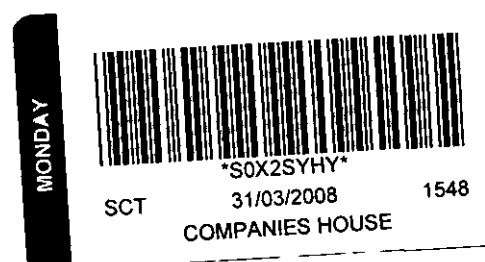


Stirling Sealants Limited
Annual report
for the year ended 31 May 2007

Registered Number 130089



Stirling Sealants Limited

Annual report for the year ended 31 May 2007

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Stirling Sealants Limited

Directors and advisors

Directors

H Cairns

A McMillan

H Turnbull

Secretary

H Turnbull

Independent auditors

PricewaterhouseCoopers LLP

Kintyre House

209 West George Street

Glasgow

G2 2LW

Solicitors

Burness

120 Bothwell Street

Glasgow

G2 7JL

Registered office

Wallace House

Whitehouse Road

Stirling

FK7 7TA

Bankers

Clydesdale Bank plc

23 South Methven Street

Perth

PH1 5PQ

Stirling Sealants Limited

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 May 2007

Principal activities

The company was previously engaged in the application of weather sealant to buildings throughout the United Kingdom. The company no longer actively trades.

Profit and loss account

The company did not trade in the year and, consequently, a profit and loss account is not disclosed.

Review of business and future developments

The company did not trade in the current year.

Dividends and transfers to reserves

The directors do not recommend payment of a dividend.

Directors

The directors of the company at 31 May 2007, all of whom were directors for the whole of the year ended on that date except where stated, are listed on page 1.

Directors' interests

As at 31 May 2007, none of the directors had any beneficial holdings in the share capital of the company. The interests of the directors in the share capital of the parent company are shown in that company's accounts.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 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 affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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, in which case there should be supporting assumptions or qualifications as necessary.

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 with the Companies Act 1985. They are

Stirling Sealants Limited

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

The directors are responsible for the maintenance and integrity of the company's website
Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the Board

A handwritten signature in black ink, appearing to be 'H Turnbull', written over a horizontal line.

H Turnbull

Director

31 March 2008

Stirling Sealants Limited

Independent auditors' report to the members of Stirling Sealants Limited

We have audited the financial statements of Stirling Sealants Limited for the year ended 31 May 2007 which comprise 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 Annual Report and 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 director's 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.

Stirling Sealants Limited

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 result 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

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Glasgow


31 March 2008

Stirling Sealants Limited

Balance sheet as at 31 May 2007

| | Note | 2007 £ | 2006 £ |
|--|------|--------------|--------------|
| Current assets | | | |
| Debtors | 5 | 3,737 | 3,737 |
| Creditors' amounts falling due within one year | 6 | (195) | (195) |
| Net assets | | 3,542 | 3,542 |
| Capital and reserves | | | |
| Called up share capital | 7 | 10,000 | 10,000 |
| Profit and loss account | 8 | (6,458) | (6,458) |
| Equity shareholders' funds | 9 | 3,542 | 3,542 |

The financial statements on pages 6 to 10 were approved by the board of directors on 31 March 2008 and were signed on its behalf by


H Turnbull
Director

Stirling Sealants Limited

Accounting policies

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Profit and loss account

The company did not trade in the year and, consequently, a profit and loss account is not disclosed.

Cash flow statement and related part disclosures

The company is a wholly owned subsidiary of Wallace Group Limited and is included in the consolidated financial statements of Wallace Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are either part of or investees of the Wallace Group Limited.

Taxation

The tax charge is composed of current tax and deferred tax. Current tax is based on the profit for the year at the current rate. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. A deferred tax asset is not recognised unless it is more likely than not that there will be sufficient future taxable profits from which the future reversal of the underlying timing difficulties can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

Stirling Sealants Limited

Notes to the financial statements for the year ended 31 May 2007

1 Directors' emoluments

None of the directors received any remuneration from the company in respect of their services to the company (2006 £ Nil)

2 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was

| By activity. | 2007 | 2006 |
|---------------------|---------------|--------|
| | Number | Number |
| Administration | 3 | 3 |

All employee costs have been borne by a fellow subsidiary undertaking

3 Result on ordinary activities before taxation

The auditors' remuneration for audit services has been borne by a fellow subsidiary undertaking

Stirling Sealants Limited

4 Tax on result on ordinary activities

There is no tax charge for the year (2006 £nil) as the company did not trade

5 Debtors

| | 2007 | 2006 |
|---------------|-------|-------|
| | £ | £ |
| Trade debtors | 3,737 | 3,737 |

6 Creditors: amounts falling due within one year

| | 2007 | 2006 |
|--|------|------|
| | £ | £ |
| Other taxation and social security payable | 195 | 195 |

7 Called up share capital

| | 2007 | 2006 |
|---|--------|--------|
| | £ | £ |
| Authorised | | |
| 50,000 ordinary shares of £1 each | 50,000 | 50,000 |
| Allotted, called up and fully paid | | |
| 10,000 ordinary shares of £1 each | 10,000 | 10,000 |

8 Profit and loss account

| | £ |
|--------------------------------|-------|
| At 1 June 2006 and 31 May 2007 | 6,458 |

Stirling Sealants Limited

9 Reconciliation of movements in shareholders' funds

| | 2007 | 2006 |
|--|--------------|--------------|
| | £ | £ |
| Opening and closing shareholders' funds | 3,542 | 3,542 |

10 Ultimate parent undertaking

The ultimate parent company and controlling party is Wallace Group Limited, a company registered in Scotland. Copies of the financial statements of Wallace Group Limited can be obtained from the Company Secretary at Wallace House, Whitehouse Road, Stirling, FK7 7TA.