Mallatite Limited

Registered number 2621328

Directors' report and financial statements

For the year ended 31 December 2005

Contents

Directors' report

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

Principal activity

The principal activity of the company is the design, fabrication and supply of lighting support systems and the provision of bespoke solutions within the lighting and electrical markets.

Business review and future developments

Whilst the general market for lighting support systems remained stable, focus for business development has been placed upon the establishment of the provision of complete solutions, improved production methods, product development within a new site establishment.

Emphasis given to cost reduction and management improvements have significantly improved the results for 2005 and have provided the platform for the 2006 strategy.

The PFI business unit will continue to develop its excellence within the sector in 2006.

Dividends

No dividend is proposed for the year ended 31 December 2005 *(2004: £Nil).*

Post balance sheet event

Subsequent to the year-end, the Group made a further investment of £3,000,000 in the company's share capital. This investment replaces intercompany balances included in current liabilities and serves to show a more accurate representation of the company's finances.

Creditor payments terms

It is the company's normal practice to agree terms of transactions, including payment terms, with suppliers. Provided suppliers perform in accordance with the agreed terms, it is the company's policy that payment is made accordingly. Creditor days at the end of the year were 81 *(2004: 109)* days.

Directors and directors' interests

The directors serving during the year and subsequently were as follows:

A Paterson
D L Grove
D W Muir
C J Burr
R J Harmstone (resigned 7 January 2005)
N J Curran
T A Watts
M Cassin (appointed 4 April 2005)

None of the directors who held office at the end of the financial year had any beneficial interest in the shares of the company.

Mr DL Grove and Mr CJ Burr are directors of the ultimate holding company, Hill & Smith Holdings PLC. Both of these directors' interests in the shares and share options of that company, are shown in its financial statements.

The interests of the other directors in office at the end of the year in the shares and share options of Hill & Smith Holdings PLC, are detailed as follows:

Ordinary shares of 25p each

	2005	2004
D Muir	**8,855**	8,855

Directors' report *(continued)*

Directors and directors' interests *(continued)*

Share options over ordinary shares of 25p each

	At beginning of year	Exercised	Granted	At end of year	Exercise price (p)	Date first exercisable	Expiry date	Note no
M Cassin								
	-	-	14,646	14,646	204.83	04.10.08	04.10.15	4
NJ Curran								
	-	-	14,646	14,646	204.83	04.10.08	04.10.15	4
A Paterson								
	-	-	14,646	14,646	204.83	04.10.08	04.10.15	4
	-	-	16,000	16,000	207.83	04.10.08	04.10.15	5
	-	-	30,646	30,646				
TA Watts								
	7,403	-	-	7,403	100.0	01.01.10	01.07.10	2
	-	-	14,646	14,646	204.83	04.10.08	04.10.15	4
	7,403	-	14,646	22,049				
DW Muir								
	19,360	(19,360)	-	-	112.5	23.01.98	23.01.05	1
	110,000	(110,000)	-	-	66.0	21.01.05	21.01.12	3
	12,360	-	-	12,360	100.0	01.01.10	01.07.10	2
	-	-	14,646	14,646	204.83	04.10.08	04.10.15	4
	-	-	63,468	63,468	204.83	04.10.08	04.10.15	5
	141,720	(129,360)	78,114	90,474				

Note 1: These options were granted under the 1985 Executive Share Option Scheme
Note 2: These options were granted under the 1995 Savings Related Share Option Scheme
Note 3: These options were granted under the 1999 Unapproved Executive Share Option Scheme
Note 4: These options were granted under the 2005 Executive Share Option Scheme
Note 5: These options were granted under the 2005 Unapproved Executive Share Option Scheme

Auditor

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc is to be proposed at the forthcoming annual general meeting.

By order of the Board

J C Humphreys
Secretary

2 Highlands Court
Cranmore Avenue
Shirley
Solihull
West Midlands
B90 4LE

8 March 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 judgments and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Mallatite Limited

We have audited the financial statements of Mallatite Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of movements in shareholder's funds and the related notes. 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 auditor's 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 on page 3, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 judgments 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 UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 March 2006

Profit and loss account
for the year ended 31 December 2005

	Note	2005 £000	2004 (as restated) £000
Turnover	2	**12,055**	12,397
Cost of sales		**(9,927)**	(10,905)
Gross profit		**2,128**	1,492
Distribution costs		**(467)**	(625)
Administration expenses		**(1,173)**	(1,330)
Operating Profit/(loss)		**488**	(463)
Interest payable	6	**(176)**	(117)
Profit/(loss) on ordinary activities before taxation	3, 7	**312**	(580)
Tax on profit/(loss) on ordinary activities	7	**(111)**	163
Retained profit/(loss) for the financial year		**201**	(417)

All amounts relate to continuing operations.

There is no material difference between the results as shown in the profit and loss account and their historical cost equivalents.

There were no recognised gains or losses for the year other than the result for the financial period detailed above.

Balance sheet
as at 31 December 2005

	Note		2005		2004 (as restated)
		£000	£000	£000	£000
Fixed assets					
Tangible assets	8		1,941		2,138
Current assets					
Stocks	10	1,715		2,188	
Debtors	11	2,266		2,430	
Cash at bank and in hand		1		-	
		3,982		4,618	
Creditors: amounts falling due within one year	12, 23	(5,042)		(6,562)	
Net current liabilities	23		(1,060)		(1,944)
Total assets less current liabilities			881		194
Creditors: amounts falling due after more than one year	13		(4)		(23)
Provisions for liabilities and charges	14		(156)		(158)
Net assets			721		13
Capital and reserves					
Called up share capital	15, 23		267		267
Share premium account	16		35		35
Revaluation reserve	16		203		217
Capital redemption reserve	16		134		134
Profit and loss account	16		82		(640)
Equity shareholder's funds			721		13

These financial statements were approved by the board of directors on 8 March 2006 and signed on its behalf by:

M Cassin
Director

A Paterson
Director

Reconciliation of movements in shareholder's funds
for the year ended 31 December 2005

	2005	2004 (as restated)
	£000	£000
Profit/(loss) for the financial year	**201**	(417)
Dividend received	**507**	-
Increase/(decrease) in shareholder's funds	**708**	(417)
Opening shareholder's funds	**13**	430
Closing shareholder's funds (2004 originally £520,000 restated for prior year adjustment of £507,000 see note 20)	**721**	13

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 20 'Share-based payments';
- FRS 21 'Events after the balance sheet date';
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure'; and
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985. Likewise FRS25 have had no material effect on these financial statements.

The effect of the adoption FRS20 is detailed in note 15, no prior year adjustment is required in respect of the adoption of this standard because the share option scheme dealt with under this standard was only established in the year ended 31 December 2005.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare Group accounts. These Financial Statements present information about the Company as an individual undertaking and not about its group.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant, equipment and vehicles	-	4 to 20 years
Land and Buildings	-	50 years

Stocks and work in progress

These are valued on a "first-in, first-out" basis at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes all production overheads and the attributable proportion of indirect overhead expenses.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date, except as otherwise required by FRS 19.

Foreign currency

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date.

Notes *(continued)*

1 Accounting policies *(continued)*

All exchange differences are taken to the profit and loss account.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Pension scheme arrangements

The company participates in the Hill & Smith Pension Scheme, as described in note 19.

Contributions in respect of defined contribution schemes are charged to the profit and loss account in the period to which they relate.

Goodwill

Goodwill arising on acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised as a fixed asset and amortised on a straight line basis over its estimated useful economic life up to a maximum of 20 years.

Leased assets

Assets held under leases which confer rights and obligations similar to those attaching to owned assets are capitalised as tangible fixed assets and the corresponding liability to pay rentals is shown net of interest in the accounts as obligations under finance leases. Interest is calculated on the reducing balance basis and is charged over the period of the lease.

All other leases are regarded as operating leases and the total payments made under them are charged *to the profit and loss account on a straight-line basis over the lease term.*

Share based payments

The share option programme allows employees to acquire shares of the ultimate parent company Hill & Smith Holdings PLC. The fair value of options granted after 7 November 2002 and those not yet vested by 31 December 2004 are not recognised as an employee expense, those vested 1 January 2005 onwards are expensed with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

For cash settled share based payment transactions, with the exception of those awards settled before 1 January 2005, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value is measured based on an option pricing model taking in to account the terms and conditions upon which the instruments were granted. The liability is revalued at each Balance Sheet date and settlement date with any changes to fair value being recognised in the Profit and Loss Account.

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2 Turnover

The turnover is the total amount receivable by the company (excluding VAT) in the ordinary course of business for goods sold to third parties and all relates to the United Kingdom.

3 Profit/(loss) on ordinary activities before taxation

	2005	2004
	£000	£000
Profit/(loss) on ordinary activities before taxation is stated		
after charging/(crediting)		
Auditor's remuneration	**13**	13
Operating leases		
Hire of plant and machinery	**133**	158
Other leases	**27**	44
Depreciation		
Owned assets	**210**	205
Assets held under hire purchase or finance lease contracts	**31**	24
Profit on disposal of fixed assets	**-**	(2)

4 Remuneration of directors

	2005	2004
	£000	£000
Emoluments	**284**	235
Payments to defined contribution pension scheme	**20**	24
Compensation for loss of office	**-**	40
	304	299
Number of directors exercising share options	**3**	1
Number of directors who are members of defined contribution pension scheme	**4**	2

Directors' interests in shares and share options in the ultimate parent company are disclosed in the directors' report.

The remuneration of the highest paid director, excluding pension contributions, was £103,000 *(2004: £71,000)*. His accrued pension entitlement per annum at the year end was £10,000 *(2004: £19,000)*.

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2005 Number	2004 Number
Production	90	114
Administration	13	9
Sales and distribution	7	9
	110	132

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	2,082	2,706
Share-based payments	1	-
Social security costs	194	274
Other pension costs	73	73
	2,350	3,053

6 Interest payable and similar charges

	2005 £000	2004 £000
On bank loans and overdrafts	56	9
Hire purchase and finance lease interest	10	12
On loans from group undertakings	110	96
	176	117

7 Tax on profit/(loss) on ordinary activities

Analysis of charge/(credit) in year

	2005 £000	2004 £000
UK corporation tax		
Current tax on profit/(loss) for the year	113	(179)
Deferred tax (see note 14)		
Origination/reversal of timing differences	(9)	16
Adjustment in respect of previous years	7	-
	111	(163)

Notes *(continued)*

7 Tax on profit/(loss) on ordinary activities *(continued)*

Factors affecting the tax credit for the current year

The current tax charge for the year is higher *(2004: credit for the year was higher)* than the standard rate of corporation tax in the UK of 30%. The differences are explained below.

	2005	2004
	£000	£000
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	**312**	(580)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	**94**	(174)
Effects of:		
Expenses not deductible for tax purposes	**10**	11
Capital allowances for period in excess of depreciation	**9**	(16)
Total current tax charge/(credit)	**113**	(179)

8 Tangible fixed assets

	Freehold land and buildings	**Plant, equipment and vehicles**	**Total**
	£000	**£000**	**£000**
Cost or valuation			
At 1 January 2005	1,045	2,589	3,634
Additions	14	52	66
Disposals	-	(62)	(62)
At 31 December 2005	1,059	2,579	3,638
Depreciation			
At 1 January 2005	84	1,412	1,496
Charged in year	21	220	241
Disposals	-	(40)	(40)
At 31 December 2005	105	1,592	1,697
Net book value			
At 31 December 2005	**954**	**987**	**1,941**
At 31 December 2004	961	1,177	2,138

Assets held under finance leases and hire purchase have a net book value of £167,000 *(2004: £221,000)*.

Asset revaluations

The freehold land and buildings were revalued on 28 September 2000 at £882,000 by Lambert Smith Hampton, Chartered Surveyors, on the basis of an open market valuation for existing use.

Notes *(continued)*

8 Tangible fixed assets *(continued)*

The amount of revalued property as determined according to the historic cost accounting rule is:

	2005	2004
	£000	£000
Cost	**353**	353
Depreciation	**(125)**	(118)
Net book value	**228**	235

9 Fixed asset investments

The company holds share capital in the following companies:

Subsidiary undertaking	**Class of share**	**Proportion held**	**Nature of business**
Mallatite (Scotland) Limited	Ordinary	100%	Distribution of lighting columns and electrical fittings (now dormant)
Mallatite Powder Coatings Limited	Ordinary	100%	Distribution of powder coatings (now dormant)

10 Stocks

	2005	2004
	£000	£000
Raw materials and consumables	**1,292**	1,341
Finished goods	**423**	847
	1,715	2,188

11 Debtors

	2005	2004 (as restated)
	£000	£000
Trade debtors	**2,147**	1,927
Amounts owed by group undertakings	**-**	213
Corporation tax recoverable	**-**	154
Prepayments	**119**	136
	2,266	2,430

Notes *(continued)*

12 Creditors: amounts falling due within one year

	2005 £000	2004 £000
Bank overdrafts	**210**	472
Obligations under finance leases and hire purchase contracts	**19**	31
Trade creditors	**2,117**	2,881
Amounts owed to group undertakings (see note 23)	**1,943**	2,672
Other creditors	**26**	325
Accruals and deferred income	**177**	181
Corporation tax	**133**	-
Other tax and social security	**417**	-
	5,042	6,562

Subsequent to the year-end, the Group made a further investment of £3,000,000 in the company's share capital. This investment replaces intercompany balances included in current liabilities and serves to show a more accurate representation of the company's finances.

Intercompany loans are unsecured and repayable on demand. Interest is charged at a rate equivalent to the Group's average borrowing rate for the year.

13 Creditors: amounts falling due after more than one year

	2005 £000	2004 £000
Obligations under finance leases and hire purchase contracts	**4**	23

Obligations under hire purchase and finance lease contracts fall due for repayment as follows:

	2005	2004
Within one year	**19**	31
In the second to fifth year	**4**	23
	23	54

Obligations under hire purchase and finance lease contracts are secured on the assets to which they relate.

14 Provisions for liabilities and charges

Details of amounts provided for deferred taxation and movements in the year are set out below:

	£000
At 1 January 2005	158
Profit and loss account	(2)
At 31 December 2005	**156**

	2005 £000	2004 £000
Difference between accumulated depreciation and capital allowances	**156**	158

Notes *(continued)*

15 Called up share capital

	Number	2005 £000	Number	2004 £000
Authorised				
Equity shares				
Ordinary shares of £1 each	**276,878**	**277**	276,878	277
"A" ordinary shares of £1 each	**34,078**	**34**	34,078	34
"B" ordinary shares of £1 each	**74,044**	**74**	74,044	74
		385		385
Allotted, called up and fully paid				
Equity shares				
Ordinary shares of £1 each	**159,378**	**159**	159,378	159
"A" ordinary shares of £1 each	**34,078**	**34**	34,078	34
"B" ordinary shares of £1 each	**74,044**	**74**	74,044	74
		267		267

The ordinary shares, "A" ordinary shares and "B" ordinary shares rank pari passu in all respects.

Subsequent to the year-end, the Group made a further investment of £3,000,000 in the company's share capital. This investment replaces intercompany balances included in current liabilities and serves to show a more accurate representation of the company's finances.

The charge for the share-based payment in the company for the year ending 31 December 2005 was £1,000 *(2004: £Nil)*. Details of the assumptions and methodology used in calculating this charge can be seen in the ultimate parent company Hill & Smith Holdings PLC group accounts.

The options over the ultimate parent company shares outstanding at 31 December 2005 all had an option price of 100p. The average share price for the year ending 31 December 2005 was 177p (2004: 105p). The total movement across the group is as follows:

1995 Savings Related Share Option Scheme	**2005** Number of shares	2004 Number of shares
As at 1 January	**1,458,759**	-
Issued	**-**	1,458,759
Lapsed	**(110,982)**	-
Exercised	**(3,150)**	-
As at 31 December	**1,344,627**	1,458,759

Notes *(continued)*

16 Reserves

	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account (as restated)
	£000	£000	£000	£000
Balance as at 1 January 2004	35	134	231	(237)
Loss on ordinary activities after tax	-	-	-	(417)
Transfer between reserves	-	-	(14)	14
Balance as at 1 January 2005 as restated (see note 20)	35	134	217	(640)
Profit on ordinary activities after tax	-	-	-	201
Dividend received	-	-	-	507
Transfer between reserves	-	-	(14)	14
Balance as at 31 December 2005	**35**	**134**	**203**	**82**

17 Contingent liabilities

The company is a party to cross guarantees given for bank loans and overdrafts of the ultimate parent company and certain fellow subsidiaries amounting to £78,941,000 *(2004: £64,296,000)* which are secured on the assets of the Group.

18 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Other assets	
	2005	2004
	£000	£000
Leases which expire		
Within one year	**51**	12
Between two and five years	**59**	164
	110	176

19 Pension scheme

The company is a subsidiary of Hill & Smith Holdings PLC and participates in the Hill & Smith Pension Scheme, which provides benefits that are on a defined contribution basis. Details of this scheme and their most recent actuarial valuation are contained in the financial statements of Hill & Smith Holdings PLC.

The pension cost for the year was £73,000 *(2004: £73,000)*.

20 Prior year restatement

As a result of the adoption of FRS21, reserves brought forward at 1 January 2005 have decreased by £507,000 from £520,000 to £13,000.

21 Related party transactions

The company has taken advantage of the exemption available under FRS 8: *Related party transactions* not to disclose transactions that have been made between the company and other fellow subsidiaries of Hill & Smith Holdings PLC.

Notes *(continued)*

22 Ultimate parent company

The company is a wholly-owned subsidiary of Hill & Smith Holdings PLC, a company registered in England. Copies of the group financial statements may be obtained from Group headquarters:

2 Highlands Court
Cranmore Avenue
Shirley
Solihull
West Midlands
B90 4LE

23 Post balance sheet event

Subsequent to the year-end, the Group made a further investment of £3,000,000 in the company's share capital. This investment replaces intercompany balances included in current liabilities and serves to show a more accurate representation of the company's finances.