

Registered Number: 3037845

Protim Solignum Limited

Directors' Report And Financial Statements

For The Year Ended 31 December 2008



Protim Solignum Limited

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Protim Solignum Limited

Company Information

Directors	J R Spengler P A Goydan T L Boylin I McConnell G Ewbank S Jepson
Secretary	T L Boylin
Registered Office	Fieldhouse Lane Marlow Bucks SL7 1LS
Independent auditors	Grant Thornton UK LLP Bryanston Court Selden Hill Hemel Hempstead HP2 4TN
Business Address	Fieldhouse Lane Marlow Bucks SL7 1LS
Bankers	National Westminster Bank Corporate Business Centre PO Box 2002 73A Commercial Road Swindon SN1 5LT

Protim Solignum Limited

Director's Report for the year ended 31 December 2008

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

RESULTS AND DIVIDENDS

The group's loss for the year after taxation amounted to £203,000 (2007 profit of £805,000).

The group has not paid and does not intend to propose the payment of a dividend in relation to the financial year ended 31 December 2008 (2007: £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

Protim Solignum Limited is a manufacturer of industrial timber preservation products and associated equipment.

The Group manufactures both water and solvent based chemicals, and provides support services and plant supply in both aspects of the business. The Group also undertakes research and development work in these areas.

The Group's key financial and other performance indicators are as follows:

	2008 £'000's	2007 £'000's
Revenue	16,894	20,957
Gross Profit	4,765	7,801
Gross Margin	28.2%	37.2%
Operating (loss)/profit	(705)	1,238
Operating Margin	(4.2%)	5.9%
Revenue/Average Monthly Employee	211	233

During the past year the Group saw a decline in orders as customers in the property and construction markets fell victim to the international liquidity crisis, this had the consequential result that volumes through our factories fell below acceptable levels and short of the break even point. Moving into 2009 these markets continue to be weak and are impacting on many links within the supply chain, this in turn has had the effect of maintaining upward pressure on raw material costs. As was reported last year the Group and it's customers have continued to see significant changes in the market place following the compliance with the European Biocidal Products and latterly with the new REACH legislation.

Given the foregoing factors, the Directors while disappointed with the results consider that the company has performed its best under the circumstances, and has taken action already reducing its overhead base so as to be more competitive over the coming year.

The directors expect a break even result for 2009.

PRINCIPAL RISKS AND UNCERTAINTIES

Competition

The Group is reliant on sales to both new and existing customers, which are achieved through the expansion of some market places together with market share gains. These sales are achieved in a competitive environment and often in competitive tender, they are uncertain and will be based on product, performance and price criteria.

Protim Solignum Limited

Directors' Report for the year ended 31 December 2008 (continued)

Resource

The Group is reliant on the retention and recruitment of the highest quality employees in all aspects of the business and in particular activities relating to the development, support, implementation and sales of products.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Credit risk - The Group has implemented policies that require appropriate credit checks on customers before sales are made.

Liquidity risk - The Group currently has no requirements for debt finance but maintains sufficient funds for operations.

Interest rate cash flow risk - The Group has interest bearing assets in the form of cash balances.

RESEARCH AND DEVELOPMENT

The Group invests substantially in research and development. Research and development in the business is concentrated in new products and support services.

FUTURE DEVELOPMENTS

The Directors aim to maintain the policies that have resulted in sustained growth through recent years, the international liquidity crisis has been a barrier to our continued success, however, we believe that quality products without compromise providing good value for money will prevail and will help to maintain and build both our position and reputation going forward.

DIRECTORS

The directors of the company who served during the year and up to the date of signing the financial statements are as follows:

P A Goydan
J R Spengler
T L Boylin
I McConnell
G Ewbank
S Jepson

Protim Solignum Limited

Directors' Report for the year ended 31 December 2008 (continued)

POLITICAL AND CHARITABLE DONATIONS

No political donations were made during the year (2007: £nil). Charitable donations of £260 (2007: £1,233) were made during the year consisting of a number of small donations made to various charities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 and the group will continue in business.

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 and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EMPLOYMENT POLICIES

The Group is committed to a policy of non-discrimination in all aspects of its business. It is a policy of the Group to consider all applicants for employment or advancement on the basis of the requirements for the specific role without regard to race, natural origin, colour, religion, sex, sexual orientation, age or marital status. This policy extends to all aspects of employment including recruitment, career advancement, training and remuneration.

DISABLED EMPLOYEES

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Protim Solignum Limited

Directors' Report for the year ended 31 December 2008 (continued)

EMPLOYEE INVOLVEMENT

Employees are provided with information about the Group and its parent Group through newsletters and updates in which employees are encouraged to participate. Regular meetings are held between management and employees to allow a free flow of information and ideas. Employees are encouraged to participate directly in the success of the business and where appropriate through performance related pay schemes.

DIRECTOR'S STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

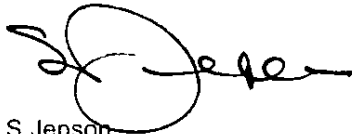
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

AUDITORS

A resolution to reappoint Grant Thornton as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



S Jepson
Commercial Director

14 April 2009

Protim Solignum Limited

Independent auditors' report to the members of Protim Solignum Limited

We have audited the group and parent company financial statements (the "financial statements") of Protim Solignum Limited for the year ended 31 December 2008 which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses and notes 1 to 21. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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 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 group's and 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.

Protim Solignum Limited

Independent auditors' report to the members of Protim Solignum 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 group's and the parent company's affairs as at 31 December 2008 and of the group's 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.

Grant Thornton UK LLP

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Hemel Hempstead

7 April 2009

Protim Solignum Limited

Consolidated Profit and Loss Account for the year ended 31 December 2008

	<i>Note</i>	2008 £'000	2007 £'000
Turnover	2	16,894	20,957
Cost of sales		(12,129)	(13,156)
Gross profit		4,765	7,801
Distribution costs		(962)	(922)
Administrative expenses		(4,508)	(5,641)
Operating (loss)/profit	3	(705)	1,238
Other interest receivable and similar income	5	544	157
Interest payable and similar charges	6	(1)	(34)
(Loss)/ profit on ordinary activities before taxation		(162)	1,361
Taxation on (loss)/profit on ordinary activities	7	(41)	(556)
Retained (loss)/profit for the year	18	(203)	805

Consolidated Statement of Total Recognised Gains and Losses

	2008 £'000	2007 £'000
(Loss)/profit for the financial year	(203)	805
Currency translation differences on foreign currency net investments (note 18)	113	9
Total gains and (losses) recognised since prior year financial statements	(90)	814

All amounts relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 12 to 24 form part of these financial statements.

Protim Solignum Limited

Consolidated Balance Sheet as at 31 December 2008

	<i>Note</i>	2008 £'000	2007 £'000
Fixed assets			
Intangible assets	8	2,102	2,470
Tangible assets	9	4,088	4,143
		6,190	6,613
Current assets			
Stocks	11	2,188	2,374
Debtors	12	4,806	4,818
Cash at bank and in hand		2,235	3,207
		9,229	10,399
Creditors - amounts falling due within one year	13	(2,240)	(3,746)
Net current assets		6,989	6,653
Total assets less current liabilities		13,179	13,266
Provisions for liabilities and charges	14	(106)	(103)
Net Assets		13,073	13,163
Capital and reserves			
Called up share capital	16	2,020	2,020
Share premium account	17	5,924	5,924
Profit and loss account	17	5,129	5,219
Total Equity Shareholders' Funds	18	13,073	13,163

Approved by the Board on 7/4/09 and signed on its behalf by:



S Jepson
Commercial Director

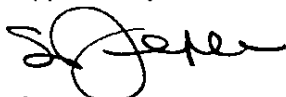
The notes on pages 12 to 24 form part of these financial statements.

Protim Solignum Limited

Company Balance Sheet as at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Intangible assets	8	2,102	2,470
Tangible assets	9	4,088	4,143
Investments	10	695	695
		6,885	7,308
Current assets			
Stocks	11	2,188	2,374
Debtors	12	3,752	4,183
Cash at bank and in hand		2,153	2,879
		8,093	9,436
Creditors - amounts falling due within one year	13	(2,229)	(3,736)
Net current assets		5,864	5,700
Total assets less current liabilities		12,749	13,008
Provisions for liabilities and charges	14	(106)	(104)
Net assets		12,643	12,904
Capital and reserves			
Called up share capital	16	2,020	2,020
Share premium account	17	5,924	5,924
Profit and loss account	17	4,699	4,960
Total Equity Shareholders' Funds	18	12,643	12,904

Approved by the Board on 7/4/09 and signed on its behalf by:



S Jepson
Commercial Director

The notes on pages 12 to 24 form part of these financial statements.

Protim Solignum Limited

Consolidated Cashflow 31 December 2008

	<i>Note</i>	2008 £'000	2007 £'000
Net cash (outflow)/ inflow from operating activities	19	(136)	1,900
Returns on investments and servicing of finance	19	215	122
Taxation paid		(335)	(459)
Capital Expenditure and financial investment		(716)	(316)
(Decrease)/Increase in cash	19	(972)	1,247

All cash flows arise as a result of continuing operations.

Reconciliation of net cashflow to movement in net funds

	2008 £'000	2007 £'000
(Decrease)/Increase in net cash	(972)	1,247
Other non-cash changes	-	684
Change in net debt resulting from cash flows	(972)	1,931
Net funds at 1 January	3,207	1,276
Net funds at 31 December	2,235	3,207

The notes on pages 12 to 24 form part of these financial statement

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

1 Accounting policies

Accounting convention

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies have been applied consistently throughout the year.

Turnover

In respect of wood preservative and other product sales, the group recognises revenue and the related cost of sales on despatch. Costs of providing services are recognised when incurred. Turnover is stated net of VAT and trade discounts.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiaries up to the year ended 31 December 2008. The basis of consolidation is acquisition accounting. As permitted by Section 230 of the Companies Act 1985 a separate profit and loss account for Protim Solignum Limited is not presented.

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 15 years on a straight line basis.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each fixed asset on a straight line basis over its expected useful life, as follows:

Land and buildings	25 years
Plant and machinery	4 - 10 years
Fixtures and fittings	2 - 5 years

Leasing (lessee)

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Leasing (lessor)

The company leases out assets under operating leases. The assets are held as fixed assets in the company's financial statements and depreciated over the term of the lease. The income from finance leases is recognised in the profit and loss account on a straight line basis over the lease term.

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

1 Accounting policies (continued)

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal.

Where access to the benefits of consignment stocks held by third parties, and exposure to the risks of ownership, lie with the company, the stock is recorded on the balance sheet.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Exchange rate differences arising from the retranslation at the closing rate of the opening net investment in overseas subsidiaries and of their results for the year are taken directly to retained profits and are reported in the statement of total recognised gains and losses.

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

1 Accounting policies (continued)

Investments

Investments in subsidiaries are recorded at cost plus incidental expense less, where appropriate, provision for impairment in value.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

2 Turnover

All of the company's turnover and profit on ordinary activities before taxation relate to the company's principal activity, namely the manufacturer of timber preservative products, carried out from the UK. Turnover by destination:

	2008 £'000	2007 £'000
UK	10,632	12,858
Europe	3,102	3,788
Rest of World	3,160	4,311
Total sales	16,894	20,957

3 Operating (loss)/profit

	2008 £'000	2007 £'000
Group operating (loss)/profit is stated after charging/(crediting):		
Amortisation of intangible assets	369	369
Depreciation of tangible assets	779	745
Operating lease rentals – Land	63	63
Operating lease rentals – Plant and machinery	130	162
Operating lease income	(286)	(311)
Foreign exchange gain on loan	45	-
Auditors' remuneration		
- Audit fee	50	50
- Non-audit services	24	35

The company's non-audit services fee relates to consolidation work performed and taxation services

4 Employee information and directors' emoluments

	2008 £'000	2007 £'000
Wages and salaries	2,385	2,238
Social security costs	309	250
Other pension costs	243	220
Staff costs	2,937	2,708

All employees relate to Protim Solignum Limited

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

4. Employee information and directors' emoluments (continued)

	2008 Number	2007 Number
Administration and selling	38	46
Production and technical	42	44
Staff costs	80	90

The directors' emoluments for services as directors during 2008 were £357,231 (2007: £346,000). Payments to the company pension fund were £50,292 (2007: £ 49,000). Emoluments paid to the highest paid director were £131,416 (2007: £157,000) for services as a director and £35,148 (2007: £35,000) for pension fund contribution to the defined contribution scheme. The number of directors receiving pension fund contributions under a defined contribution scheme was 4 (2007: 4).

5 Other interest receivable and similar income

	2008 £'000	2007 £'000
Exchange gain	327	-
Bank interest	174	109
Royalties received	43	48
	544	157

6 Interest payable and similar charges

	2008 £'000	2007 £'000
Intercompany interest	-	34
Other Interest	1	-
	1	34

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

7 Taxation

	2008 £'000	2007 £'000
Current tax:		
UK corporation tax at 28% (2007: 30%) based on the profit for the period	79	536
Adjustment in respect of prior years	13	6
Overseas tax charge	-	19
Double tax relief	-	(12)
Total current tax charge	92	549
Deferred tax:		
Timing differences, origination and reversal	(63)	9
Effect of tax rate change	12	(4)
Tax on profit on ordinary activities	41	556

The tax assessed for the period is not equal to that resulting from applying the standard rate of corporation tax in the UK: 28% (2007: 30%). The differences are explained below:

	2008 £'000	2007 £'000
(Loss)/profit on ordinary activities before tax	(162)	1,361
(Loss)/profit on ordinary activities multiplied by standard rate in the UK 28% (2007: 30%)	(46)	408
Effects of:		
Expenses not deductible for tax purposes	73	154
Capital allowances in excess of depreciation	71	(5)
Tax losses utilised in year	(1)	-
Adjustments in respect of prior years	13	(6)
Other timing differences	(8)	(2)
Profits credited at lower rate of tax	1	-
Relief for foreign tax suffered	(12)	-
Current tax charge for the period	92	549

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

8 Intangible fixed assets – Group and Company

	Total £'000
Cost	
At 1 January 2008	5,522
Cost at 31 December 2008	5,522
Amortisation	
At 1 January 2008	3,052
Charge for the year	368
At 31 December 2008	3,420
Net book value	
At 31 December 2008	2,102
At 31 December 2007	2,470

The goodwill was created on the acquisition of the UK and Irish businesses.

9 Tangible fixed assets – Group and Company

	Freehold Land and buildings £'000	Plant and machinery £'000	Fixtures and Fittings £'000	Total £'000
Cost				
At 1 January 2008	2,484	7,162	675	10,321
Additions	-	710	7	717
Disposals	(1)	(161)	(4)	(166)
At 31 December 2008	2,483	7,711	678	10,872
Depreciation				
At 1 January 2008	540	5,307	331	6,178
Charge for the year	48	621	102	771
Disposals	-	(161)	(4)	(165)
At 31 December 2008	588	5,767	429	6,784
Net book value				
At 31 December 2008	1,895	1,944	249	4,088
At 31 December 2007	1,944	1,855	344	4,143

Included in plant and machinery at cost is £4,924,501 (2007: £4,058,000) with a net book value of £1,222,785 (2007: £971,000) of assets which are leased out to customers under operating leases.

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

10 Investments - Company

Investments in subsidiary undertakings	£'000
At 1 January 2008 and 31 December 2008	<u>695</u>

The Company holds the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares and voting rights held (%)	Nature of business
Osmose Spain S.L.	Spain	Ordinary	100	Registration of patents and trademarks
Protim Solignum South Africa Pty	South Africa	Ordinary	100	Registration of patents and trademarks
Celcure Svenska AB.	Sweden	Ordinary	100	Industrial timber preservation products
Celcure Limited	England and Wales	Ordinary	100	Dormant

11 Stock

	Group 31 December 2008	Group 31 December 2007	Company 31 December 2008	Company 31 December 2007
	£'000	£'000	£'000	£'000
Raw materials and consumables	1,120	1,179	1,120	1,179
Work in progress	400	531	400	531
Finished goods for resale	668	664	668	664
	<u>2,188</u>	<u>2,374</u>	<u>2,188</u>	<u>2,374</u>

No finished goods were held as consignment stocks located at customer premises (2007: £69,000). Title to these stocks passes to the customer on the date of sale.

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

12 Debtors

	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Trade debtors	2,341	3,575	2,341	3,575
Amounts owed by group undertakings	2,130	743	1,076	380
Other debtors	335	500	335	228
	4,806	4,818	3,752	4,183

13 Creditors: amounts falling due within one year

	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Trade creditors	904	1,658	904	1,658
Amounts owed to group undertakings	307	86	307	86
Other creditors including taxation and social security	95	292	84	282
Accruals and deferred income	934	1,710	934	1,710
	2,240	3,746	2,229	3,736

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

14 Provisions for liabilities and charges

	Group and Company Warranties	Group and Company Deferred tax	Total Provisions For Liabilities and Charges
	£'000	£'000	£'000
At 1 January 2008	42	62	104
Charged to Profit and Loss	55	(53)	2
At 31 December 2008	97	9	106

Warranty

The warranty provision is to cover goods supplied under the company warranty terms. Management expects to incur these costs on an ongoing basis.

Provisions for liabilities and charges

Deferred tax

	2008 Provided £'000	2007 Provided £'000
Excess of capital allowances over depreciation	61	137
Short term timing differences	(52)	(76)
Total	9	61

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

15 Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £220,708 (2007: £219,000). There was no amount outstanding at 31 December 2008 (2007: £Nil).

16 Share capital

	31 December 2008 £	31 December 2007 £
Authorised		
ordinary shares of £1 each	5,000,000	5,000,000
Allotted, called up and fully paid		
ordinary shares of £1 each	2,020,001	2,020,001

17 Statement of movements on reserves - Group

	Share Capital Account £'000	Share Premium Account £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 January 2008	2,020	5,924	5,219	13,163
Retained loss for the year	-	-	(203)	(203)
Other recognised gains	-	-	113	113
Balance at 31 December 2008	2,020	5,924	5,129	13,073

Statement of movements on reserves - Company

	Share Capital Account £'000	Share Premium Account £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 January 2008	2,020	5,924	4,960	12,904
Retained loss for the year	-	-	(246)	(246)
Other recognised losses	-	-	(15)	(15)
Balance at 31 December 2008	2,020	5,924	4,699	12,643

Protim Solignum Limited

Notes to the financial statements

For the year ended 31 December 2008

18 Reconciliation of movements in shareholders' funds - Group

	2008 £'000	2007 £'000
Opening shareholders' funds 1 January 2008	13,163	12,349
(Loss)/profit for the financial year	(203)	805
Other recognised gains/(losses)	113	9
Closing shareholders' funds 31 December 2008	13,073	13,163

19 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2008 £'000	2007 £'000
Operating (loss)/profit	(705)	1,238
Add back depreciation	771	745
Add back amortisation	368	369
Foreign exchange gain	327	-
Decrease/ (Increase) in stock	186	(471)
Decrease in debtors	12	773
Decrease in creditors	(1,150)	(611)
Increase in provisions	55	(143)
Net cash (outflow)/inflow from operating activities	(136)	1,900

Analysis of net funds

	At 1 Jan 2008 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 Dec 2008 £'000
Cash at bank and in hand	3,207	(972)	-	2,235
	3,207	(972)	-	2,235

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Notes to the financial statements

For the year ended 31 December 2008

19 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities (continued)

Analysis of gross cash flows

	2008 £'000	2007 £'000
Interest received	216	156
Interest paid	(1)	(34)
Net cash outflow on returns on investments and servicing of finance	215	122

20 Financial commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Expiry date:				
Within one year	63	63	102	112
Between two and five years	252	252	106	128
Greater than five years	-	-	-	7
	315	315	208	247

21 Ultimate parent undertaking and related parties

The Company is a wholly owned subsidiary of Osmose Inc., a company registered in the USA, which is the immediate and ultimate parent undertaking and controlling party. Accordingly, the company has taken advantage of these exemptions from disclosure available under FRS 8 from disclosing related party transactions with entities that are part of the Osmose group.