Registered No 06107646

Sapa Profiles Banbury Limited

Report and Financial Statements

31 December 2008

Registered No: 06107646

Directors
S.T. Holsether
A. Couturier
P. Warton

Secretary
S. Meeuwissen-True

Auditors
Ernst & Young LLP
One Bridewell Street
Bristol
BS1 2AA

Bankers
Barclays Bank plc
128 High Street
Cheltenham
Gloucestershire
GL50 1E

Registered office
Southam Road
Banbury
OX16 2SN

Directors' report

The directors present their report and financial statements for the year ended 31 December 2008.

Results and dividends

The loss for the year, after taxation is £2,815,000 (2007: loss of £683,000)

The directors do not recommend the payment of a dividend (2007 - £nil).

Review of the business

Following the Banbury site closure announcement in October 2007 the directors focused on executing the closure plan.

The operations were wound down during 2008 with trade transferring successfully to Sapa extrusion plants in Gloucestershire and Derbyshire. The reductions in working capital during the year meant the Company remained cash positive after paying for closure costs which were within budget.

Close attention was paid to preserving customer service levels and the final press was closed in September 2008 which was in line with the original time plan. Equipment from the Banbury site was transferred to other plants within Sapa Group as a priority with the remainder being offered to the open market through a selling agent.

The process for selling the land commenced, although market conditions were not ideal following the impact of the credit crisis towards the end of the year. Nevertheless the Banbury site is in a prime location, close to the M40, and is expected to attract keen interest particularly in the event of an upturn in the market.

Once the Banbury site has been disposed of, the company has no current plans to continue trading. Accordingly the accounts have been prepared on a break up basis.

Principal risks and uncertainties

As the company is no longer actively trading, the principal risks and uncertainties relate to the disposal of the Banbury site. The directors are seeking to maximise the proceeds of disposal within a realistic timescale whilst ensuring that the company's environmental responsibilities are fully discharged.

Directors

The directors of the company at 31 December 2008 and to the date of this report are listed below:-

H.M. Gronningsaeter	resigned 3 March 2008
S.T. Holsether	
H. Ostberg	resigned 30 June 2008
P. Warton	appointed 23 October 2008
A Couturier	appointed 1 January 2009

Health and Safety at Work Act 1974

It is the company's policy that all possible steps will be taken at all times to ensure the health and safety of persons and to prevent damage to the company's property. In accordance with the Act, a comprehensive policy statement together with health and safety rules has been issued within the company to all its employees.

Disabled employees

Wherever possible it is company policy to employ disabled persons, to offer continuity of employment to employees who become disabled, and to provide career and training opportunities commensurate with their abilities.

Directors' report

Employee consultation

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping 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.

Disclosure of information to auditors

As far as the directors are aware, there is no relevant information of which the company's auditors are unaware and the directors have taken all the steps necessary to make themselves aware of any relevant audit information and convey that information to the company auditors.

In accordance with the Companies Act 1985 (Section 379A) and Section 386, a resolution to dispense with the annual appointment of auditors was made on 23 May 2007.

By order of the Board

S Meeuwissen-True
Company Secretary

Southam Road
Banbury
OX16 2SN

16 DEC 2009

Statement of directors' responsibilities in respect of the financial statements

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 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.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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.

Independent auditors' report

to the members of Sapa Profiles Banbury Limited

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein. The financial statements have been prepared under the break-up basis.

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 auditors' 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.

Responsibilities of auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and 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).

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 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 Sapa Profiles Banbury Limited (continued)

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 December 2008 and of its loss 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.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
Bristol

17 December 2009

Profit and loss account

for the year ended 31 December 2008

	Notes	*Year ended 31 December 2008 £000*	*7 ½ months ended 31 December 2007 £000*
Turnover	2	25,309	69,236
Cost of sales		(27,771)	(67,384)
Gross (loss)/profit		(2,462)	1,852
Distribution costs		(75)	(150)
Administrative expenses		(696)	(441)
Exceptional item – amortisation of negative goodwill		-	9,565
Operating (loss)/profit	3	(3,233)	10,826
Loss on termination of operations	4	-	(11,800)
Interest receivable and similar income	6	221	134
Interest payable and similar charges	7	(405)	(124)
Loss on ordinary activities before taxation		(3,417)	(964)
Taxation on loss on ordinary activities	8	602	281
Loss on ordinary activities after taxation being retained loss for the year	16	(2,815)	(683)

All of the above figures are derived from the discontinued operations of the company

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss for the year.

Balance sheet

at 31 December 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Intangible assets	9	(4,990)	(5,103)
		(4,990)	(5,103)
Current assets			
Tangible assets	10	6,642	6,798
Stocks	11	841	6,615
Debtors	12	3,664	20,556
Cash at bank and in hand		814	5,623
		11,961	39,592
Creditors: amounts falling due within one year	13	(1,698)	(19,604)
Provisions for liabilities	14	(3,540)	(10,337)
Net current assets		6,723	9,651
Total assets less current liabilities		1,733	4,548
Net assets		1,733	4,548
Capital and reserves			
Called up share capital	15	-	-
Capital reserve		5,231	5,231
Profit and loss account	16	(3,498)	(683)
Equity shareholders' funds		1,733	4,548

The financial statements on pages 7 to 18 were approved by the Board of Directors on and were signed on its behalf by:

16/12/2009

Director

Notes to the financial statements

at 31 December 2008

1. Accounting policies

Fundamental accounting concept

The accounts have been prepared on a break-up basis reflecting the closure of the site and the cessation of trade. Accordingly adjustments have been made to provide for the diminution in value of all assets so as to reduce their carrying value to their estimated realisable amount, to provide for any further liabilities which may arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies which have been consistently applied are set out below.

Turnover

Turnover represents the invoiced value of sales, net of trade discounts, excluding value added tax.

Fixed assets and depreciation

Under the break-up basis of accounting, fixed assets are stated at the lower of depreciated cost and net realisable value.

Fixed assets are depreciated on a straight line basis over their estimated useful lives at the following rates:-

Freehold property 2.5% - 4%

Freehold land is not depreciated.

Research and development

Research and development expenditure is written off to the profit and loss account as incurred.

Stocks

Stocks are stated at estimated net realisable value. Cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Deferred taxation

Provision is made for deferred taxation on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities are not discounted.

Pensions

The company operates a number of defined contribution stakeholder pension schemes.

Contributions to the schemes are charged to the profit and loss account as they become payable.

Foreign currencies

Transactions involving foreign currency which are covered by forward contracts are translated at contract rates. Other foreign currency balances are translated at the rates of exchange ruling at the balance sheet date. All differences arising on translation are taken to the profit and loss account.

Operating leases

The cost of all operating leases is charged to the profit and loss account on a straight line basis over the term of the lease.

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

Negative goodwill

Negative goodwill arising on acquisitions is recognised and separately disclosed on the face of the balance sheet. Such negative goodwill is recognised in the profit and loss account in the periods in which the non monetary assets acquired are depreciated or sold.

2. Turnover

Turnover is attributable to the manufacture, finishing and marketing of aluminium extruded products.

An analysis of the turnover by geographical market is as follows:-

	Year ended 31 December 2008	*7 ½ months ended 31 December 2007*
	£000	*£000*
United Kingdom	25,309	44,522
Europe	-	24,683
USA	-	31
	25,309	69,236

3. Operating loss

This is stated after charging/(crediting):

	Year ended 31 December 2008	*7 ½ months ended 31 December 2007*
	£000	*£000*
Depreciation of owned fixed assets	113	75
Amortisation of goodwill	(113)	(9,565)
Hire of plant and equipment	300	390
Operating lease rentals - Other	-	12

Fees paid to auditors:		
Audit fees	21	28
Other fees for non-audit services	4	15
	25	43

Notes to the financial statements

at 31 December 2008

4. Loss on termination of operations

	Year ended 31 December 2008 £000	*7 ½ months ended 31 December 2007 £000*
Loss on termination of operations comprises charges / (credits) for:		
Redundancy payments	(31)	5,612
Site clearance and environmental costs	175	2,687
Contract and lease termination costs	(124)	1,108
Inventory provisions	-	1,415
Consultancy costs	(20)	558
Retention payments	-	420
	-	11,800

5. Employees

Staff costs during the year:

	Year ended 31 December 2008 £000	*7 ½ months ended 31 December 2007 £000*
Wages and salaries	2,568	6,798
Social security costs	355	742
Pension costs	272	535
	3,195	8,075

The average number of employees was made up as follows:

	Year ended 31 December 2008 No.	*7 ½ months ended 31 December 2007 No.*
Production	81	291
Office and administration	24	51
	105	342

The services of the directors were of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the company paying their emoluments. Accordingly no emoluments were paid to the directors by the company, nor was any charge levied for their services (2007: nil)

Retirement benefits are accruing to one director (2007: one) under the company's defined benefit scheme.

Notes to the financial statements

at 31 December 2008

6. Interest receivable and similar income

	Year ended 31 December 2008 £000	*7 ½ months ended 31 December 2007 £000*
Bank interest receivable	221	134

7. Interest payable and similar charges

	Year ended 31 December 2008 £000	*7 ½ months ended 31 December 2007 £000*
On loans owed to group companies	405	124

8. Taxation

	Year ended 31 December 2008 £000	*7 ½ months ended 31 December 2007 £000*
Current tax:		
Group relief receivable	(602)	(281)
Tax on loss on ordinary activities	(602)	(281)

Notes to the financial statements

at 31 December 2008

8. Taxation (continued)

Factors affecting current tax credit for the year

The tax assessed for the year is lower than the standard higher rate of corporation tax in the UK of 28% (2007: 30%).

The differences are explained below:

	Year ended 31 December 2008 £000	*7 ½ months ended 31 December 2007 £000*
Loss on ordinary activities before taxation	(3,417)	(964)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007: 30%)	(957)	(289)
Effects of:		
Non taxable income	(137)	(2,124)
Unrelieved tax losses carried forward	1,462	1,964
Capital allowances in excess of depreciation	(442)	(545)
Other timing differences	(528)	713
Total current tax charge	(602)	(281)

Notes to the financial statements

at 31 December 2008

9. Intangible fixed assets

	Negative goodwill £000
Cost:	
As at 1 January 2008 and 31 December 2008	(14,668)
Amortisation:	
As at 1 January 2008	9,565
Credit for the year	113
As at 31 December 2008	9,678
Net book value:	
At 31 December 2008	(4,990)
At 31 December 2007	(5,103)

10. Tangible assets

Assets held for re-sale

	Freehold land and buildings £000	*Plant and machinery £000*	*Total £000*
Cost:			
At 1 January 2008 and 31 December 2008	5,623	1,250	6,873
Depreciation:			
At 1 January 2008	75	-	75
Charge for the year	113	-	113
Write down to resale value	-	43	43
At 31 December 2008	188	43	231
Net book value:			
At 31 December 2008	5,435	1,207	6,642
At 31 December 2007	5,548	1,250	6,798

Freehold land amounting to £4,139,000 has not been depreciated.

Notes to the financial statements

at 31 December 2008

11. Stocks

	2008	*2007*
	£000	*£000*
Raw materials and consumables	-	3,508
Work in progress	841	3,107
	841	6,615

12. Debtors

	2008	*2007*
	£000	*£000*
Trade debtors	1,962	17,500
Amounts owed by group undertakings	1,655	1,274
Prepayments and accrued income	47	128
Other debtors	-	1,654
	3,664	20,556

13. Creditors: amounts falling due within one year

	2008	*2007*
	£000	*£000*
Amount owed to group undertakings	507	2,688
Trade creditors	905	7,719
Loans owed to group undertakings	-	7,670
Other taxation and social security costs	15	321
Other creditors	251	230
Accruals and provisions	20	976
	1,698	19,604

Notes to the financial statements

at 31 December 2008

14. Provision for liabilities

	Redundancy and retention *£000*	*Site clearance and environmental* *£000*	*Other restructuring* *£000*	*Total* *£000*
At 1 January 2008	5,988	2,687	1,662	10,337
Charge/(credit) in the year	(31)	175	(144)	-
Utilised	(4,657)	(1,019)	(1,121)	(6,797)
At 31 December 2008	1,300	1,843	397	3,540

15. Share capital

	2008 *£000*	*2007* *£000*
Authorised:		
100 Ordinary shares of £1 each	-	-

	2008 *£000*	*2007* *£000*
Allotted, called up and fully paid:		
6 Ordinary shares of £1 each	-	-

16. Movements in equity shareholders' funds

	Share capital *£000*	*Share premium* *£000*	*Profit and loss account* *£000*	*2008 Total* *£000*	*2007 Total* *£000*
At 1 January 2008	-	5,231	(683)	4,548	5,231
Loss for the year	-	-	(2,815)	(2,815)	(683)
At 31 December 2008	-	5,231	(3,498)	1,733	4,548

Notes to the financial statements

at 31 December 2008

17. Financial commitments

The company is committed to make payments in the next year on non-cancellable operating leases for the following amounts:-

	Other 2008 £000	*Other 2007 £000*
Operating leases which expire:		
within one year	-	120
within two to five years	-	18
	-	138

18. Capital commitments

The company had no capital commitments at 31 December 2008. (2007: none).

19. Contingent liabilities

The company had no contingent liabilities at 31 December 2008. (2007: none).

20. Cash flow statement

No cash flow statement has been prepared since the company is a wholly owned subsidiary undertaking and exempt from doing so by the provisions of FRS 1.

21. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties.

Related party transactions during the year ended, and balances outstanding at, 31 December 2008 are as follows:

	Sales to related party £'000	*Purchases from related party £'000*	*Amounts owed by related party £'000*	*Amounts owed to related party £'000*
Kawneer UK Limited	5,355	1,055	1,438	257

The company was charged interest payable of £405,000 in connection with its loan with SAPA AB.

Kawneer UK Limited is a company which is part of the Alcoa group, a group to which Sapa Profiles Banbury Limited used to belong. Sapa Profiles Banbury provided Kawneer Limited with billet during the year.

Notes to the financial statements

at 31 December 2008

21. Related party transactions (continued)

Related party transactions during the period ended, and balances outstanding at, 31 December 2007 are as follows:

	Sales to related party £'000	*Purchases from related party £'000*	*Amounts owed by related party £'000*	*Amounts owed to related party £'000*
SAPA Holding AB	-	-	6	7,670
Alcoa Manufacturing G.B. Limited	134	7,767	98	1,948
Kawneer UK Limited	3,827	718	433	82
Alcoa Inversiones Espana SL	-	-	420	561
Other Alcoa subsidiaries	-	-	36	327

The company was charged interest payable of £124,000 in connection with its loan with SAPA UK Limited.

22. Parent companies

The company is a subsidiary undertaking of, and is controlled by Sapa AB, which is registered in Sweden. Throughout the year ended 31 December 2008, the ultimate parent company was Orkla ASA which is incorporated in Norway.

The largest group into which the results of the company are consolidated is that of which Orkla ASA is the parent company. The consolidated accounts of Orkla ASA may be obtained from Corporate Headquarters, P.O. Box 423 Skoyen, Oslo, Norway.

The smallest such group is that of which Sapa Holding AB is the parent company, whose consolidated accounts may be obtained from Corporate Communications, Sapa Holding AB, Box 5505, SE-114 85 Stockholm, Sweden or on the Internet at http://www.sapagroup.com.