

CHESTERFIELD DUCTILE GROUP LIMITED

(formerly Electric Provida Limited)

FINANCIAL STATEMENTS

31 January 2005

Company number: 4057880



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CHESTERFIELD DUCTILE GROUP LIMITED

FINANCIAL STATEMENTS

For the year ended 31 January 2005

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CHESTERFIELD DUCTILE GROUP LIMITED**COMPANY INFORMATION****31 January 2005**

| | |
|--------------------------|---|
| Company number | 4057880 |
| Directors | Mr. N. A. Green Mr. T. A. Dexter Mr. A. J. Radford Mr. P. Lohia Mr. M. K. Jalan |
| Secretary | Mr. N. A. Green |
| Registered Office | Fusion House Smeckley Wood Close Chesterfield Trading Estate CHESTERFIELD Derbyshire S41 9PZ |
| Auditors | Grant Thornton UK LLP 28 Kenwood Park Road SHEFFIELD S7 1NG |

CHESTERFIELD DUCTILE GROUP LIMITED**DIRECTORS REPORT****31 January 2005**

The directors present their report and the financial statements for the period ended 31 January 2005.

Principal activity

The company has not traded during the period.

On the 17th January 2005 the company changed its name to Chesterfield Ductile Group Limited. The company began trading on the 1st February 2005, in Ductile Iron pipework and accessories. On 31st January 2005 the fixed assets and stock were purchased from Prime Equipment Limited and Fusion Provida Limited.

Directors

| | |
|-------------------|---|
| Nr. N. A. Green | (appointed 1 st February 2005) |
| Mr. T. A. Dexter | (appointed 1 st February 2005) |
| Mr. A. J. Radford | (appointed 1 st February 2005) |
| Mr. P. Lohia | (appointed 1 st February 2005) |
| Mr. M. K. Jalan | (appointed 1 st February 2005) |
| Mr. E. Bridgstock | (resigned 1 st February 2005) |

The company's sole director during the period ending 31st January, 2005, Mr. E. Bridgstock, did not have any interest in the share capital of the company at any time in the year. Mr. E. Bridgstock is a director of the ultimate holding company, Fusion Group (Holdings) plc, and his interest in the share capital of that company is disclosed in that company's accounts.

Joint Venture

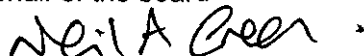
The company is a joint venture company between Fusion Group (Holdings) Plc (40%) and Electrosteel Castings Limited (60%).

Share capital

The authorised share capital was increased by 99,000 ordinary shares on the 10th January 2005.

The authorised share capital is 100,000 ordinary shares of £1 each with 100,000 of these shares being allotted.

On behalf of the board



Mr. N. A. Green
Director
4th October 2005

CHESTERFIELD DUCTILE GROUP LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standard have been followed, subject to any material departures disclosed and explained in the final statements
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the independent auditors to the members of
Chesterfield Ductile Group Limited**

We have audited the financial statements of Chesterfield Ductile Group Limited for the year ended 31 January 2005 which comprise the balance sheet and notes 1 to 7. 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 the directors and auditors.

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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 transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 of the state of the company's affairs as at 31 January 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

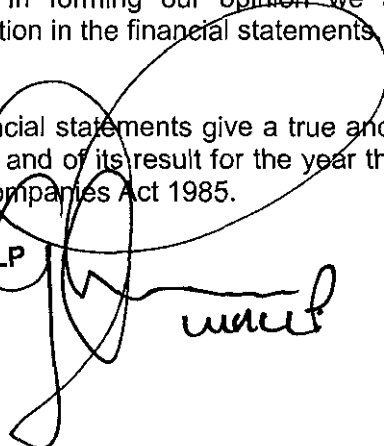
Grant Thornton UK LLP

Chartered Accountants

Registered Auditors

SHEFFIELD

4th October 2005



CHESTERFIELD DUCTILE GROUP LIMITED

BALANCE SHEET

at 31 January 2005

| | | 2005 | | 2004 | |
|--|------|-----------|-------------|------|---|
| | Note | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible Assets | 2 | | 91,380 | | - |
| Current Assets | | | | | |
| Stock | 3 | 1,295,878 | | - | |
| Other Debtors | 4 | 100,000 | | 2 | |
| | | | | | |
| Net current assets | | | 1,395,878 | | 2 |
| | | | | | |
| Total assets | | | 1,487,258 | | 2 |
| | | | | | |
| Creditors: Amounts falling due within one year | 5 | | (1,387,258) | | - |
| Total assets less current liabilities | | | 100,000 | | 2 |
| | | | | | |
| Capital and reserves | | | | | |
| | | | | | |
| Called up share capital | 7 | | 100,000 | | 2 |
| | | | | | |
| Total shareholders' funds | 6 | | 100,000 | | 2 |

The financial statements were approved by the board of directors on 4th October 2005 and signed on its behalf by:



Mr. N. A. Green
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

CHESTERFIELD DUCTILE GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 January 2005****1. Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The policies have remained unchanged from the previous year.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996).

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Operating leases

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax which have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet.

Retirement benefits**Defined contribution pension scheme**

The company makes contributions to various personal pension schemes. The pension cost charge represents amounts payable by the company to the schemes in respect of the year.

Depreciation

Depreciation is provided at rates calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, over their estimated useful lives, by equal annual instalments at the following rates:-

| | |
|--------------------------------|------------|
| Plant, machinery and equipment | 10% to 20% |
|--------------------------------|------------|

CHESTERFIELD DUCTILE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 January 2005

2. Tangible Fixed Assets

| | Plant, Machinery and Fixtures 2005 |
|-----------------------|---|
| Cost | £ |
| Additions | 91,380 |
| As at 31 January 2005 | <u>91,380</u> |
| Depreciation | |
| As at 31 January 2005 | - |
| Net Book Value | |
| As at 31 January 2005 | <u>91,380</u> |
| As at 31 January 2004 | <u>-</u> |

The additions were all incurred on 31 January 2005 and, as such, were not depreciated in the year.

3. Stock

| | 2005 | 2004 |
|---------------------------------|------------------|----------|
| | £ | £ |
| Raw materials | - | - |
| Work in progress | 228,031 | - |
| Finished goods/goods for resale | <u>1,067,847</u> | - |
| | <u>1,295,878</u> | <u>-</u> |

4. Debtors

| | 2005 | 2004 |
|---------------|----------------|----------|
| | £ | £ |
| Other Debtors | <u>100,000</u> | <u>2</u> |

CHESTERFIELD DUCTILE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 January 2005

5. Creditors: Due within one year

| | 2005 | 2004 |
|-----------------|------------------|-------------------|
| | £ | £ |
| Trade Creditors | <u>1,387,258</u> | <u> </u> |

6. Reconciliation of movements in shareholder' funds

| | 2005 | 2004 |
|-------------------------------------|----------------|----------|
| | £ | £ |
| Profit for the financial period | - | - |
| New share capital subscribed | <u>99,998</u> | <u>-</u> |
| Net addition to shareholders' funds | <u>99,998</u> | <u>-</u> |
| Opening shareholders' funds | <u>2</u> | <u>2</u> |
| Closing shareholders' funds | <u>100,000</u> | <u>2</u> |

7. Called up share capital

| | 2005 | | 2004 | |
|--|---------------------|----------------|---------------------|--------------|
| | Number of Shares | £ | Number of Shares | £ |
| Authorised | | | | |
| Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> | <u>1,000</u> | <u>1,000</u> |
| Allotted called up and fully paid | | | | |
| Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> | <u>2</u> | <u>2</u> |