

Company Registration No. 3716334

Dynacast International Limited

Annual Report

31 December 2009



Dynacast International Limited

Report and financial statements 2009

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Dynacast International Limited

Officers and professional advisers

Year ended 31 December 2009

Directors

GP Martin
AG Peart
SA Peckham
GE Barnes
AD Murphy
SJ Newman
JC Miller (Alternate)
DA Roper (Alternate)

Secretary

G E Barnes

Registered Office

Precision House
Arden Road
Alcester
Warwickshire
B49 6HN

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

Dynacast International Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

Results and dividends

The audited financial statements for the year ended 31 December 2009 are set out on pages 7 to 12. The retained profit for the year amounted to £744,000 (year ended 31 December 2008: £1,523,000).

The directors do not recommend the payment of a dividend for the year (2008: £nil).

Principal activities and review of the business

The principal activity of the company is to act as a financing company. The directors do not expect any change in this activity in the foreseeable future.

Going concern

The Directors have considered the going concern assumption given the current economic climate and have reviewed the Company forecasts for the foreseeable future.

After making enquiries and considering the above facts, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Financial risk management and policies

Credit risk

Through its activities the company is exposed to credit risk. The company's principal financial assets are receivables from other group companies.

The company's credit risk is primarily attributable to its receivables from other group companies. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available to meet obligations as they fall due, the company ensures regular communication with other group companies.

Directors and their interests

The directors who served throughout the year ended 31 December 2009 and thereafter are as listed on page 1.

No director had any interests in the shares of the company at 31 December 2009.

Dynacast International Limited

Directors' report (continued)

Directors' liabilities

The ultimate parent undertaking has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and at the date of this report.

Auditors

Each of the persons who is a director at the date of approval of this report confirms that

- 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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

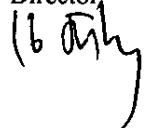
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office as auditors and will be deemed to be re-appointed after the end of the next "period for appointing auditors" as defined in s485(2) of the Companies Act 2006.

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



G E Barnes
Director

 2010

Dynacast International Limited

Directors' Responsibilities Statement

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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

Independent auditors' report to the members of Dynacast International Limited

We have audited the financial statements of Dynacast International Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 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 company's affairs as at 31 December 2009 and of its 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 matters 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.

Independent auditors' report to the members of Dynacast International Limited (continued)

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



Jeremy Black (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

17 July 2010

Dynacast International Limited

Profit and loss account

Year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Interest receivable and similar income	3	744	1,523
Profit on ordinary activities before taxation	2	744	1,523
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	9	744	1,523

All results derive from continuing activities

The Company has no recognised gains and losses for the current or preceding year, other than the profit above, and therefore no separate statement of total recognised gains and losses has been presented for either year

Dynacast International Limited

Balance sheet 31 December 2009

	Notes	2009 £'000	2008 £'000
Current assets			
Debtors amounts falling due within one year	6	25,670	24,926
Net current assets		25,670	24,926
Net assets		25,670	24,926
Capital and reserves			
Called up share capital	7	54,499	54,499
Share premium account	8	865	865
Profit and loss account	8	(29,694)	(30,438)
Shareholders' funds	9	25,670	24,926

The financial statements of Dynacast International Limited, registered number 3716334, were approved by the Board of Directors on 12 July 2010

Signed on behalf of the Board of Directors



G E Barnes

Director

Dynacast International Limited

Notes to the accounts

Year ended 31 December 2009

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

Basis of preparation

These financial statements have been prepared under the historical cost convention, in accordance with applicable UK law and accounting standards, and on a going concern basis as described in the Directors' Report on page 2.

Taxation

Current tax, including UK corporation tax and foreign 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 taxation

Deferred tax is provided in accordance with FRS 19 'Accounting for Deferred Taxation', at the rate ruling on the balance sheet date on all timing differences that arise from the recognition of income and expenditure in differing periods for taxation and accounting purposes.

2. Operating profit

The fees payable to the Company's auditors of £2,000 (2008: £2,000) for the audit of the financial statements were borne by a fellow Group undertaking in both periods.

3. Interest receivable and similar income

	2009	2008
	£'000	£'000
Group interest receivable	<u>744</u>	<u>1,523</u>

4. Directors and employees

The Company has no employees for either year and the Directors were remunerated by a fellow group undertaking in both the current and prior year.

Dynacast International Limited

Notes to the accounts

Year ended 31 December 2009

5. Taxation on profit on ordinary activities

(a) Analysis of charge in year

	2009 £'000	2008 £'000
Current tax		
UK corporation tax at 28% (2008 28.5%)	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (28%). The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	744	1,523
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	208	434
<i>Effects of</i>		
Group relief claimed (at nil tax rate)	(208)	(434)
	-	-

6. Debtors' amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed by group undertakings	25,670	24,926

Dynacast International Limited

Notes to the accounts

Year ended 31 December 2009

7. Share capital

	2009 £'000	2008 £'000
Authorised		
547,711,961 ordinary shares of 10p each	54,771	54,771
Allotted, called up and fully paid		
544,991,292 ordinary shares of 10p each	54,499	54,499

8. Reserves

	Share premium £'000	Profit and loss £'000	Total reserves £'000
At 1 January 2009	865	(30,438)	(29,573)
Loss for the year	-	744	744
At 31 December 2009	865	(29,694)	(28,829)

9. Reconciliation of shareholders' funds and movements in reserves

	£'000
Shareholders' funds as at 1 January 2009	24,926
Profit for the year	744
At 31 December 2009	25,670

10. Related party transactions

The Company has taken advantage of the exemption of FRS 8 Related Party Transactions from disclosing transactions with related parties between members of the Melrose PLC Group of Companies

11. Cash flow statement

The Company is a wholly-owned subsidiary of Melrose PLC and is included in the consolidated financial statements of Melrose PLC which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised) "Cash flow Statements"

Dynacast International Limited

Notes to the accounts

Year ended 31 December 2009

12 Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Melrose PLC which is the only undertaking to consolidate these financial statements

The largest and smallest of undertakings for which group accounts have been drawn up is that headed by Melrose plc, incorporated in Great Britain and registered in England and Wales. Copies of Group financial statements can be obtained from Precision House, Arden Road, Alcester, Warwickshire B49 6HN