

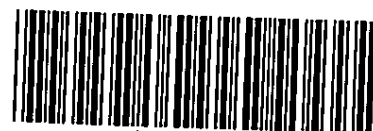
Chemtura Manufacturing (UK) Limited (formerly Great Lakes Manufacturing (UK) Limited)

Directors' report and financial statements

Registered number 2624692

31 December 2006 **AMENDING**

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Chemtura Manufacturing (UK) Limited (formerly Great Lakes Manufacturing (UK) Limited)

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Directors and advisers

Directors

Stephen James
Mario Mathieson

Secretary

Christina Huben

Auditors

KPMG LLP
St James' Square
Manchester
M2 6DS

Bankers

Barclays Bank plc
4 Water Street
Liverpool
L69 2DU

Bank of America NT & SA
1 Abie Street
London
E1 8DE

ABN Amro
250 Bishopsgate
London
EC2M 4AA

Solicitors

Baker & McKenzie
100 New Bridge Street
London
EC4V 6JA

Registered Office

Tenax Road
Trafford Park
Manchester
M17 1WT

Directors' report

The directors present their report and financial statements for the year ended 31 December 2006

Results and Dividends

The profit for the year, after taxation, amounted to £8,283,000 (2005 profit £4,763,000) Dividends of £120,477,000 were paid in the year (2005 £0) of which £96,970,000 was distributed from the capital contribution reserve

Principal activities and business review

The principal activity of the company is the manufacture of speciality chemicals

Strategic Objectives

The company's strategy is to strengthen its business portfolio and to reduce operating costs To achieve these goals the company is focussing its resources on its core businesses and divesting non-core businesses and assets and looking to acquire business and assets that will enhance its business portfolio

Performance during 2006

Financial summary

	2006 £000	2005 £000
Turnover	73,196	84,947
Gross profit	10,898	19,367
Operating profit	(3,363)	742
Retained profit for the financial year	8,283	4,763

Turnover and gross profit decreased due to the divestiture of non core business units Operating profit decreased due to pension and environmental costs

Key Risks and Uncertainties

Key risks to the business are recognised as

- Additional regulatory requirements in environmental, health and safety and product registration
- Global foreign exchange rate volatility, particularly for the Euro and US dollar
- Availability and pricing of raw materials and energy

To mitigate these risks the company uses hedging of foreign currencies Both employees and external advisors are used to monitor compliance with specific laws and regulations

Whilst we attempt to match raw material or energy prices increases with corresponding product price increases we may not be able to do so immediately Ultimately, our ability to pass on increases depends on market conditions

Directors' report

Key Performance indicators

The company monitors the business internally using a number of performance indicators these include sales, on time delivery to customers and profitability

Production performance is monitored using various productivity indicators, safety, quality, ship to request and stock levels

The company produces an annual business plan, plus monthly forecasts showing future sales, profits and cash flow to enable us to monitor ongoing business performance

Research and Development

The company undertakes research and development on an ongoing basis to enhance its market position

Directors and their Interests

The directors of the company during the year ended 31 December 2006 were as follows

S R James

P E M Boury

There are no directors' interests requiring disclosure under the Companies Act 1985

Disabled Employees

The company gives a high priority to recruitment and subsequent career development of disabled employees

Employment Involvement

During the year the policy of providing employees with information about the company has been continued through company journals, notice boards and conferences Regular meetings are held between local management and employees to allow a free flow of information and ideas

Political and charitable contributions

The company made no political contributions during the year (2005 *£nil*) Donations to UK charities amounted to £3,400 (2005 *£nil*)

Divestiture

The Industrial Water Treatment business was sold on a going concern basis in May 2006 for £21,797,000 generating a profit of £14,091,000

Directors' report

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with s384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

On behalf of the board



Director

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and 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 and applicable law (UK Generally Accepted Accounting Practice)

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, 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 which 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



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Chemtura Manufacturing (UK) Limited

We have audited the financial statements of Chemtura Manufacturing (UK) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 may, 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors Responsibilities on page 5.

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 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 audit, or if information specified by law regarding the 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.

Independent auditors' report to the members of Chemtura Manufacturing (UK) Limited

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 2006 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

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

April 28 2008

Profit and loss account

for the year ended 31 December 2006

	Notes	2006 £000	2005 £000
Turnover			
-Continuing operations	2	62,318	55,840
-Discontinued operations	2	10,878	29,107
Cost of sales	3	(62,298)	(65,580)
Gross profit		10,898	19,367
Distribution costs	4	(3,546)	(5,212)
Administrative expenses	4	(13,056)	(8,905)
Exceptional restructuring costs	4	(971)	(4,508)
Operating expenses		(17,573)	(18,625)
Operating (loss)/profit			
-Continuing operations	3	(8,390)	(2,185)
-Discontinued operations	3	1,715	2,927
Profit on disposal of business unit	5	14,091	-
Profit before interest and tax		7,416	742
Interest receivable and similar income	8	4,990	6,483
Interest payable and similar charges	9	-	(84)
Profit on ordinary activities before taxation		12,406	7,141
Tax on profit on ordinary activities	10	(4,123)	(2,378)
Profit on ordinary activities after taxation		8,283	4,763

Statement of total recognised gains and losses

for the year ended 31 December 2006

The company has no recognised gains and losses in either the current or preceding year other than those passing through the profit and loss account


Chemtura Manufacturing (UK) Limited (formerly Great Lakes Manufacturing (UK) Limited)

Balance sheet

at 31 December 2006

		2006 £000	2005 £000
	Notes	£000	£000
Fixed assets			
Tangible assets	12	24,811	29,306
Investments	13	43,307	43,307
		<u>68,118</u>	<u>72,613</u>
Current assets			
Stocks	14	5,985	11,368
Debtors	15	99,814	173,462
Cash at bank and in hand		1,879	31,210
		<u>107,678</u>	<u>216,040</u>
Creditors: amounts falling due within one year	16	(129,327)	(129,876)
Net (liabilities)/assets		<u>(21,649)</u>	<u>86,164</u>
Total assets less current liabilities		<u>46,469</u>	<u>158,777</u>
Creditors: amounts falling due after one year	17	(123)	(137)
Provisions for liabilities and charges	18	(3,362)	(3,462)
		<u>42,984</u>	<u>155,178</u>
Capital and reserves			
Share capital	19	-	-
Share premium account	20	25,000	25,000
Capital contribution reserve	20	-	96,970
Profit and loss account	20	17,984	33,208
Total shareholders' funds - equity		<u>42,984</u>	<u>155,178</u>

Approved by the Board


Director

Reconciliation of movements in shareholder's funds

at 31 December 2006

	2006 £000	2005 £000
Profit for the year	8,283	4,763
Interim dividend (of which £96,970,000 was distributed from capital contribution reserve)	(120,477)	-
Net (reduction)/addition to shareholder's funds	(112,194)	4,763
Opening shareholder's funds	155,178	150,415
Closing shareholder's funds	42,984	155,178

Notes to the accounts (continued)

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

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 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

As the company is a wholly owned subsidiary of Great Lakes Europe Unlimited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Great Lakes Europe Unlimited, within which this company is included, can be obtained from the address given in note 25

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less the estimated residual value, by equal instalments over their estimated useful economic lives as follows

Buildings	-	Between 7 and 40 years
Plant and machinery	-	Between 3 and 14 years

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Notes to the accounts (continued)

Forming part of the financial statements

1. Accounting Policies (cont.)

Post retirement benefits

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

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 which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes.

It has been announced that the corporation tax rate applicable to the company is expected to change from 30% to 28% from 1 April 2008. The deferred tax asset/liability has been calculated at 30% in accordance with FRS19. Any timing differences which reverse before 1 April 2008 will be charged/ relieved at 30% and any timing differences which exist at 1 April 2008 will reverse at 28%. Because of the uncertainty of when the deferred tax asset/liability will reverse it is not possible to calculate the full financial impact of this change.

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.

Notes to the accounts (continued)

Forming part of the financial statements

1. Accounting Policies (cont.)

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Turnover

Turnover excludes intra-business turnover and value added taxes. The company generates revenue through sales of specialty chemicals and related services in the open market, through raw material conversion agreements and supply and development contracts. Revenue is recognised when significant risks and rewards in respect of ownership of the products are passed to the customer or when services have been rendered.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Notes to the accounts (continued)

Forming part of the financial statements

2. Turnover and segmental analysis

Turnover is attributable to one business segment, the manufacture and merchandising of speciality chemicals. Analysis of turnover by geographical market is as follows

	2006 £000	2005 £000
Continuing operations		
Europe	45,609	38,780
Americas	16,709	17,060
Discontinued operations		
Europe	4,637	12,861
Asia, Africa & Middle East	5,425	13,973
Americas	816	2,273
	<u>73,196</u>	<u>84,947</u>

3. Analysis of costs associated with discontinued operations

	2006 Continuing operations £'000	2006 Discontinued operations £'000	2006 Total £'000	2005 Continuing operations £'000	2005 Discontinued operations £'000	2005 Total £'000
Cost of sales	<u>54,972</u>	<u>7,326</u>	<u>62,298</u>	<u>45,025</u>	<u>20,555</u>	<u>65,580</u>
Net operating expenses						
Distribution costs	2,633	913	3,546	2,788	2,424	5,212
Administrative expenses	12,132	924	13,056	5,704	3,201	8,905
Exceptional restructuring costs	<u>971</u>	<u>-</u>	<u>971</u>	<u>4,503</u>	<u>5</u>	<u>4,508</u>

The exceptional restructuring costs consist of severance costs due to the rationalisation of support roles at Trafford Park as a result of the merger.

The tax effect of the exceptional restructuring costs is £291,000 (2005 £1,352,000)

Notes to the accounts (continued)

Forming part of the financial statements

4. Operating Profit

This is stated after charging	2006 £000	2005 £000
Auditors' remuneration - audit services	27	44
- non-audit services	16	43
Depreciation of owned fixed assets	3,134	3,137
Impairment of fixed assets	3,312	-
Research and development costs	1,230	1,828
Operating lease rentals – plant and machinery	456	468
Exceptional restructuring costs	971	4,508

5. Profit on disposal of business unit

The Industrial Water Treatment business was sold as a going concern in May 2006 as detailed below

	2006 £000
Assets sold	
- Inventory	3,867
- Fixed assets	386
- Receivables	3,399
Other expenses	54
Profit on disposal	14,091
Cash	21,797

6. Directors' emoluments

The emoluments of directors of the company are as stated below

	2006 £000	2005 £000
Emoluments	101	1,067

No No

Members of group defined benefit pension schemes	1	2
--	---	---

The emoluments of the highest paid director of the company are as stated below

	2006 £000	2005 £000
Emoluments	101	698

The emoluments in 2005 includes £723,000 compensation for both removal from office and changes resulting from the merger

Notes to the accounts (continued)

Forming part of the financial statements

7. Staff costs

	2006	2005
	£000	£000
Wages and salaries	7,568	9,149
Social security costs	782	866
Other pension costs	4,385	2,339
	<u>12,735</u>	<u>12,354</u>

The average monthly number of employees during the year was as follows

	2006	2005
	No	No
Administration	96	127
Manufacturing	111	120
	<u>207</u>	<u>247</u>

8. Interest receivable and similar income

	2006	2005
	£000	£000
Bank interest receivable	2	9
Group undertakings	4,988	6,425
Other interest income	-	49
	<u>4,990</u>	<u>6,483</u>

9. Interest payable and similar charges

	2006	2005
	£000	£000
Group undertakings	-	75
Other interest payable	-	9
	<u>-</u>	<u>84</u>

Notes to the accounts (continued)

Forming part of the financial statements

10. Tax on profit on ordinary activities

	2006	2005
	£000	£000
(a) Analysis of charge in period		
<i>Current tax</i>		
UK Corporation tax on profits of the period	4,584	1,389
Adjustments in respect of previous periods	76	(1,725)
<i>Total current tax (note 10b)</i>	<u>4,660</u>	<u>(336)</u>
<i>Deferred tax</i>		
Origination & reversal of timing differences (note 18)	(537)	1,085
Adjustments in respect of previous periods	-	1,629
<i>Tax on profit on ordinary activities</i>	<u>4,123</u>	<u>2,378</u>

(b) Factors affecting tax charge for period

The tax assessment for the period differs from the standard rate of corporation tax in the UK (30%) (2005 30%) The differences are explained below

	2006	2005
	£000	£000
Profit on ordinary activities before tax	12,406	7,141
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	<u>3,722</u>	<u>2,142</u>
Effects of		
Disallowable expenses	335	88
Capital allowances in (excess of)/less than depreciation	527	(841)
Adjustments to tax charge in respect of previous periods	76	(1,725)
Other timing differences	-	-
<i>Total current tax (note 10a)</i>	<u>4,660</u>	<u>(336)</u>

11. Dividends paid

The aggregate amount of dividends comprises

	2006	2005
	£000	£000
Interim dividends paid in respect of the current year		
From earnings	23,507	-
From Capital Contribution Reserve	96,970	-
	<u>120,477</u>	<u>-</u>

Notes to the accounts (continued)

Forming part of the financial statements

12. Tangible fixed assets

	<i>Freehold land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Total £000</i>
Cost			
At 1 January 2006	5,891	56,642	62,533
Additions		2,383	2,383
Disposals	-	(647)	(647)
At 31 December 2006	5,891	58,378	64,269
Depreciation			
At 1 January 2006	1,235	31,992	33,227
Charge for the year	130	3,004	3,134
Impairment	213	3,099	3,312
Disposals	-	(215)	(215)
At 31 December 2006	1,578	37,880	39,458
Net book value			
At 31 December 2006	4,313	20,498	24,811
At 31 December 2005	4,656	24,650	29,306

Disposals includes £386,000 assets sold as part of the sale of the Industrial Water Treatment business (see note 5)

13. Investments

	<i>Subsidiary undertakings £000</i>
Cost	
At 1 January 2006 and 31 December 2006	43,307
Amounts provided for	
At 1 January 2006 and 31 December 2006	-
Net book value	
At 31 December 2005 and 31 December 2006	43,307

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
G L Development Ltd	Cayman Islands	Ordinary shares	52.1%	Investment company

Notes to the accounts (continued)

Forming part of the financial statements

14. Stocks

	2006	2005
	£000	£000
Raw materials and consumables	2,036	1,815
Work in progress	264	119
Finished goods	3,685	9,434
	<u>5,985</u>	<u>11,368</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

15. Debtors

	2006	2005
	£000	£000
Trade debtors	605	5,442
Amounts owed by group undertakings	98,172	167,048
Prepayments and accrued income	435	382
Other	602	590
	<u>99,814</u>	<u>173,462</u>

16. Creditors: amounts falling due within one year

	2006	2005
	£000	£000
Trade creditors	5,349	7,273
Amounts owed to group undertakings	116,243	116,606
Accruals and deferred income	3,419	3,643
Corporation tax	4,083	2,208
Other tax and social security	233	146
	<u>129,327</u>	<u>129,876</u>

Notes to the accounts (continued)

Forming part of the financial statements

17. Creditors: amounts falling due after one year

	2006	2005
	£000	£000
Deferred income	123	137

18. Provisions

	Environmental Provision	Deferred Tax Provision	Total
	£000	£000	£000
At 1 January 2006	572	2,890	3,462
Provided in the year	437	(537)	(100)
At 31 December 2006	1,009	2,353	3,362

The elements of deferred taxation are set out below

	2006 Provided £000	2005 Provided £000
Capital allowances in advance of depreciation	2,394	1,291
Other timing differences	(41)	(30)
Adjustments in respect of prior periods	-	1,629
	2,353	2,890

19. Share Capital

	No	2006 £	No	2005 £
Authorised				
Ordinary shares of £1 each	100	100	100	100
	No	2006 £	No	2005 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	52	52	52	52

Notes to the accounts (continued)

Forming part of the financial statements

20. Reserves

	<i>Capital contribution reserve £000</i>	<i>Share premium £000</i>	<i>Profit and loss £000</i>	<i>Total £000</i>
At 1 January 2006	96,970	25,000	33,208	155,178
Dividend paid	(96,970)	-	(23,507)	(120,477)
Profit for the year	-	-	8,283	8,283
At 31 December 2006	-	25,000	17,984	42,984

21. Capital commitments

	<i>2006 £000</i>	<i>2005 £000</i>
Contracted, not provided	247	96

22. Other financial commitments

At 31 December 2006, the company had annual commitments under non-cancellable operating leases, none of which related to land and buildings, as set out below

	<i>2006 £000</i>	<i>2005 £000</i>
Operating leases which expire		
Within one year	25	32
In two to five years	62	59
	87	91

23. Contingent liabilities

The company is party to bank overdraft set-off arrangements with the parent and other fellow subsidiary undertakings

Contingent liabilities entered into in the ordinary course of business in respect of tender guarantees and duty deferment bonds totalled £232,505 at 31 December 2006 (2005 £475,875)

Notes to the accounts (continued)

Forming part of the financial statements

24. Pension commitments

The Company is a member of a larger group pension scheme providing benefits based on final pensionable pay. Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme. The updated FRS 17 valuation at 31 December 2006 indicates that the group scheme has a deficit of £33,851,000 (prior to adjusting for a deferred tax asset of £10,155,000) at that date.

The latest full actuarial valuation was carried out at 31 December 2003 and updated for FRS17 purposes to 2006 by a qualified independent actuary. The contribution for the year was £5,020,000 (2005 2,374,000). It has been agreed that an employer contribution rate of 10.5% of pensionable pay will apply in future years.

25. Parent undertaking and controlling party

The immediate parent undertaking is Great Lakes Europe Unlimited, a company registered in England and Wales. Copies of Great Lakes Europe Unlimited's accounts can be obtained from the registered office at Tenax Road, Trafford Park, Manchester, M17 1WT.

The ultimate parent undertaking and controlling party is Chemtura Corporation which is incorporated in the USA. The accounts of that company may be obtained from 199 Benson Road, Middlebury, Connecticut, CT 06749, USA.