease
Plant and machinery	-	over 5 - 13 years
Fixtures, fittings, tools and equipment	-	over 3 - 10 years

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Stocks

Stocks and work in progress are valued on a first in, first out basis at the lower of cost and net realisable value. Cost includes materials, direct labour and an appropriate proportion of overhead expenses. Provision is made for obsolete, slow moving and defective items.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Redeemable preference shares are included in the balance sheet as liabilities, on adoption of FRS 25.

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

**NOTES TO THE ACCOUNTS
Year ended 31 December 2010**

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents amounts invoiced to customers, less sales returns, exclusive of Value Added Tax. Income is recognised on delivery of goods and services.

Pension costs

The company has fully adopted Financial Reporting Standard 17 "Retirement Benefits" ("FRS 17") in these financial statements. The Group defined benefit pension scheme has an FRS 17 deficit of £1,069,000 at 31 December 2010 (2009 deficit of £1,295,000).

For the defined benefit scheme the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The Group operates a multi-employer defined benefit pension scheme, the assets and liabilities of which are held independently from each company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately on the face of the balance sheet.

As it is not possible to identify the individual company's share of the underlying assets and liabilities of the scheme, it has been treated as a defined contribution scheme in the individual company accounts for the purposes of FRS 17. In the group accounts, full FRS 17 disclosures have been adopted.

The group also has an insurance backed scheme in respect of the Dutch subsidiary, Plastic Coatings Europe BV. This scheme is treated as a defined contribution scheme in the group financial statements. For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year.

From 1 February 2006, all active members transferred out of the defined benefit pension plan. From this date, the company paid contributions to stakeholder pension plan on behalf of participating employees. The company's contributions are charged to the profit and loss account. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

1. ACCOUNTING POLICIES (CONTINUED)

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the profit and loss account.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease. Where the costs of meeting the lease obligations exceed the benefits expected to be received from utilisation of the leased equipment, the lease is considered onerous and a provision is made for any unavoidable costs arising under the lease arrangement.

Foreign currencies

Transactions of UK companies denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account, except for those relating to capital funding which are taken directly to reserves.

The financial statements of foreign subsidiaries are translated into sterling at the closing rates of exchange and the differences arising from the translation of the opening net investment in subsidiaries at the closing rate is taken directly to reserves.

Research and development

Research costs are written off to the profit and loss account as incurred. Costs of development are written off to the profit and loss account except in cases where they are related to projects in which the profitable outcome can be determined with reasonable certainty. Where this is the case, they have been capitalised within intangible fixed assets and amortised in equal annual instalments over a period of five years.

2. TURNOVER

The analysis by geographical area of the Group's turnover by destination is set out below.

	2010	2009
	£'000	£'000
United Kingdom	8,600	7,427
Other European countries	9,879	9,851
North America	1,110	670
Rest of the world	4,521	3,042
	<hr/>	<hr/>
Total	24,110	20,990
	<hr/>	<hr/>

The directors are of the opinion that the Group operates only one class of business.

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

3. OPERATING PROFIT

	2010	2009
	£'000	£'000
Operating profit is stated after charging/(crediting)		
Depreciation - owned assets	567	585
- leased assets	133	136
Amortisation - development costs	20	4
Auditors' remuneration (see below)	105	115
Operating leases - land and buildings	24	24
- other operating leases	407	461
Foreign exchange gains	(329)	(281)
Exceptional costs	-	15

The exceptional costs related to the decision to change the Plascoat organisational structure in 2009

The analysis of auditors' remuneration is as follows

	2010	2009
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	11	11
Fees payable to the Company's auditors for other services to the Group		
- The audit of the Company's subsidiaries pursuant to legislation	49	49
Total audit fees	60	60
Other services pursuant to legislation		
- Tax services	25	30
- All other services	20	25
Total non-audit fees	45	55

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2010	2009
	£'000	£'000
Directors' remuneration		
Emoluments (excluding pension contributions)	465	433
Pension contributions	32	30
	497	463
	2010	2009
	No	No.
Number of directors who are members of the company's defined benefit scheme	3	3

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

**NOTES TO THE ACCOUNTS
Year ended 31 December 2010**

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	2010 £'000	2009 £'000
Highest paid director's remuneration:		
Aggregate of emoluments	<u>167</u>	<u>158</u>

The amount of the accrued pension of the highest paid director at 31 December 2010 is £14,111 (2009 £13,186)

The aggregate consideration to third parties for services as a director is £ nil (2009 £nil)

	2010 No.	2009 No.
Average number of persons employed (including directors):		
Management	14	13
Administration	21	18
Production and sales	151	154
	<u>186</u>	<u>185</u>

Staff costs during the year (including directors) were:

Wages and salaries	5,060	4,670
Social security costs	516	481
Pension costs	270	260
	<u>5,846</u>	<u>5,411</u>

5. NET INTEREST PAYABLE

	2010 £'000	2009 £'000
Interest receivable and similar income		
Bank interest	-	26
Net interest income on pension scheme	<u>26</u>	<u>-</u>
Total interest receivable and similar income	26	26
Interest payable and similar charges		
Finance lease interest	(56)	(46)
On bank loans and overdrafts	(108)	(121)
Net expense on pension scheme	-	(345)
	<u>(164)</u>	<u>(512)</u>
Net interest payable	<u>(138)</u>	<u>(486)</u>

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
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**NOTES TO THE ACCOUNTS
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6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £'000	2009 £'000
Analysis of tax charge on ordinary activities		
<i>Current tax</i>		
United Kingdom corporation tax at 28% (2009 28%)	357	304
Adjustment in respect of prior years	(36)	9
Overseas taxation		73
Adjustment in respect of prior years	20	6
Total current tax charge	<u>341</u>	<u>392</u>
<i>Deferred tax</i>		
Deferred tax on pension	92	(76)
Timing differences, origination and reversal	7	(25)
Adjustment in respect of prior years	(18)	(9)
Total deferred tax charge	<u>81</u>	<u>(110)</u>
Tax charge on profit on ordinary activities	<u><u>422</u></u>	<u><u>282</u></u>

Factors affecting the tax credit for the current year:

The current tax assessed for the period is lower (2009 lower) than that resulting from applying the standard rate of corporation tax of 28% (2009 28%) The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	<u>1,918</u>	<u>1,158</u>
Tax at 28% (2009 28%) thereon	537	324
Factors affecting tax charge		
Expenses not deductible for tax purposes	30	21
R&D tax relief	(32)	(39)
Capital allowances in excess of depreciation	-	8
Movement in short term timing differences	(6)	(9)
FRS 17 pension adjustment	(92)	76
Rate Difference	1	-
Utilisation of tax losses	59	-
Marginal relief	(2)	(4)
Adjustments in respect of prior years	(38)	15
Current year tax charge	<u><u>341</u></u>	<u><u>392</u></u>

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6 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Finance (No 2) Act 2010 was substantively enacted on 27 July 2010 and included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. The 2011 Budget has proposed reducing the main rate of corporation tax further to 26% effective from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 and are expected to be enacted separately each year. For the year ended 31 December 2010, as the reduction in the statutory rate by 1% to 27% has been substantively enacted, deferred tax has been recognised on the balance sheet at 27%.

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets. This tax will become payable if the replacement assets are sold and further rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £115,519 (2009 £119,797).

Deferred tax has not been provided in respect of timing differences relating to revenue losses and provisions as there is insufficient evidence that the asset will be recovered.

The amount of the asset not recognised is £77,315 (2009 £139,450). The asset would be recovered if sufficient taxable profits were made in the future.

7. PROFIT/(LOSS) OF PARENT COMPANY

As permitted by Section 480 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year attributable to shareholders amounted to £5,501,000 (2009 loss £12,000).

8. INTANGIBLE FIXED ASSETS

	Development costs £'000
Group Cost	
As at 1 January 2010	232
Additions	26
	<hr/>
As at 31 December 2010	258
	<hr/>
Amortisation	
At 1 January 2010	204
Charge for the year	20
	<hr/>
At 31 December 2010	224
	<hr/>
Net book value	
As at 31 December 2010	34
	<hr/>
As at 31 December 2009	28
	<hr/>

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
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**NOTES TO THE ACCOUNTS
Year ended 31 December 2010**

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Group					
Cost					
As at 1 January 2010	1,362	1,866	11,625	1,309	16,162
Exchange rate adjustments	(23)	-	(312)	(22)	(357)
Additions	-	-	414	32	446
Disposals	-	-	(360)	-	(360)
As at 31 December 2010	<u>1,339</u>	<u>1,866</u>	<u>11,367</u>	<u>1,319</u>	<u>15,891</u>
Depreciation					
As at 1 January 2010	226	1,101	7,881	1,166	10,374
Exchange rate adjustments	(5)	-	(202)	(22)	(229)
Charge for the year	7	46	615	32	700
Disposals	-	-	(342)	-	(342)
As at 31 December 2010	<u>228</u>	<u>1,147</u>	<u>7,952</u>	<u>1,176</u>	<u>10,503</u>
Net book value					
As at 31 December 2010	<u>1,111</u>	<u>719</u>	<u>3,415</u>	<u>143</u>	<u>5,388</u>
As at 31 December 2009	<u>1,136</u>	<u>765</u>	<u>3,744</u>	<u>143</u>	<u>5,788</u>

Freehold land and buildings includes freehold land of £297,242 (2009 £301,606) Included within plant and machinery are assets held under finance leases with a net book value of £1,149,379 (2009 £1,301,163)

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**NOTES TO THE ACCOUNTS
Year ended 31 December 2010**

9. TANGIBLE FIXED ASSETS (CONTINUED)

	Fixtures, fittings, tools and equipment £'000
Company	
Cost	
As at 1 January 2010	39
Additions	-
	<u>39</u>
As at 31 December 2010	<u>39</u>
Depreciation	
As at 1 January 2010	36
Charge for the year	1
	<u>37</u>
As at 31 December 2010	<u>37</u>
Net book value	
As at 31 December 2010	<u>2</u>
As at 31 December 2009	<u>3</u>

10. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Company			
Cost			
At 1 January 2010 and 31 December 2010	68,280	1,012	69,292
	<u>68,280</u>	<u>1,012</u>	<u>69,292</u>
Provision for impairment			
At 1 January and 31 December 2010	(13,000)	-	(13,000)
	<u>(13,000)</u>	<u>-</u>	<u>(13,000)</u>
Net book value			
At 31 December 2010	55,280	1,012	56,292
	<u>55,280</u>	<u>1,012</u>	<u>56,292</u>
At 31 December 2009	55,280	1,012	56,292
	<u>55,280</u>	<u>1,012</u>	<u>56,292</u>

The above investments are not listed

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

10. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)

Additional information on subsidiaries

The principal subsidiaries involved in the consolidation of the Group are

Company	Country of incorporation and operation	Activity	Proportion of ordinary shares held %
Plascoat International Limited	Great Britain	Former holding company for Group subsidiaries (non-trading)	100
Plascoat Holdings Limited	Great Britain	Holding company for foreign investments	100
Plascoat Systems Limited	Great Britain	Compounding, grinding and manufacture of plastic materials	100
Plastic Coatings Europe BV	Netherlands	Compounding, grinding and manufacture of plastic materials	100
Plastic Coatings Limited	Great Britain	Plastic coating of materials	100
United Moulders Limited	Great Britain	Plastic Moulding and Assembly	100

11. STOCKS

	2010 £'000	2009 £'000
Group		
Raw materials and consumables	891	845
Work in progress	9	19
Finished goods and goods for resale	882	790
	<u>1,782</u>	<u>1,654</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

12. DEBTORS

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Trade debtors	3,544	3,157	-	-
Amounts owed by group undertakings	-	-	53	39
Corporation tax	140	45	-	-
Deferred tax asset	3	3	-	-
Other debtors	166	146	53	45
Prepayments and accrued income	50	76	30	18
	<u>3,903</u>	<u>3,427</u>	<u>136</u>	<u>102</u>

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Bank overdraft (see note 15)	900	-	-	-
Bank loans (see note 15)	231	708	175	708
Obligations under finance leases (see note 15)	147	170	-	-
Trade creditors	1,891	1,816	-	-
Amounts owed to subsidiary undertakings (see note 15)	-	-	5,673	8,551
Other creditors	-	-	-	-
Corporation tax	308	248	-	-
Other taxation and social security	234	393	13	12
Accruals and deferred income	1,047	1,196	325	354
	<u>4,758</u>	<u>4,531</u>	<u>6,186</u>	<u>9,625</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Bank loans (see note 15)	2,064	1,225	1,050	1,225
Obligations under finance leases (see note 15)	294	479	-	-
Amounts owed to subsidiary undertakings (see note 15)	-	-	46,105	46,105
	<u>2,358</u>	<u>1,704</u>	<u>47,155</u>	<u>47,330</u>

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NOTES TO THE ACCOUNTS
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15. BORROWINGS

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Bank overdraft	900	-	-	-
Bank loans	2,295	1,933	1,225	1,933
Obligations under finance leases	441	649	-	-
Amounts owed to subsidiary undertakings	-	-	51,778	53,664
	<u>3,636</u>	<u>2,582</u>	<u>53,003</u>	<u>55,597</u>
Due within one year or on demand	1,278	878	5,848	8,267
Due after more than one year	2,358	1,704	47,155	47,330
	<u>3,636</u>	<u>2,582</u>	<u>53,003</u>	<u>55,597</u>
Analysis of repayments:				
Within one year or on demand	1,278	878	5,848	8,267
Between one and two years	387	494	175	175
Between two and five years	1,272	685	525	525
After five years	699	525	46,455	46,630
	<u>3,636</u>	<u>2,582</u>	<u>53,003</u>	<u>55,597</u>

Amounts repayable by instalments, some of which fall due after five years

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Bank loans, finance leases, loans from subsidiary and redeemable preference shares				
Total amount	<u>3,636</u>	<u>2,582</u>	<u>53,003</u>	<u>55,597</u>
Instalments after five years	<u>699</u>	<u>525</u>	<u>46,455</u>	<u>46,630</u>

The bank loans and overdraft are secured by a fixed charge over the assets and undertakings of the Group. Interest on the loans is currently charged at between 3% and 5% per annum. Obligations under finance leases are secured on the assets to which they relate.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Onerous lease £'000	Deferred tax £'000	Total £'000
Group analysis of movements in provisions:			
At 1 January 2010	-	170	170
Charged/(credited) to the profit and loss account in the year	324	(9)	315
Foreign exchange differences	-	(9)	(9)
At 31 December 2010	<u>324</u>	<u>152</u>	<u>476</u>

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**NOTES TO THE ACCOUNTS
Year ended 31 December 2010**

16. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

During the year, certain leased equipment became redundant and accordingly an onerous lease provision for the remaining rental costs has been provided in the balance sheet

	2010 £'000	2009 £'000
Deferred taxation provided in the financial statements is as follows:		
Tax effect of timing differences because of		
Capital allowances in excess of depreciation	170	177
Short term timing differences	(18)	(7)
	<u>152</u>	<u>170</u>

17. SHARE CAPITAL

Group and company

Number	Called up, allotted and fully paid	2010 £'000	2009 £'000
28,000,000	Ordinary shares of £0.01 each	280	280
100	Preference shares of £1 each	-	453
981,030	Deferred shares of £1 each	981	981
		<u>1,261</u>	<u>1,714</u>

An ordinary share held by Bridgepoint Capital was returned to the company on 10 January 2010. On 9 March 2010 a capital buy back of preference shares to the value of £2,401,474 was made. Accordingly, the number of called up preference shares was reduced to 100 as at 31 December 2010 (2009 452,355).

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18. RESERVES

	Capital redemption reserve £'000	Share premium account £'000	Profit and loss account deficit £'000
Group			
As at 1 January 2010	82	12,334	(9,954)
Retained profit for the year	-	-	1,496
Redeemed Preference Shares	-	(1,949)	-
Exchange translation differences on net assets of overseas subsidiaries	-	-	(156)
Other recognised gains and losses relating to the year	-	-	(8)
	<u>82</u>	<u>10,385</u>	<u>(8,622)</u>
At 31 December 2010	<u>82</u>	<u>10,385</u>	<u>(8,622)</u>

As a result of adopting FRS 10, the cumulative goodwill previously eliminated against a separate reserve has been deducted from the profit and loss account. In the event of any future disposal of business segments, the goodwill attributable to that segment will be taken into account when calculating any profit or loss arising from the transaction. The cumulative amount of goodwill eliminated directly against the profit and loss account as at 31 December 2010 was £11,845,000 (2009: £11,845,000).

	2010 £'000	2009 £'000
Group pension asset		
Profit and loss deficit excluding pension asset	(7,553)	(8,659)
Amount relating to determined pension scheme asset net of related deferred tax	(1,069)	(1,295)
	<u>(8,622)</u>	<u>(9,954)</u>
Profit and loss deficit	<u>(8,622)</u>	<u>(9,954)</u>

	Capital redemption reserve £'000	Share premium account £'000	Profit and loss account deficit £'000
Company			
At 1 January 2010	82	12,334	(14,081)
Retained profit for the year	-	-	5,501
Redeemed Preference Shares	-	(1,949)	-
	<u>82</u>	<u>10,385</u>	<u>(8,580)</u>
At 31 December 2010	<u>82</u>	<u>10,385</u>	<u>(8,580)</u>

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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

19. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2010, the Group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings		Other	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Expiring within one year	-	-	15	64
Expiring between two and five years inclusive	-	-	337	411
Expiring after more than five years	24	24	5	2
	<u>24</u>	<u>24</u>	<u>357</u>	<u>477</u>

20. PENSION COSTS

Prior to 1 February 2006, the Group contributed to the Grosvenor Pension Fund in the UK providing benefits based on final pensionable pay. From 1 February 2006, all active members transferred out of the scheme and the Company has resumed contributions to the scheme as a result of the recent triennial pension valuation. The assets of the scheme are held separately from those of the group in a trustee administered fund.

For FRS 17 purposes, a valuation that starts by recognising the scheme assets and liabilities, and subsequently recognises movements in the period that they arise, has been prepared by qualified independent actuaries as at 31 December 2010.

The scheme actuary has calculated that a 0.5% change to the assumptions used for the discount rate would result in the actuarial liabilities increasing by £1.4m.

The major assumptions used by the actuary were

	2010 %	2009 %	2008 %	2007 %
Discount rate	5.9	6.4	7.5	6.3
Rate of increases in salaries	n/a	n/a	n/a	n/a
Inflation assumption	3.3	3.5	2.5	3.2
Pension increases	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>

The fair value of the assets of the scheme and the expected rate of return at the end of each financial year were

	Fair value at 31 Dec 2010 £'000	Expected rate of return at 31 Dec 2010 %	Fair value at 31 Dec 2009 £'000	Expected rate of return at 31 Dec 2009 %	Fair value at 31 Dec 2008 £'000	Expected rate of return at 31 Dec 2008 %	Fair value at 31 Dec 2007 £'000	Expected rate of return at 31 Dec 2007 %
Equities	13,188	8.0	13,053	8.0	9,318	7.0	14,213	7.0
Gilts	2,017	4.0	6,637	4.45	8,006	3.7	7,888	5.0
Corporate bonds	7,735	5.9	2,494	8.0	4,014	7.5	4,247	6.3
Cash	<u>1,006</u>	<u>2.0</u>	<u>676</u>	<u>2.0</u>	<u>467</u>	<u>1.5</u>	<u>966</u>	<u>5.0</u>
	<u>23,946</u>	<u>6.73</u>	<u>22,860</u>	<u>6.62</u>	<u>21,806</u>	<u>5.7</u>	<u>27,314</u>	<u>6.2</u>

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Year ended 31 December 2010

20. PENSION COSTS (CONTINUED)

	2010 £'000	2009 £'000
Analysis of the amount charged to operating profit:		
Current service cost of defined benefit schemes	-	-
Loss on settlements and curtailments	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	2010 £'000	2009 £'000
Analysis of the amount charged to net finance charges:		
Expected return on pension scheme assets	1,551	1,209
Interest on pension scheme liabilities	(1,527)	(1,554)
	<u>26</u>	<u>(345)</u>
Net income/(expense)	<u>26</u>	<u>(345)</u>

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Amount recognised in the statement of total recognised gains and losses (STRGL)					
Difference between actual return less expected return on pension scheme assets	936	1,498	(4,494)	128	(146)
% of scheme assets	3.9%	6.6%	(20.6%)	1%	(1%)
Experience gains/(losses) arising on the scheme liabilities	-	190	(133)	(123)	(1,048)
% of scheme liabilities	-	-	(0.6%)	(1%)	(4%)
Effects of changes in assumptions underlying the present value of the scheme liabilities	(929)	(3,457)	2,984	1,785	1,224
% of scheme liabilities	3.7%	10.0%	13.8%	7.1%	4%
Total actuarial gains/(losses) recognised in STRGL	<u>7</u>	<u>(1,769)</u>	<u>(1,643)</u>	<u>1,790</u>	<u>30</u>

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20 PENSION COSTS (CONTINUED)

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Reconciliation of scheme assets and liabilities to the balance sheet					
Total market value of assets	23,946	22,860	21,806	27,314	27,530
Present value of scheme liabilities	(25,410)	(24,659)	(21,566)	(25,309)	(27,279)
(Deficit)/surplus in scheme	(1,464)	(1,799)	240	2,005	251
Related deferred tax asset/(liability)	395	504	(67)	(562)	(75)
Net pension (liability)/asset	<u>(1,069)</u>	<u>(1,295)</u>	<u>173</u>	<u>1,443</u>	<u>176</u>

	2010 £'000	2009 £'000
Movement in (deficit)/surplus during the year:		
Surplus/(deficit) in scheme at beginning of the year	(1,799)	240
Current service cost	-	-
Settlements and curtailments	-	-
Contributions	302	75
Other finance income/(expenses)	26	(345)
Actuarial gain/(loss) in STRGL	7	(1,769)
Deficit in scheme at end of the year	<u>(1,464)</u>	<u>(1,799)</u>

	2010 £'000	2009 £'000
Movement in related deferred tax balances:		
Deferred tax at beginning of the year	504	(67)
Movement in year		
- Profit and loss account	(92)	76
- Statement of total recognised gains and losses	(17)	495
	<u>395</u>	<u>504</u>

In respect of the Dutch subsidiary, Plastic Coatings Europe BV, contributions of £180,083 (2009 £175,515) have been made in the year. There were no outstanding contributions at the balance sheet date (2009 £nil).

**INTERNATIONAL PROCESS TECHNOLOGIES LIMITED
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Year ended 31 December 2010

21. CAPITAL COMMITMENTS

	2010	2009
	£'000	£'000
Group		
Capital expenditure, approved and contracted	157	137

A corporate cross guarantee exists between International Process Technologies Limited, Plascoat UK Limited, Plascoat International Limited, Plascoat Holdings Limited, Plastic Coatings Limited, Plascoat Systems Limited and United Moulders Limited

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£'000	£'000
Operating profit	2,056	1,644
Depreciation and amortisation	720	725
(Increase)/decrease in stocks	(128)	(9)
(Increase)/decrease in debtors	(381)	676
Increase/(decrease) in creditors	91	37
Exchange rate adjustment	(103)	(19)
Adjustment for pension funding	(302)	-
Net cash inflow from operating activities	1,953	3,054

23. ANALYSIS OF CASH FLOWS

	2010	2010	2009	2009
	£'000	£'000	£'000	£'000
Returns on investments and servicing of finance				
Interest received	-		26	
Finance lease interest paid	(56)		(46)	
Interest paid	(108)		(121)	
		(164)		(141)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(472)		(291)	
Proceeds from sale of fixed assets	18		-	
		(454)		(291)
Financing				
Finance leases	(208)		(246)	
Bank loans repayments	362		(708)	
Purchase of own shares	(2,402)		-	
		(2,248)		(954)

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24. ANALYSIS OF NET DEBT

	At 1 January 2010 £'000	Cash flow £'000	At 31 December 2010 £'000
Cash at bank	979	(319)	660
Overdraft	-	(900)	(900)
	<u>979</u>	<u>(1,219)</u>	<u>(240)</u>
Finance leases	(649)	208	(441)
Debt due within one year	(708)	477	(231)
Debt due after one year	(1,225)	(839)	(2,064)
	<u>(2,582)</u>	<u>(154)</u>	<u>(2,736)</u>
	<u>(1,603)</u>	<u>(1,373)</u>	<u>(2,976)</u>

25. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	£'000
Decrease in cash in the year	(1,219)
Cash movement from increase in debt and lease financing	(154)
Movement in net debt in the year	(1,373)
Net debt at 1 January 2010	(1,603)
Net debt at 31 December 2010	<u>(2,976)</u>

26. RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY

The Group has taken advantage of the exemption available under paragraph 3(c) of FRS 8 not to disclose any transactions or balances between Group companies which have been eliminated upon consolidation

The ultimate controlling party is the board of directors

International Process Technologies Limited is the largest and smallest group for which group financial statements are prepared. Copies of the group financial statements of International Process Technologies Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ