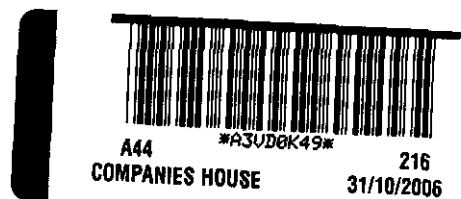


Kemlite Limited

Report and Financial Statements

For the year ended 31 December 2005



REPORT AND FINANCIAL STATEMENTS 2005

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

E C Fast
D L Colbert
A P Standen

SECRETARY

A P Standen

REGISTERED OFFICE

25 Caker Stream Road
Alton
Hampshire
GU34 2QF

BANKERS

Natwest Bank plc
Carlyle House
Carlyle Road
Cambridge
CB4 3DH

SOLICITORS

Dutton Gregory
Trussell House
23 St Peters Street
Winchester
SO23 8BT

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Southampton
United Kingdom

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2005.

ACTIVITIES

The principal activity of the company is the manufacture of plastic laminates.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Turnover for the year was £7.78 million (2004: £7.27m) giving rise to a loss after tax of £3,000 (2004: profit £202,000). The decrease in profits is due to increased reject costs and raw material prices, particularly oil prices in comparison to 2004. The company undertakes an active programme of continuous development and improvement driven by the Operational Excellence programme that encompasses lean manufacturing and improving customer satisfaction.

DIVIDENDS

The directors do not recommend the payment of any dividend for the year (2004: £nil).

DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 1. The directors who served during the year are set out below. Except as highlighted, all directors served throughout the year.

Directors

David John Pickett (resigned 3 March 2006)

Eric Carson Fast

Richard William Schueller (resigned 1 July 2005)

Daniel L Colbert (appointed 1 July 2005)

Andrew P Standen (appointed 24 March 2006)

Secretary

Graham Redshaw (resigned 10 August 2005)

David John Pickett (appointed 10 August 2005, resigned 3 March 2006)

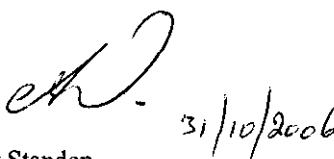
Andrew P Standen (appointed 24 March 2006)

The directors of the company did not have any interest in the shares of the company during the year. The interest of E C Fast who is a director of the ultimate parent company, Crane Co Inc., is disclosed in that company's financial statements. D L Colbert, A P Standen and D J Pickett did not have any interest in the shares of any other group company during the year.

AUDITORS

A resolution for the re-appointment of Deloitte & Touche LLP as auditors will be proposed at the forthcoming Annual General Meeting.

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


Andrew Standen
Director
31 October 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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;
- state whether applicable accounting standards have been followed;
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEMLITE LIMITED

We have audited the financial statements of Kemlite Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the 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 the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

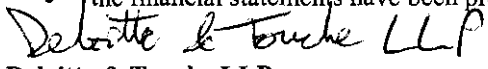
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2005 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985;


Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Southampton
United Kingdom

31 October 2006

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2005

	Note	2005 £'000	2004 £'000
TURNOVER: continuing operations	2	7,776	7,265
Cost of sales		(6,291)	(5,600)
Gross profit		1,485	1,665
Distribution costs		(345)	(298)
Administrative expenses		(1,110)	(1,033)
OPERATING PROFIT: continuing operations	3	30	334
Interest payable and similar charges	5	(3)	(11)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27	323
Tax on profit on ordinary activities	6	(30)	(121)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	(3)	202


There have been no recognised gains and losses attributable to the shareholders other than the retained loss (2004: profit) and, accordingly, no statement of total recognised gains and losses nor reconciliation of movements in shareholders' funds is shown.

BALANCE SHEET
31 December 2005

	Note	2005 £'000	2004 £'000
FIXED ASSETS			
Intangible assets	7	1,733	1,848
Tangible assets	8	604	705
		<u>2,337</u>	<u>2,553</u>
CURRENT ASSETS			
Stocks	9	747	863
Debtors	10	2,106	1,902
Cash at bank and in hand		91	117
		<u>2,944</u>	<u>2,882</u>
CREDITORS: amounts falling due within one year	11	<u>(1,034)</u>	<u>(1,181)</u>
NET CURRENT ASSETS		<u>1,910</u>	<u>1,701</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,247</u>	<u>4,254</u>
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>(220)</u>	<u>(224)</u>
NET ASSETS		<u>4,027</u>	<u>4,030</u>
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Share premium account	14	3,834	3,834
Profit and loss account	14	193	196
TOTAL EQUITY SHAREHOLDERS' FUNDS	14	<u>4,027</u>	<u>4,030</u>

These financial statements were approved by the Board of Directors on 31 October 2006

Signed on behalf of the Board of Directors


 Andrew Standen
 Director

31/10/2006.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Goodwill and intangible fixed assets

Purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life, up to a maximum of 20 years with a full year's amortisation charge in the first year. The directors regard 20 years as a maximum for the estimated useful life of goodwill since it is difficult to make projections exceeding this period.

Patent costs are valued at cost on acquisition and are amortised in equal annual amounts over their estimated useful economic lives (20 years).

Tangible fixed assets

Tangible fixed assets are stated at cost, less depreciation and provision for any impairment.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold buildings	4% per annum
Plant and equipment	10% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Foreign exchange

Transactions 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.

Deferred taxation

Current tax, including UK Corporation 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 is provided in full on timing differences that 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 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.

Pensions

The company operates a defined contribution pension scheme. The pension cost represents contributions payable by the company during the year, which are charged to the profit and loss account as incurred.

NOTES TO THE ACCOUNTS**For the year ended 31 December 2005****2. TURNOVER**

Turnover represents amounts derived from the provision of goods and services within one class of business which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. Income is recognised as goods are despatched, this is when title passes.

	2005 £'000	2004 £'000
By geographical destination:		
United Kingdom and the Republic of Ireland	5,831	5,639
Continental Europe	1,828	1,418
Other	117	208
	<u>7,776</u>	<u>7,265</u>

3. OPERATING PROFIT

	2005 £'000	2004 £'000
Operating profit is stated after charging:		
Depreciation of owned assets	118	114
Amortisation	115	115
Rentals under operating leases:		
Land and buildings	96	149
Hire of plant and machinery	4	3
Other operating leases	18	32
Auditors' remuneration – audit services	18	14
Foreign exchange loss	3	18
	<u>3</u>	<u>18</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2005 £'000	2004 £'000
Directors' remuneration		
Fees	73	72
Other emoluments	-	1
Pension contributions	8	7
	<u>81</u>	<u>80</u>
	No.	No.
Number of directors who are members of defined contribution pension scheme	<u>1</u>	<u>1</u>
	No.	No.
Average number of persons employed (including directors)		
Production	21	23
Administration	21	21
	<u>42</u>	<u>44</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2005

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2005	2004
	£'000	£'000
Staff costs during the year (including directors)		
Wages and salaries	1,196	1,140
Social security costs	128	129
Pension costs	46	55
	<u>1,370</u>	<u>1,324</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£'000	£'000
Intercompany loan interest	<u>3</u>	<u>11</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005	2004
	£'000	£'000
Current taxation		
UK corporation tax charge for the year	34	92
Deferred taxation		
Origination and reversal of timing differences (see note 12)	<u>(4)</u>	<u>29</u>
Tax on profit on ordinary activities	<u>30</u>	<u>121</u>

The tax assessed for the year is higher (2004: lower) than that resulting from applying the standard 30% rate of corporation tax in the UK (2004: 30%). The differences are explained below.

Profit before tax	<u>27</u>	<u>323</u>
	%	%
Standard rate tax on profit before tax	30	30
Less effect of:		
Disallowable expenses	8	1
Amortisation	72	6
Depreciation in excess of capital allowances	(22)	(7)
Temporary timing differences	<u>39</u>	<u>(1)</u>
Current tax charge for year	<u>127</u>	<u>29</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2005

7. INTANGIBLE FIXED ASSETS

	Patents £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2005 and 31 December 2005	975	1,323	2,298
Accumulated depreciation			
At 1 January 2005	191	259	450
Charge for the year	49	66	115
At 31 December 2005	240	325	565
Net book value			
At 31 December 2005	735	998	1,733
At 31 December 2004	784	1,064	1,848

8. TANGIBLE FIXED ASSETS

	Leasehold buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2005	10	1,113	1,123
Additions	-	17	17
At 31 December 2005	10	1,130	1,140
Accumulated depreciation			
At 1 January 2005	10	408	418
Charge for the year	-	118	118
At 31 December 2005	10	526	536
Net book value			
At 31 December 2005	-	604	604
At 31 December 2004	-	705	705

NOTES TO THE ACCOUNTS
For the year ended 31 December 2005

9. STOCKS

	2005	2004
	£'000	£'000
Raw materials	423	474
Finished goods and goods for resale	324	389
	<u>747</u>	<u>863</u>

10. DEBTORS

	2005	2004
	£'000	£'000
Trade debtors	1,855	1,796
Amounts owed by group undertakings	180	7
Prepayments	64	76
Corporation tax recoverable	6	23
	<u>2,106</u>	<u>1,902</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£'000	£'000
Bank overdrafts	71	-
Trade creditors	806	711
Amounts owed to group undertakings	-	270
Corporation tax	-	61
Other taxes and social security	42	81
Accruals and deferred income	73	58
Other creditors	42	-
	<u>1,034</u>	<u>1,181</u>

Amounts owed to group undertakings are due within one year or on demand and are interest free.

12. DEFERRED TAXATION

Deferred taxation movement for the year	£'000
Balance as at 1 January 2005	224
Charged to profit and loss account (see note 6)	(4)
	<u>220</u>
Balance at 31 December 2005	<u>220</u>

Deferred taxation is analysed as follows:

	2005	2004
	£'000	£'000
Capital allowances in advance of depreciation	233	227
Other timing differences	(13)	(3)
	<u>220</u>	<u>224</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2005

13. CALLED UP SHARE CAPITAL

	2005 £'000	2004 £'000
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid		
1 ordinary share of £1 each	1	1

14. RESERVES

	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2005	3,834	196	4,030
(Loss)/profit for the year	-	(3)	(3)
Balance at 31 December 2005	3,834	193	4,027

15. FINANCIAL COMMITMENTS

At 31 December 2005 the company was committed to making the following payments during the next year in respect of operating leases:

	2005 Land and buildings £'000	2005 Other £'000	2004 Land and buildings £'000	2004 Other £'000
Leases which expire:				
Within one year	-	8	-	10
Within two to five years	157	23	157	13

16. PENSION SCHEME

The company operates a defined contribution pension scheme for all employees and contributions are charged to the profit and loss account as they arise. The contributions paid in the year amounted to £46,000 (2004: £55,000). There were no outstanding contributions payable at the year end (2004: £nil).

17. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption contained within FRS 8 not to disclose transactions with group companies as it is a 100% subsidiary of Crane Inc., whose consolidated accounts are publicly available.

18. CASH FLOW STATEMENT

The company has taken advantage of the exemption contained with FRS 1 not to prepare a cash flow as it is a 100% subsidiary of Crane Inc., whose consolidated financial statements are publicly available.

19. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party, which heads the smallest and largest group for which consolidated accounts are produced, is Crane Co Inc., which is incorporated in the USA. Copies of the consolidated financial statements of the ultimate parent company can be obtained from Crane Co, Executive offices, 100 First Stamford Place, Stamford, Connecticut, CT 06902, USA.