Tessenderlo Fine Chemicals Limited

Directors' report and financial statements

Registered number 646784

31 December 2006

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Company Information

Directors

JM Groenen

BDG Stockhem

DL Van Deynse

AM Van Walleghem

DJ Poynton (resigned on 30 June 2007)

JMA Vandendriessche (appointed on 1 July 2007)

Secretary

AM Van Walleghem

Auditors

KPMG LLP

8 Princes Parade

Liverpool

L3 1QH

Registered office

Macclesfield Road

Leek

Staffordshire

ST13 8LD

Directors' report

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

Principal activities

The principal activity of the company during the year was the processing of chemicals

Results and dividends

The profit and loss account and balance sheet, together with appropriate notes, are set out on pages 8 to 21 No interim dividends have been paid *(2005 £nil)* and the Directors do not propose a final dividend *(2005 £nil)*

Business review

The business continued to develop its portfolio of blue chip customers in 2006, with continued emphasis on world-class quality and service

This strategy progressed well with both sales volumes and values increasing compared to 2005 However the strength of the US Dollar (to which the business is exposed), increasing competition in the market place, high energy cost in the first half of the year and adverse price movements on some key raw materials has continued to put pressure on margins The business has had more success in passing on raw material price rises to customers in 2006

The business implemented a cost reduction and reorganisation programme called 'Target 2007' towards the end of 2006 This program has resulted in a reorganisation of the management team and has led to a reduction of 9 people from the site Cost reductions have been targeted in a number of areas across the site The program delivered encouraging early results but the impact was too late in the year to materially affect the result As a consequence the business reported a loss in 2006

At the time of disclosure the cost savings were well ahead of target

For 2008 the principal risks to the business are any potential shortages of supply for key Raw Materials and foreign exchange risks

The Company's key performance indicators are,

	2006	2005
Volume (t's)	27,944	27,127
Value (£000's)	31,840	30,271
Av Sales Price	£1,139	£1,116
Av People	94	94

Post balance sheet event

Subsequent to the year end it has been announced that the UK corporation tax rate will decrease from 30% to 28% effective from 1 April 2008 This will reduce the deferred tax asset in future periods

Research and development

The Company advanced its research and development activities primarily in the areas of process and product development The costs of these activities during the year amounted to £272,448 (2005 £395,008)

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows

JM Groenen

BDG Stockhem

DL Van Deynse

AM Van Walleghem

DJ Poynton (resigned on 30 June 2007)

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

Employment of disabled persons

Where individuals become disabled whilst in the company's employment, every reasonable effort is made to provide opportunity for continued employment within the potential aptitude and ability of the person concerned, and to provide such facilities, including any appropriate training, as may be necessary for that purpose In dealing with applications for employment and training, career development and promotion of existing employees, efforts are made to ensure that a disabled individual's potential aptitude and ability are considered both without prejudice and as constructively as possible in relation to the opportunities available

Employee involvement

A system of departmental and works consultative committees exists at the Leek site Periodically, the company provides information regarding the financial and economic factors affecting its performance

Donations

Charitable donations of £nil were paid in the year *(2005 £nil)* No political donations were made in the year *(2005 £nil)*

Payment of suppliers

The company has a general policy to pay suppliers in accordance with the contract terms agreed with them or, in the absence of such contract terms, in accordance with the company's own standard terms of trading, provided circumstances permit this and that the supplier is also complying with all relevant terms and conditions Trade creditors at 31 December 2006 were equivalent to 46 days purchases *(2005 45 days)*

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

Directors' report *(continued)*

Auditors

KPMG LLP were re-appointed as auditors during the year and in accordance with section 384 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

By order of the board

VANDENDRIESSCHE

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 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 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 judgments 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 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

KPMG LLP

8 Prınces Parade
Lıverpool
L3 1QH
Unıted Kıngdom

Independent auditors' report to the members of Tessenderlo Fine Chemicals Limited

We have audıted the financıal statements of Tessenderlo Fıne Chemıcals Lımıted for the year ended 31 December 2006 whıch comprıse the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognısed Gaıns and Losses and the related notes These financıal statements have been prepared under the accountıng polıcıes set out thereın

Thıs report ıs made solely to the company's members, as a body, ın accordance wıth sectıon 235 of the Companıes Act 1985 Our audıt work has been undertaken so that we mıght state to the company's members those matters we are requıred to state to them ın an audıtor's report and for no other purpose To the fullest extent permıtted by law, we do not accept or assume responsıbılıty to anyone other than the company and the company's members as a body, for our audıt work, for thıs report, or for the opınıons we have formed

Respectıve responsıbılıtıes of dırectors and audıtors

The dırectors' responsıbılıtıes for preparıng the financıal statements ın accordance wıth applıcable law and UK Accountıng Standards (UK Generally Accepted Accountıng Practıce) are set out ın the Statement of Dırectors' Responsıbılıtıes on 5

Our responsıbılıty ıs to audıt the financıal statements ın accordance wıth relevant legal and regulatory requırements and Internatıonal Standards on Audıtıng (UK and Ireland)

We report to you our opınıon as to whether the financıal statements gıve a true and faır vıew and are properly prepared ın accordance wıth the Companıes Act 1985 We also report to you whether ın our opınıon the ınformatıon gıven ın the Dırectors' Report ıs consıstent wıth the financıal statements

In addıtıon we report to you ıf, ın our opınıon, the company has not kept proper accountıng records, ıf we have not receıved all the ınformatıon and explanatıons we requıre for our audıt, or ıf ınformatıon specıfied by law regardıng dırectors' remuneratıon and other transactıons ıs not dısclosed

We read the Dırectors' Report and consıder the ımplıcatıons for our report ıf we become aware of any apparent mısstatements wıthın ıt

Basıs of audıt opınıon

We conducted our audıt ın accordance wıth Internatıonal Standards on Audıtıng (UK and Ireland) ıssued by the Audıtıng Practıces Board An audıt ıncludes examınatıon, on a test basıs, of evıdence relevant to the amounts and dısclosures ın the financıal statements It also ıncludes an assessment of the sıgnıficant estımates and judgments made by the dırectors ın the preparatıon of the financıal statements, and of whether the accountıng polıcıes are approprıate to the company's cırcumstances, consıstently applıed and adequately dısclosed

We planned and performed our audıt so as to obtaın all the ınformatıon and explanatıons whıch we consıdered necessary ın order to provıde us wıth suffıcıent evıdence to gıve reasonable assurance that the financıal statements are free from materıal mısstatement, whether caused by fraud or other ırregularıty or error In formıng our opınıon we also evaluated the overall adequacy of the presentatıon of ınformatıon ın the financıal statements

Independent auditors' report to the members of Tessenderlo Fine Chemicals Limited *(continued)*

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 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

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

23rd April 2008

Profit and loss account
for the year ended 31 December 2006

	Note	2006 £000	2005 £000
Turnover	1	**31,840**	30,271
Cost of sales		**(29,203)**	(28,003)
Gross profit		**2,637**	2,268
Administrative expenses		**(1,492)**	(1,419)
Selling and distribution expenses		**(1,505)**	(1,355)
Operating loss	*2*	**(360)**	(506)
Other finance income	*3*	**46**	12
Interest payable and similar expense	*4*	**(255)**	(240)
Loss on ordinary activities before taxation		**(569)**	(734)
Taxation on loss on ordinary activities	*5*	**(118)**	127
Loss for the financial year	*15*	**(687)**	(607)

All activities of the company are continuing

Balance sheet
at 31 December 2006

	Note	**2006**	2005
		£000	£000
Fixed assets			
Intangible assets	*7*	**233**	349
Tangible assets	*8*	**12,142**	13,271
		12,375	13,620
Current assets			
Stocks	*9*	**2,391**	1,966
Debtors	*10*	**5,835**	5,975
Cash at bank and in hand		**10**	15
		8,236	7,956
Creditors amounts falling due within one year	*11*	**(6,303)**	(6,521)
Net current assets		**1,933**	1,435
Total assets less current liabilities		**14,308**	15,055
Creditors. amounts falling due after more than one year	*12*	**(5,000)**	(4,998)
Provisions for liabilities and charges	*13*	**(110)**	(147)
Net assets excluding pension liability		**9,198**	9,910
Pension asset/(liability)	*18*	**207**	(438)
Net assets including pension liability		**9,405**	9,472
Capital and reserves			
Called up share capital	*14*	**9,799**	9,799
Capital Redemption Reserve	*15*	**1,087**	1,087
Profit and loss account	*15*	**(1,481)**	(1,414)
Shareholders' funds		**9,405**	9,472

These financial statements were approved by the board of directors on 21/4/08 and were signed on its behalf by

VANDENDRIESSCHE

Director

Statement of total recognised gains and losses
for the year ended 31 December 2006

	2006	2005
	£000	£000
Loss for the financial year	**(687)**	(607)
Actuarial gain/(loss) recognised in the pension scheme	**855**	307
Deferred tax on actuarial gain/(loss) in pension scheme	**(235)**	(92)
Total recognised gains and losses relating to the financial year	**(67)**	(392)

Notes

(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

Basis of preparation

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

Foreign currencies

Transactions denominated in foreign currencies occurring during the course of the year are translated into sterling at the exchange rates prevailing at the dates of those transactions

Foreign currency assets and liabilities have been translated into sterling at the market rates at the balance sheet date All translation differences are dealt with through the profit and loss account

Goodwill

The net assets of business acquired are incorporated in the financial statements at their fair values after making appropriate adjustments to reflect the alignment of accounting policies where the accounting policies of acquired businesses would otherwise be inconsistent with those of the Company Goodwill on acquisition, being the excess of the fair value of consideration paid over the fair value of the net assets acquired, is capitalised in the balance sheet and amortised over its useful life, which is generally estimated to be 10 years Goodwill balances are reviewed annually for impairment based on the net present value of expected future cash flows arising from the purchased trade and assets

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost, less accumulated depreciation Depreciation is calculated on a straight line basis so as to write-off the cost of the various assets over the period of their expected useful economic lives, as follows

Freehold buildings	-	10 - 20 years
Plant and machinery, fixtures and fittings, and tools and equipment	-	5 - 15 years

No depreciation is provided on freehold land or capital work in progress

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

Stock valuation

Stocks are stated at the lower of cost and net realisable value Overheads are absorbed into the cost of finished goods and work in progress based on product specific production costs

Research and development

Research and development expenditure is written off in the year in which it is incurred

Operating leases

Operating lease rentals are charged against profits as incurred over the lease term

Notes *(continued)*

1 Accounting policies *(continued)*

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

Post-retirement benefits

The company operates a pension scheme providing benefits based on final pensionable pay The assets of the scheme are held separately from those of the Company

Pension scheme assets are measured using market values Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) 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 publishes consolidated financial statements

Notes *(continued)*

1 Accounting policies *(continued)*

Related party transactions

As a wholly owned subsidiary, the company has taken advantage of the exemption afforded by Financial Reporting Standard 8 not to disclose related party transactions with other members of the Tessenderlo Chemie NV group No director during the period has been materially interested in any contract with the company

Turnover

Turnover represents amounts invoiced to third parties and other Tessenderlo group companies, net of value added tax, arising from the sale of chemicals and related products

2 Operating loss

Operating loss is stated after charging/(crediting) the following amounts:	**2006**	2005
	£000	£000
Operating lease rentals – plant and machinery	**111**	125
Goodwill amortisation	**116**	117
Depreciation on owned assets	**1,610**	1,367
Auditors' remuneration		
- audit services	**28**	16
- other services relating to taxation	**7**	3
Research and development expenditure	**272**	395

3 Other finance income

	2006	2005
	£000	£000
Expected return on pension scheme assets	**324**	256
Interest on pension scheme liabilities	**(278)**	(244)
	46	12

4 Interest payable

	2006	2005
	£000	£000
Interest payable to group undertaking	**360**	272
Cost of forward contracts and currency options	**88**	-
Foreign exchange gain	**(193)**	(32)
	255	240

Notes *(continued)*

5 Taxation on loss on ordinary activities

	2006 £000	2005 £000
UK Corporation tax:		
UK Corporation tax charge/(credit) on loss for the year	**363**	253
Adjustment in respect of prior years	**(10)**	399
Total current tax	**353**	652
UK deferred tax		
Origination and reversal of timing differences	**(235)**	(375)
Adjustment in respect of prior years	**-**	(404)
Total deferred tax (note 13)	**(235)**	(779)
Tax charge/(credit) on loss on ordinary activities	**118**	(127)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% The differences are explained below

	2006 £000	2005 £000
Loss on ordinary activities before tax	**(569)**	(734)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	**(171)**	(220)
Effects of		
Expenses not deductible for tax purposes	**37**	41
Depreciation in excess of capital allowances	**483**	417
Adjustment in respect of prior periods	**(10)**	399
Other timing differences	**14**	15
Total current tax	**353**	652

Notes *(continued)*

6 Directors and employee information

	2006 £000	2005 £000
Staff costs		
Wages and salaries	**2,354**	2,791
Social security costs	**253**	239
Other pension costs (note 18)	**413**	412
	3,020	3,442

The average monthly number of persons employed by the company during the year was

	2006 Number	2005 Number
By activity		
Production	**66**	66
Selling and distribution	**13**	13
Administration	**15**	15
	94	94

Directors' emoluments in the year amounted to £119,803 *(2005 £133,002)* One director is a member of the company's defined benefit pension scheme *(2005 one)*

7 Intangible fixed assets

	Goodwill £000
Cost	
At 1 January and 31 December 2006	1,167
Amortisation	
At 1 January 2005	818
Charge for the year	116
At 31 December 2006	**934**
Net book value at 31 December 2006	**233**
Net book value at 31 December 2005	349

Notes *(continued)*

8 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Capital work in progress £000	Total £000
Cost					
At beginning of year	1,184	16,603	2,275	407	20,469
Additions	-	-	-	481	481
Reclassifications	-	707	33	(740)	-
At end of year	**1,184**	**17,310**	**2,308**	**148**	**20,950**
Depreciation					
At beginning of year	137	5,318	1,743	-	7,198
Charge for the year	15	1,440	155	-	1,610
At end of year	**152**	**6,758**	**1,898**	**-**	**8,808**
Net book value					
At 31 December 2006	**1,032**	**10,552**	**410**	**148**	**12,142**
At 31 December 2005	1,047	11,285	532	407	13,271

Included within freehold land and buildings is land amounting to £500,000 *(2004 £500,000)* which is not depreciated

9 Stocks

	2006 £000	2005 £000
Raw materials and consumables	**713**	730
Work in progress	**205**	146
Finished goods and goods for resale	**1,473**	1,090
	2,391	1,966

10 Debtors

	2006 £000	2005 £000
Trade debtors	**4,924**	5,354
Amounts owed by group undertakings	**225**	142
Prepayments and accrued income	**152**	83
Other taxation and social security	**446**	396
Deferred tax asset	**88**	-
	5,835	5,975

Notes *(continued)*

11 Creditors: amounts falling due within one year

	2006 £000	2005 £000
Trade creditors	3,769	2,819
Amounts owed to group undertakings	1,739	2,680
Other taxation and social security	573	214
Other creditors and accruals	222	808
	6,303	6,521

12 Creditors: amounts falling due after more than one year

	2006 £000	2005 £000
Amounts owed to group undertakings	5,000	4,998

Analysis of debt

	2006 £000	2005 £000
Debt can be analysed as falling due		
In one year or less, or on demand	1,739	2,680
Between one and two years	1,000	1,000
Between two and five years	3,000	3,000
In five years or more	1,000	998
	6,739	7,678

13 Provisions for liabilities

	Deferred taxation £000	Restructuring provisions £000	Total £000
At the beginning of year	147	-	147
Charge to the profit and loss for the year	-	110	110
Disclaimed capital allowances	(147)	-	(147)
	-	110	110

Restructuring provision relates to redundancy payments to be paid in 2007 Redundancies were announced to all affected employees prior the year end

Notes *(continued)*

13 Provision for liabilities *(continued)*

Deferred tax	2006 £000	2005 £000
At 1 January	**147**	949
Transfer from the profit and loss account	**-**	(779)
Transfer from the statement of total recognised gains and losses	**-**	(170)
Arising on movement in pension scheme liability	**(235)**	147
	(88)	147

The above deferred tax asset as at 31 December 2006 is included within debtors (note 10)

There is an unprovided deferred tax asset of £309,000 in respect of depreciation in advance of capital allowances This has not been recognised as the directors are not sufficiently certain of future profits to assure recovery of the asset

14 Called up share capital

	2006 £000	2005 £000
Authorised		
100,000,000 Cumulative redeemable preference shares of £1 each	**100,000**	100,000
50,130,000 Ordinary shares of £1 each	**50,130**	50,130
	150,130	150,130
Allotted, called up and fully paid		
Ordinary shares of £1 each	**9,799**	9,799

15 Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total shareholder's funds £000
At 1 January 2006	9,799	1,087	(1,414)	9,472
Loss for the year	-	-	(687)	(687)
Actuarial gain recognised in the pension scheme net of deferred tax charge	-	-	620	620
At 31 December 2006	9,799	1,087	(1,481)	9,405

	2006 £000	2005 £000
Profit and loss reserve excluding pension asset/liability	**(1,688)**	(976)
Pension asset/(liability)	**207**	(438)
Profit and loss reserve including pension asset/liability	**(1,481)**	(1,414)

Notes *(continued)*

16 Capital commitments

	2006 £000	2005 £000
Contracts placed for future capital expenditure not provided in the financial statements	**4**	197

17 Operating leases – plant and machinery

	2006 £000	2005 £000
Annual commitments payable under non-cancellable operating leases expiring		
Within one year	**35**	1
Between one and five years	**177**	266
	212	267

18 Pension arrangements

The Company operates a pension scheme providing benefits based on final pensionable pay The latest full actuarial valuation was carried out at 1 February 2003 and was updated for FRS 17 purposes to 31 December 2005 and 31 December 2006 by a qualified independent actuary

The major assumptions used in this valuation were

	At 31 December 2006 (p a)	At 31 December 2005 (p a)	At 31 December 2004 (p a)
Rate of increase in salaries	**3.50%**	3 65%	4 25%
Rate of increase in pensions in payment	**3 00%**	2 50%	2 50%
Discount rate	**5 16%**	4 90%	5 25%
Inflation assumption	**3 00%**	2 65%	2 75%
Investment return	**6 82%**	6 73%	7 33%

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were

Notes *(continued)*

18 Pension arrangements *(continued)*

	31 December 2006 Long term expected rate of return (p a)	Market value £000	31 December 2005 Long term expected rate of return (p a)	Market value £000	31 December 2004 Long term expected rate of return (p a)	Market value £000
Equities	**7 36%**	**4,408**	7 10%	3,967	7 8%	2,780
Bonds	**5 16%**	**954**	4 90%	487	5 25%	216
Other - cash	**4 50%**	**180**	4 5%	117	4 5%	264
Total market value of scheme assets		**5,542**		4,571		3,260
Present value of scheme liabilities		**(5,247)**		(5,156)		(4,135)
Surplus/(Deficit) in the scheme		**295**		(585)		(875)
Deferred tax (liability) /asset		**(88)**		147		262
		207		(438)		(613)

The deferred tax asset at 31 December 2005 has not been fully recognised as the excess over accelerated capital allowances is not considered recoverable (see note 13)

Analysis of other pension costs charged in arriving at operating loss

	2006 £000	2005 £000
Operating loss		
Current service cost	**413**	412
Past service costs	**-**	-
Total operating charge	**413**	412

Other finance income	**2006 £000**	2006 £000
Interest cost on pension scheme liabilities	**(278)**	(244)
Expected return on pension scheme assets	**324**	256
Net income	**46**	12

Analysis of amount recognised in Statement of Total Recognised Gains and Losses	**2006 £000**	2006 £000
Actual return less expected return on pension scheme assets	**160**	577
Experience gains and losses arising on the scheme liabilities	**142**	(262)
Changes in assumptions underlying the present value of the scheme	**553**	(8)
Actuarial loss recognised in Statement of Total Recognised Gains and Losses	**855**	307

Notes *(continued)*

18 Pension arrangements *(continued)*

History of experience gains and losses	**2006**	2005	2004	2003	2002
Difference between expected and actual return on scheme assets					
Amount (£000)	**160**	577	49	188	(16)
Percentage of scheme assets at end of year	**2 9%**	12 6%	1 5%	7 5%	-
Experience gains and losses on scheme liabilities					
Amount (£000)	**142**	(262)	(41)	28	27
Percentage of scheme liabilities at end of year	**(2.7%)**	5 1%	1 0%	-	1 2%
Total amount recognised in Statement of Total Recognised Gains and Losses					
Amount (£000)	**855**	307	(135)	(278)	(10)
Percentage of scheme liabilities at end of year	**16.3%**	6 0%	(3 3%)	(8 5%)	-

Movement in deficit during the year ended 31 December 2006.	**2006 £000**	2005 £000
Deficit in scheme at 1 January 2006	**(585)**	(875)
Movement in year		
Current service cost	**(413)**	(412)
Contributions	**392**	383
Other financial income	**46**	12
Actuarial gain	**855**	307
Surplus/(Deficit) in scheme at 31 December 2006	**295**	(585)

19 Ultimate parent company and parent undertaking of larger group of which the company is a member

The immediate parent undertaking and controlling party is Tessenderlo Holding UK Limited, a company registered in England and Wales which in turn is a wholly owned subsidiary undertaking of the ultimate parent company and controlling party, Tessenderlo Chemie NV, which is incorporated in Belgium Copies of the Tessenderlo Chemie NV consolidated accounts may be obtained from the registered office, Rue du Trone 130, B-1050 Brussels

20 Post balance sheet event

Subsequent to the year end it has been announced that the UK corporation tax rate will decrease from 30% to 28% effective from 1 April 2008 This will reduce deferred tax asset in future periods