

Company registration number: 00028073

CALDER INDUSTRIAL MATERIALS LIMITED

Report and financial statements for the year ended

31 May 2007

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CALDER INDUSTRIAL MATERIALS LIMITED

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CALDER INDUSTRIAL MATERIALS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Bailey
B Travers
A Donald
P Walters

SECRETARY

A Donald

REGISTERED OFFICE

Jupiter Drive
Chester West Employment Park
Chester
CH1 4EX

BANKERS

Royal Bank of Scotland plc
Corporate Banking London
9th Floor
280 Bishopsgate
London
EC2M 4RB

SOLICITORS

DLA Piper UK LLP
Victoria Square House
Victoria Square
Birmingham
B2 4DL

Walker Smith Way Solicitors
26 Nicholas Street
Chester
CH1 2PQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

CALDER INDUSTRIAL MATERIALS LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the audited financial statements for the year ended 31 May 2007

PRINCIPAL ACTIVITIES

The principal activities of the company are the production of lead sheet, the distribution of metal roofing products and the manufacture of specialised lead products for a wide range of industrial applications

BUSINESS REVIEW

Management are pleased to report a significant improvement in the performance of the business this year as a result of the turn-round initiatives undertaken since 2004. In the view of the directors the year end balance sheet was robust. Operating results since the period end have been on target and maintain the recent progress. The directors remain confident about the prospects for the future.

RESULTS AND DIVIDENDS

The directors do not recommend a payment of a dividend (2006 nil)

The result for the year moved from a loss before tax of £408,000 in the prior year to a profit before tax of £1,465,000 in the current year.

The balance sheet on page 10 of the financial statements shows that the company's financial position at the year end is, in both net assets and cash terms, improved from the prior year.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were as follows

M Bailey

B Travers

A Donald

P Walters (appointed 22 June 2007)

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and team briefings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

KEY PERFORMANCE INDICATORS

The company directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

CALDER INDUSTRIAL MATERIALS LIMITED

DIRECTORS' REPORT (continued)

FINANCIAL RISK MANAGEMENT

Funding and liquidity management are managed on a centralised basis by the group finance function. The objectives are to protect the assets of the group (and the company) and to identify and then manage financial risk. These risks are described further below.

Interest rate risk

The company finances its operations through a mixture of retained profits, invoice discounting, hire purchase and finance leases. Interest rate risk on hire purchase and finance leases is managed by fixing interest at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The board considers that the risk from significant interest rate fluctuations on other borrowings to be minimal.

Currency risk

The company has transactional currency exposures arising from sales and purchases other than the functional currency. Under the company's foreign exchange policy, where practicable such transaction exposures are hedged, mainly through natural hedging of sales and purchases in such currencies.

Liquidity risk

The company maintains committed facilities that are designed to ensure sufficient funding for operations and planned expansions.

Credit risk

The company is exposed to credit-related losses in the event of default by counterparties to financial instruments. Credit risk is mitigated by the company's policy of only selecting counterparties with a strong long-term credit rating and assigning financial limits to individual counterparties.

The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. An impairment provision 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.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers, across several countries.

Price risk

The company is exposed to commodity price risk and uses various price matching and hedging techniques/instruments to manage risk.

There is a hedging policy based on well established methodologies. The policy is reviewed and endorsed by the board.

OTHER RISKS AND UNCERTAINTIES

Competitors

Competitive pressure in the UK and from Europe is a continuing risk for the company, which could result in lost sales to its key customers. The company manages this risk by providing added value services to its customers where appropriate, maintaining competitive selling prices, supplying quality performing products that meet customer needs and requirements, providing fast response times to customer enquiries and queries, introducing state of the art machinery which reduce lead times for the supply of products, and by maintaining strong relationships with customers at all levels within the company.

CALDER INDUSTRIAL MATERIALS LIMITED

DIRECTORS' REPORT (continued)

OTHER RISKS AND UNCERTAINTIES (continued)

Customer Activities

The company has a small number of key customers whose loss would adversely impact the company's sales and profits. Other than competitor pricing, business may be lost due to customer re-sourcing activities (for example dual sourcing), product redesign, product substitution, or loss of market share. To manage this risk the company keeps performance under regular review and maintains close relationships, to ensure that the needs and requirements of these customers are met.

STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

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

- (1) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

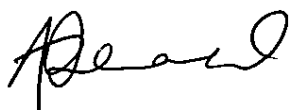
This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

During the year Deloitte & Touche LLP resigned as auditors to the company, and the directors appointed PricewaterhouseCoopers LLP to fill the casual vacancy.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

On behalf of the board



A Donald
Director
9 January 2008

CALDER INDUSTRIAL MATERIALS LIMITED

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). The financial statements are required by law to 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 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the board



A Donald,
Company Secretary,
9 January 2008

CALDER INDUSTRIAL MATERIALS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALDER INDUSTRIAL MATERIALS LIMITED

We have audited the financial statements of Calder Industrial Materials Limited for the year ended 31 May 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 May 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
10 January 2008

CALDER INDUSTRIAL MATERIALS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 May 2007

	Notes	2007 £'000	2006 £'000
Turnover	2	32,742	23,866
Cost of sales		(27,707)	(20,879)
Gross profit		5,035	2,987
Distribution costs		(1,125)	(1,014)
Administrative expenses (including exceptional items for 2006)	3	(2,189)	(2,159)
Profit/(loss) before interest		1,721	(186)
Interest payable and similar charges	4	(256)	(222)
Profit/(loss) on ordinary activities before taxation	5	1,465	(408)
Tax on profit/(loss) on ordinary activities	8	300	-
Profit/(loss) for the year	18	1,765	(408)

All results relate to continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

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

CALDER INDUSTRIAL MATERIALS LIMITED

BALANCE SHEET

AT 31 MAY 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	9	3,399	3,613
Investments	10	525	525
		<u>3,924</u>	<u>4,138</u>
Current assets			
Stocks	11	2,534	1,607
Debtors	12	16,769	10,698
Cash at bank and in hand		304	59
		<u>19,607</u>	<u>12,364</u>
Creditors: amounts falling due within one year	13	<u>(14,934)</u>	<u>(9,347)</u>
Net current assets		<u>4,673</u>	<u>3,017</u>
Total assets less current liabilities		<u>8,597</u>	<u>7,155</u>
Creditors: amounts falling due after more than one year	14	-	(116)
Provisions for liabilities and charges	16	-	(207)
		<u>8,597</u>	<u>6,832</u>
Net assets		<u>8,597</u>	<u>6,832</u>
Capital and reserves			
Called up share capital	17	8,000	8,000
Profit and loss account	18	597	(1,168)
Total Shareholders' funds	19	<u>8,597</u>	<u>6,832</u>

The financial statements on pages 9 to 24 were approved by the board of directors on 9 January 2008 and were signed on its behalf by



B Travers

Director

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2007

1 ACCOUNTING POLICIES

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Exemption from consolidation

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Calder Finco UK Ltd and is included in the consolidated financial statements which are publicly available.

Exemption from preparation of cash flow statement (Revised 1996)

The company is also exempt from the requirements of Cash Flow Statement (Revised 1996) to present a cash flow statement because it is a wholly owned subsidiary of Calder Finco UK Ltd which prepares a cash flow statement and is included in the consolidated financial statements which are publicly available.

Turnover

Turnover comprises the value of sales (excluding trade discounts, allowances and VAT) of goods and services in the normal course of business. Turnover is recognised when goods are despatched.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets, other than assets in the course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful economic life, as follows:

Leasehold improvements	over the term of the lease
Plant and machinery	2-25 years

Stocks

All stocks are stated in the balance sheet at the lower of cost and net realisable value on the first in first out (FIFO) method. Cost includes related production overheads and other costs which have contributed towards bringing the stocks to their present location and condition. Provision is made for obsolete, slow-moving or defective items where appropriate.

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

1. ACCOUNTING POLICIES (CONTINUED)

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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs

The company participates in a group operated defined benefit pension scheme for the benefit of the majority of its employees, the assets of which are held separately from those of the company in independently administered funds.

As the company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme. Contributions are charged to the profit and loss account in the year to which they relate.

Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful economic lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to provide a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Foreign currency

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Government grants

Grants receivable in respect of tangible assets are treated as deferred income which is credited to the profit and loss account over the estimated economic lives of the related assets.

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

2. TURNOVER

All of the company's turnover originated in the United Kingdom

Turnover by class of business was as follows

	2007 £'000	2006 £'000
Manufacture and sale of lead products	<u>32,742</u>	<u>23,866</u>

Turnover by geographical destination was as follows

	2007 £'000	2006 £'000
Europe		
- UK	29,854	22,581
- Other	1,336	1,102
Rest of the World	<u>1,552</u>	<u>183</u>
	<u>32,742</u>	<u>23,866</u>

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

3. ADMINISTRATIVE EXPENSES

Included within administrative expenses are exceptional operating administrative expenses as follows

	2007 £'000	2006 £'000
Reorganisation costs	-	52

The exceptional costs have had no impact on the tax charge for the year. These costs relate to the restructuring of the business as part of long term turnaround strategy.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £'000	2006 £'000
Bank loans and overdrafts	240	190
Finance leases and hire purchase contracts	16	32
	<u>256</u>	<u>222</u>

5. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit/(loss) on ordinary activities before taxation is stated after charging/ (crediting)

	2007 £'000	2006 £'000
Depreciation of tangible fixed assets		
- owned	391	286
- held under finance leases and hire purchase contracts	49	104
Operating lease rentals		
- plant and machinery	38	37
- other	456	418
Auditors' remuneration		
- audit fees payable to Deloitte & Touche LLP	-	30
- audit fees payable to PricewaterhouseCoopers LLP	23	-
Government grants receivable	(15)	(15)
Rent receivable	(68)	(72)

Amounts payable to Deloitte & Touche LLP by the company in respect of non-audit services were £5,250 (2006 £1,025)

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

6. STAFF COSTS

Particulars of employees (including executive directors) are as shown below

	2007 £'000	2006 £'000
Wages and salaries	2,934	2,505
Social security costs	265	232
Other pension costs	208	195
	<u>3,407</u>	<u>2,932</u>

The average monthly number of persons employed by the company during the year was as follows

	2007 Number	2006 Number
Production	86	81
Selling and distribution	14	14
Administration and management	22	21
	<u>122</u>	<u>116</u>

7 DIRECTORS' REMUNERATION AND TRANSACTIONS

Directors' remuneration

	2007 £'000	2006 £'000
Aggregate emoluments	317	329
Company contributions to defined benefit pension schemes	10	5
	<u>327</u>	<u>334</u>

One of the directors was a member of a defined benefit pension scheme during the year (2006 one)

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director

	2007 £'000	2006 £'000
Aggregate emoluments	<u>135</u>	<u>150</u>

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2007 £'000	2006 £'000
Current tax		
UK corporation tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences (see note 16)	(300)	-
Total deferred tax	(300)	-
Total tax (credit)/charge in the profit and loss account	(300)	-

There is no current corporation tax charge in either year due to the incidence of losses sustained in prior years

The tax assessed for the year is lower (2006 higher) than the standard rate of corporation tax in the UK (30%)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows

	2007 £'000	2006 £'000
Profit/(loss) on ordinary activities before tax	1,465	(408)
Profit/(loss) on ordinary activities multiplied by standard UK corporation tax rate of 30% (2006 30%)	440	(122)
Effects of		
Capital allowances in excess of depreciation	6	103
Other timing differences	(6)	(2)
Expenses not deductible for tax purposes	16	2
Losses carried forward to future periods	-	19
Utilisation of brought forward losses	(456)	-
Current tax charge for year	-	-

In March 2007 the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008. This legislation was substantively enacted in June 2007. Because the change is now enacted the deferred tax liability, currently stated at 30% of the temporary differences, will be restated at 28% of those amounts. In addition the effective tax rate for the period to 31 May 2008 will reduce accordingly.

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

9. TANGIBLE ASSETS

	Leasehold improvements £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 June 2006	904	6,914	7,818
Additions	-	226	226
Disposals	-	(8)	(8)
At 31 May 2007	904	7,132	8,036
Accumulated depreciation			
At 1 June 2006	189	4,016	4,205
Charge for the year	45	395	440
Disposals	-	(8)	(8)
At 31 May 2007	234	4,403	4,637
Net book value			
At 31 May 2007	670	2,729	3,399
At 31 May 2006	715	2,898	3,613

The net book value of fixed assets included £539,112 (2006 £1,405,000) in respect of assets held under finance leases and hire purchase contracts

During the course of the year, certain assets were reclassified from leased to owned following a detailed review of these assets

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

10. INVESTMENTS

	Subsidiary undertakings £'000
Cost and net book value	
At 1 June 2006 and 31 May 2007	<u>525</u>

The company has shareholdings in the following subsidiary undertakings

	Country of incorporation or registration	Principal Activity	Class of shares held	% Holding
Subsidiary undertakings				
CIM Investments Limited	England and Wales	Dormant	Ordinary	100
Associated Lead Manufacturers Limited	England and Wales	Dormant	Ordinary	100
Calder Metal Processors Limited	England and Wales	Dormant	Ordinary	100
Fab Cast Engineering Limited	England and Wales	Dormant	Ordinary	100

The directors believe that the book value of investments is supported by their underlying net assets

11. STOCKS

	2007 £'000	2006 £'000
Raw materials and consumables	1,326	722
Work-in-progress	241	373
Finished goods and goods for resale	967	512
	<u>2,534</u>	<u>1,607</u>

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

12. DEBTORS

	2007 £'000	2006 £'000
Due within one year		
Trade debtors	4,677	5,078
Amounts owed by other group undertakings	11,435	5,382
Other debtors	-	96
Amounts recoverable on contracts	495	-
Prepayments and accrued income	69	142
Deferred tax asset (see note 16)	93	-
	<u>16,769</u>	<u>10,698</u>

Amounts owed by group undertakings incur no interest and are repayable according to an agreed payment schedule

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Bank overdraft (secured) (note 15)	-	4
Bank loans (secured) (note 15)	2,280	2,723
Trade creditors	1,457	1,532
Amounts owed to other group undertakings	9,452	3,167
Obligations under finance leases and hire purchase contracts (note 15)	116	151
Taxation and social security	144	107
VAT payable	604	620
Government grants	75	90
Other creditors	1	1
Accruals and deferred income	805	952
	<u>14,934</u>	<u>9,347</u>

Amounts owed to group undertakings incur no interest and are repayable according to an agreed payment schedule

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

	2007 £'000	2006 £'000
Obligations under finance leases and hire purchase contracts (note 15)	-	116
	<u>-</u>	<u>116</u>

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

15. BORROWINGS

The maturity of the borrowings is as follows

	2007 £'000	2006 £'000
Bank loans and overdraft		
In one year or less, or on demand	2,280	2,727
	<u>2,280</u>	<u>2,727</u>
In more than one year but not more than two years	-	-
	<u>2,280</u>	<u>2,727</u>
	<u>2,280</u>	<u>2,727</u>
Finance leases		
In one year or less, or on demand	116	151
	<u>116</u>	<u>151</u>
In more than one year but not more than two years	-	116
In more than two years but not more than five years	-	-
	<u>-</u>	<u>116</u>
	<u>116</u>	<u>267</u>
	<u>116</u>	<u>267</u>
Total borrowings including finance leases		
In one year or less, or on demand	2,396	2,878
	<u>2,396</u>	<u>2,878</u>
In more than one year but not more than two years	-	116
In more than two years but not more than five years	-	-
	<u>-</u>	<u>116</u>
	<u>2,396</u>	<u>2,994</u>

The finance leases are secured on the assets to which they relate

The company has granted a fixed and floating charge over all its assets to secure the bank borrowings

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

16. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges comprises

	2007 £'000	2006 £'000
At beginning of the year	207	207
Credit to the profit and loss account (see notes 8 and 12)	(300)	-
At end of the year	(93)	207

The deferred taxation balance at 31 May 2007 consists of

	2007 £'000	2006 £'000
Accelerated capital allowances	79	53
Short term timing differences	(79)	(53)
Losses carried forward	(300)	-
Heldover chargeable gains	207	207
	(93)	207

In addition there is an unrecognised deferred tax asset in respect of unrelieved tax losses carried forward of £1,032,000 as at 31 May 2007 (2006 £1,788,000) which would be capable of being offset against future profits arising from the same trade

17. CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
<i>Authorised, allotted, called up and fully paid</i> 8,000,000 (2006 8,000,000) ordinary shares of £1 each	8,000	8,000

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

18. RESERVES

	Profit and loss account £'000
At 1 June 2006	(1,168)
Profit for the year	1,765
At 31 May 2007	<u>597</u>

19. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2007 £'000	2006 £'000
Profit/(loss) for the financial year before dividends	1,765	(408)
Opening equity shareholders' funds	<u>6,832</u>	<u>7,240</u>
Closing equity shareholders' funds	<u>8,597</u>	<u>6,832</u>

20. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

There were no capital commitments at 31 May 2007 (2006 £nil)

b) Lease commitments

Annual commitments under non-cancellable operating leases are as follows

	2007		2006	
	Land and buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiry date				
- within one year	18	25	18	-
- between two and five years	-	26	54	30
- after five years	<u>342</u>	<u>-</u>	<u>342</u>	<u>-</u>
	<u>360</u>	<u>51</u>	<u>414</u>	<u>30</u>

c) Forward contracts

The company has, in the normal course of business entered into forward contracts to purchase and sell lead. At 31 May 2007 there were outstanding commitments to buy lead totalling £2,615,467 (2006 £1,083,430)

d) Financial guarantees

The company is party to cross guarantees in respect of loans held by other group undertakings

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

21. PENSION ARRANGEMENTS

The company provides pension arrangements to the majority of full time employees through a defined benefit scheme operated by Calder Group Limited and the related costs are assessed in accordance with the advice of professionally qualified actuaries

Details of the most recent actuarial valuation of the scheme, which was conducted by an independent qualified actuary as at 31 May 2007, using the projected unit method, are as follows

FRS 17 disclosures

	2007	2006
Main assumptions (% pa)		
- rate of increase in salaries	3.2	3.1
- rate of increase in pensions in payment	3.2	3.1
- return on scheme investments	6.8	6.9

Results

- market value of scheme's assets (£'000)	17,016	13,724
- level of funding (%)	108	83

The contribution rate for 2007 was 15.5% (2006 15.5%) of pensionable earnings

In accordance with FRS 17, the company will account for its contributions to the scheme as if it was a defined contribution scheme because it is not possible to identify the company's share of the assets and liabilities in the scheme on a consistent and reasonable basis. The latest actuarial valuation of the scheme, prepared for the purposes of making the transitional disclosures in accordance with FRS 17 in the consolidated financial statements of the parent company, shows a surplus of £1,215,000 (2006 deficit £2,800,000) as below. However, this surplus has not been recognised in the consolidated financial statements. Further details of this valuation can be found in the financial statements of Calder Finco UK Ltd. Copies of the financial statements can be obtained from Jupiter Drive, Chester West Employment Park, Chester, CH1 4EX.

The major assumptions used for the actuarial valuation were

	2007	2006	2005
Rate of increase in salaries	3.20%	3.10%	2.70%
Rate of increase in pensions in payment	3.20%	3.10%	2.70%
Discount rate	5.60%	5.20%	5.20%
Inflation assumption	3.20%	3.10%	2.70%
Increase to deferred benefits during deferment	3.20%	3.10%	2.70%

CALDER INDUSTRIAL MATERIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2007

21. PENSION ARRANGEMENTS (continued)

The fair value of the assets in the schemes, the present value of the liabilities in the schemes and the expected rate of return at the balance sheet date were

	2007 %	2007 £'000	2006 %	2006 £'000	2005 %	2005 £'000
Equities and property	8.4	14,335	7.6	11,241	7.4	9,238
Fixed Interest (mainly gilts)	5.3	1,176	-	-	-	-
Bonds	5.8	1,432	4.6	2,439	4.4	2,281
Others	5.5	73	3.0	44	3.0	38
		<u>17,016</u>		<u>13,724</u>		<u>11,557</u>
Present value of the scheme liabilities		<u>(15,801)</u>		<u>(16,581)</u>		<u>(14,487)</u>
Surplus/ (deficit) in scheme		1,215		(2,857)		(2,930)
Unrecoverable surplus		(1,215)		-		-
Related deferred tax asset		-		857		879
Net pension deficit		<u>-</u>		<u>(2,000)</u>		<u>(2,051)</u>

22. RELATED PARTY TRANSACTIONS

As a subsidiary undertaking of Calder Finco UK Limited, the company has taken advantage of the exemption in FRS 8 'Related party disclosures' from disclosing transactions with other members of the group headed by Calder Finco UK Limited whose accounts are publicly available

23. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors regard Calder Group Limited as the immediate parent company. Calder Group Limited is wholly owned by Calder Finco UK Ltd which is the ultimate UK parent company.

Calder Finco UK Ltd is wholly owned by CalderGroup Swiss AG, which is the ultimate parent and ultimate controlling party. CalderGroup Swiss AG is a company incorporated and registered in Switzerland. CalderGroup Swiss AG is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 May 2007. Calder Finco UK Ltd is the smallest group of undertakings to consolidate these financial statements.

The Calder Finco UK Ltd financial statements are publicly available from its registered office.