Company Number 244498

Mining & Chemical Products Limited

ANNUAL REPORT and FINANCIAL STATEMENTS

2008

INDEX

GENERAL INFORMATION

Board of Directors	Laurent RASKIN Christophe GAUDER
Principal Bankers	HSBC Bank plc 8 London Street Basingstoke HANTS RG21 7NU
Auditors	Baker Tilly UK Audit LLP Exchange House 446 Midsummer Boulevard Central Milton Keynes Buckinghamshire MK9 2EA
Solicitors	Lawrence Graham 190 Strand London WC2R 1JN
Registered Office	22 Melton Street LONDON NW1 2BW
Company Registration Number	244498
Website	www.mcp-group.com

DIRECTORS' REPORT

Attached to this review are the audited financial statements of Mining & Chemical Products Limited, for the year ended 31 December 2008, to be presented at the seventy-ninth Annual General Meeting of the Company, Rue de la Station 7, 1495 Tilly, Belgium on 25th June 2009.

DIRECTORS

Laurent RASKIN		
Stephen DAVENHILL	Resigned	31st December 2008
Christophe GAUDER	Appointed	1st April 2009

The present composition of the Board is as stated on page 1. No current director has any interest in the shares of the company as at the end of the year. Their interests in shares of the ultimate parent, MCP Group SA are shown in that company's financial statements.

PRINCIPAL ACTIVITIES

During the year the Company continued its activities in the refining and marketing of bismuth and other non-ferrous metals and the manufacture and marketing of fusible alloys and fine chemicals.

PRINCIPAL RISKS AND UNCERTANTIES

Market risks
The metals which form the basis of the Company's products are not quoted on any officially recognised exchanges, although there are reliable trade publications that provide indicative pricing on a regular basis for some of the metals. One aspect of the Company's strategy is to hold large strategic reserves of materials in inventory on a long term basis. Metal price movement can sometimes cause stock losses. The Company seeks to ameliorate this risk by judicious buying and average costing techniques.

Metal price fluctuations tend to be self-hedging as the Company prices much of its products on a formula basis aligned with purchase costs. Most of the metals are traded in US Dollars. Long term supply contracts are usually hedged with appropriate purchase contracts or with recourse arrangements with customers.

In times when metal prices rise dramatically, care must be taken that stock profits achieved by selling off cheaper inventories are not dissipated or even turned into stock losses in the event that prices fall before higher cost replacement stock can be sold on.

Competitive risks
A key asset for the Company is its long standing reputation as a reliable supplier of quality product, developed to meet customers' evolving requirements. Competition from substitute products or alternative processes is always present, so the Company devotes considerable time to remaining in touch with customers' development strategies.

Temporary cost competition helps the Company remain competitive, although the customers' fundamental and perennial requirements for qualification, availability and reliability afford some protection from opportunistic competitors without those key aspects to offer.

Sector risk
The deployment of Company product across several fundamental sectors moderates the risks inherent in the cyclical fortunes of any one sector.

Credit risk
No one customer accounts for more than 13% of the Company's third party revenues, although fourteen customers accounted for between 2% and 8% each, being 43% in total. These customers are mainly large multinational corporations. The Company assesses credit risk profiles with the help of established credit agencies and based on the long history of trading with its customers, which includes monitoring compliance with credit terms.

DIRECTORS' REPORT (continued)

Financial risks

Foreign currency risk management

The Company trades in three major currencies, US Dollars, Euros and Sterling, with most trading being done in Euros and Dollars. For the most part the Company operates natural hedges between purchasing and sales activities in these major trading currencies, and makes use of spot rates to buy or sell excess currency in exceptional circumstances.

Interest risk management

The Company operates a conservative borrowing strategy, with gearing (interest-bearing debt as a proportion of equity) generally within a target range of 35-50%. As a result, interest rate changes do not usually have a major effect on the results of the Company.

Employment, product and environmental impact risks

The Company's products are not of themselves hazardous, although production processes do make use of some hazardous materials and potentially hazardous operations. However, the Company devotes considerable resources (from Board level downwards, and including full-time professional health, safety, quality and environment risk managers) to providing a safe work place, to preventing any damage to the environment, and to producing products which have a negligible risk to their users.

Purchasing function

The company has seen a reduction in its profitability during 2008 due to MCP Group SA restructuring the management of the purchasing function of the various metals the company processes. The result of this restructuring is to reduce the metal price variation risk.

Economic downturn, market risk

Due to the company's diverse customer and market base the company is not generally affected by sector economic downturns. But, in common with other manufacturing businesses worldwide, the global economic downturn in the last quarter of 2008 has resulted in a disappointing end to 2008. The Directors are continually monitoring the impacts of the economic downturn on the business and making strategic plans to mitigate its effects on the business.

Going concern

The financial statements are compiled on a going concern basis. The shareholders continue to support the company to allow the group to consolidate various metal processes at the Wellingborough site. This means the company will generate a significant proportion of the group's manufacturing margin. This investment also shows that the Wellingborough site is a strong and significant part of the group's long term strategy. Based on this future commitment and investment and having reviewed the future opportunities and forecasts for the company and with committed support from MCP Group SA, the Board are of the opinion that the going concern basis of preparation is appropriate.

Cash requirements and working capital management

The Company has adequate borrowing facilities in the UK. On a long term basis the usage of available negotiated facilities has seldom exceeded 80% of the maximum agreed facility in place. Where this has happened, this has usually been for specific situations which have been unwound in relatively short periods of time.

As a significant group manufacturing site it is logical that the company will hold a significant proportion of the group's metal inventory. The level of inventory at the Wellingborough site is not only for current manufacturing requirements; it is also part of the group's strategic inventory holding. To that end there is a disproportionate burden on the company's cash resources. This burden is supported by local banking facilities via HSBC bank Plc. However, the group is in a position to support this burden direct if the need arises.

The company policy for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of the terms and to abide by the agreed terms of payment. The trade creditor payment days outstanding for the company at 31 December 2008 were 163 days (2007: 58 days).

The company's standard credit terms for its customers range from 30-60 days. Debtor days as at 31 December 2008 were 47 days (2007: 56 days).

DIRECTORS' REPORT (continued)

Capital management
The primary objective is to ensure the company maintains a capital structure that can support the business and be adjusted in the light of changing economic conditions. There have been no changes in policy during the period under review.

POST BALANCE SHEET EVENTS

Economic downturn
As a result of the Directors continually monitoring the impacts of the economic downturn on the business the strategic decision to downsize the labour force has been taken in May 2009. This decision was taken to mitigate the effects of the downturn in production volumes on the profitability of the business.

RESULTS FOR THE YEAR

The Company's Operating Profit was £1,654,000 (2007: £3,091,000). The Company did not pay any dividends during the year. No dividends in respect of 2008 are proposed.

KEY PERFORMANCE INDICATORS

Mining & Chemical Products Limited aim to increase shareholder value through growth in revenue linked to profitability, controlling costs and managing assets and liabilities. Source data is taken from the audited financial statements.

Key Performance Indicators	*Target*	2008	2007
Gross Profit (£ '000s)	*£ 6,000*	£ 4,497	£ 7,227
Gross Profit %	*14.5%*	9.0%	12.2%
Stock Holding (average days)	*120-180*	179	82
Debtor Days	*48*	47	56

The company, in common with other manufacturing companies worldwide, has seen a downward trend in its revenue. This has, in turn, reduced it's Gross Profit by 40%. Stock holding moves through a range which reflects availability of material and market risk and opportunities. However, during 2008 the company increased its strategic inventory level in a number of its core metals. The increased focus on debtors and their payment terms has resulted in debtor days returning to the targeted level.

EMPLOYEES

The Company's policy is to offer employment with long term prospects, and where economic necessity requires the cessation of products or processes, the Company will seek to redeploy employees as far as possible. The Company has a flat management structure, with only four major layers from the Boardroom to the shop floor.

As a private company, share option schemes have not been available as remuneration or motivational tools, resulting in more reliance on performance related bonuses, tied to the achievement of returns on total assets above minimum benchmarks set by shareholders

OUTLOOK

The Group, headed by MCP Group SA, continues its geographic expansion, notably in China, and looks to build on the early success enjoyed so far. There will also be further consolidation opportunities as larger corporations abandon niche markets or non-core divisions which inhabit the traditional markets served by the Group. The Group continues to develop more value added products based on its expanding activity in chemicals derived from its five main metals, and the introduction of new metals.
The Company, based in Wellingborough, is in a strong position to be in the forefront of the group's strategic plans for the future. With a strong development team the company has in the past and will continue to be a centre of excellence that other group companies can rely on for assistance. With the group striving to streamline the various worldwide business entities the emphases of the company's production will move away from metal refining and scrap treatment to the higher purity metals and fine chemicals.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

UK 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 International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 International Financial Reporting Standards (IFRS) as adopted by the European Union, 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 which 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 requirements of 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.

DISLOSURE OF INFORMATION TO AUDITORS

At the date of making this report each of the company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report 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 in order to make themselves aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

Messrs. BDO Stoy Hayward LLP resigned as company auditors in February 2009. Baker Tilly UK Audit LLP, were appointed as Auditors at that time.

This report was approved by the board of directors and authorised for issue on 25th June 2009 and it is signed on its behalf by:

Laurent Raskin
Director

INCOME STATEMENT
for the year ending 31 December 2008

	Note	2008 £'000's	2007 £'000's
Continuing Operations			
Revenue	1	50,026	59,005
Cost of Sales			
Material cost of sales		(41,994)	(48,713)
Manufacturing costs		(3,535)	(3,065)
		(45,529)	(51,778)
Gross Profit		4,497	7,227
Other income		14	13
Distribution costs		(1,087)	(1,140)
Administrative expenses		(1,383)	(2,654)
Other expenses		(67)	(41)
Depreciation and amortisation		(320)	(314)
Operating Profit	2	1,654	3,091
Finance income		10	14
Finance costs		(647)	(360)
Profit before Taxation		1,017	2,745
Income tax expense	3	(574)	(879)
Profit for the Year		443	1,866
Attributable to			
Equity shareholders		443	1,866

The notes on pages 14-21 form part of these financial statements.

BALANCE SHEET
As at 31 December 2008

	Note	2008 £'000's	2007 £'000's
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5	-	55
Property, plant and equipment	6	2,740	2,459
Investments in subsidiaries	7	-	400
		2,740	2,914
CURRENT ASSETS			
Inventories	8	29,166	15,319
Trade and other receivables	9	13,685	10,892
Cash		356	205
		43,207	26,416
TOTAL ASSETS		**45,947**	**29,330**
EQUITY AND LIABILITIES			
Equity attributable to shareholders			
Issued share capital	11	1,000	1,000
Retained earnings		11,270	10,827
Total equity		12,270	11,827
Non-current liabilities			
Long term borrowings	12	2,500	3,900
Deferred income tax liabilities	13	305	102
		2,805	4.002
Current liabilities			
Short-term borrowings	12	5,789	4,147
Trade and other payables	14	24,975	8,887
Income tax payable		108	467
		30,872	13,501
TOTAL EQUITY AND LIABILITIES		**45,947**	**29,330**

The financial statements were approved by the board of directors and authorised for issue on 25th June 2009 and they were signed on its behalf by:

Laurent Raskin
Director

The notes on pages 14-21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ending 31 December 2008

	Attributable to shareholders		
	Issued Capital £'000's	Retained Earnings £'000's	Total equity £'000's
2007 Balance at 1 January	1,000	9,361	10,361
Profit for the year	-	1,866	1,866
Total income and expense	1,000	11,227	12,227
Dividends	-	(400)	(400)
31 December 2007	1,000	10,827	11,827
2008 Profit for the year	-	443	443
Total income and expense	1,000	11,270	12,270
Dividends	-	-	-
31 December 2008	1,000	11,270	12,270

The notes on pages 14-21 form part of these financial statements.

CASH FLOW STATEMENT

For the year ending 31 December 2008

	Note	2008 £'000's	2007 £'000's
Cash flows from operating activities			
Cash flows from operating activities	15	1,365	(2,092)
Income taxes paid		(727)	(830)
Net cash flows from operating activities		**638**	**(2,922)**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(548)	(56)
Interest received		-	14
Payment to acquire financial assets		-	(400)
Proceeds from sales of financial assets		400	-
Proceeds from sale of property, plant and equipment		-	21
Net cash flows from investing activities		**(148)**	**(421)**
Cash flows from financing activities			
Proceeds from borrowing		-	4,000
Repayment of borrowing		(1,400)	(650)
Interest paid		(581)	(360)
Dividends Paid	4	-	(400)
Cash flows from financing activities		**(1,981)**	**2,590**
Net decrease in cash and cash equivalents		**(1,491)**	**(753)**
Cash and cash equivalents at 1 January		(2,542)	(1.789)
Cash and cash equivalents at 31 December	10	**(4,033)**	**(2,542)**

The notes on pages 14-21 form part of these financial statements.

ACCOUNTING POLICIES

Corporate information
Mining & Chemical Products Limited is a private limited company incorporated, registered and domiciled in England.

Convention
The Annual financial statements have been prepared in accordance with the applicable law and International Financial Reporting Standards (IFRS), as adopted for use in the European Union, and the Companies act 1985 applicable to companies reporting under IFRS.

Basis of preparation
Statement of compliance
The financial statements have been prepared on a historical cost basis and are presented in Sterling (£), with values rounded to the nearest thousand Pound (£'000's), except where the context indicates otherwise. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union. Estimates and assumptions are based on historical experience and other factors that are believed to be reasonable. These are reviewed on an ongoing basis. There were no other Standards and Interpretations in issue, but not effective, at the date of authorisation of these financial statements that the directors anticipate will have a material impact on the financial statements of the company.

Recent accounting developments
At the date of authorisation of these financial statements the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

IAS 1	Presentation of financial statements - Puttable financial instruments and obligations arising on liquidation (amendment) - published 14 February 2008
IAS 1	Presentation of financial statements (revised) - published 6 September 2008
IAS 23	Borrowing costs (revised) - published 29 March 2007
IAS 27	Consolidated and separate financial statements - Determining the cost of investment (amendment) - published 22 May 2008
IAS 27	Consolidated and separate financial statements (amendment) - published 10 January 2008
IAS 32	Financial instruments: Presentation - Puttable financial instruments and obligations arising on liquidation (amendment) - published 14 February 2008
IAS 39	Financial instruments: Recognition and measurement: Disclosure (amendment) - published 1 July 2008
IAS 39	Financial instruments: Recognition and measurement: Eligible hedged items (amendment) - published 31 July 2008
IFRS 1	First-time adoption of IFRS (amendment) - published 22 May 2008
IFRS 2	Share-based payments (amendment) - published 17 January 2008
IFRS 3	Business combinations (revised) - published 10 January 2008
IFRS 7	Financial instruments: Disclosures (amendment) - published 1 July 2008
IFRS 8	Operating segments - published November 2006
IFRIC* 12	Service concession arrangement - published 30 November 2006
IFRIC* 13	Customer loyalty programmes - published 28 June 2007
IFRIC* 14	Defined benefit assets and minimum funding requirements - published 5 July 2007
IFRIC* 15	Agreements for the construction of real estate - published 2 July 2008
IFRIC* 16	Hedges of a net investment in a foreign operation - published 3 July 2008

Improvements to IFRS's - published 22 May 2008
Reporting statement retirement benefits: Disclosure - published 22 January 2007

*International Financial Reporting Interpretations Committee

Going concern
The financial statements are prepared on a going concern basis based upon estimate future cash flows and the ongoing support from both the company's bankers and the parent company.

ACCOUNTING POLICIES (continued)

Group financial statements
The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 228 of the Companies Act 1985 as the company is a subsidiary of MCP Group SA, a company which is incorporated in the European Economic Area. The Company's results have been included in the consolidated financial statements of MCP Group SA.

Intangible assets
Customer List
Customer List is stated at cost, as at the date of acquisition less a provision for impairment. Customer List is evaluated at the time of acquisition, and, subsequently, at least annually to determine whether any impairment of the value has occurred. After an impairment test the Customer List was deemed to no longer hold any long term benefit. Therefore, the net asset remaining has been fully amortised during the year under review.

Research and development costs
Research and development costs are expensed when incurred because the expenditure does not fulfil all the requirements for capitalisation set out in International Accounting Standard 38 - Intangible Assets.

Investments
Investments in subsidiary companies are held at cost less any impairment losses. The investments in subsidiary companies were disposed of during the year under review.

Leases
The Company has no finance leases (defined as leases where substantially all the risks and benefits of ownership are assumed by the Company). Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classed as operating leases. Operating lease expenditure is written off in equal instalments over the period of the lease. Early termination costs are written off when incurred.

Foreign currency translation
Functional and presentation currency
The financial statements are presented in Sterling. The Company uses Sterling for both functional and presentational purposes. Monetary assets and liabilities in foreign currencies are translated at year-end rates and all gains and losses are taken to the income statement.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Retirement benefit obligations
The Company provides for retirement benefits by defined contribution pension schemes, the costs of which are expenses in the year to which they relate.

Inventories
Inventories are carried at the lower of cost or net realisable value. The cost of raw materials and components is the purchase cost on a weighted average basis less any appropriate net realisable value provision.
Purchases are recognised as inventory at the date the risks and rewards are transferred to the company. For purchases where invoices have not been received the inventory is treated as goods in transit.

Trade and other receivables
Trade receivables are recognised initially at fair value, less any necessary provision for uncollectible debts. Bad debts are written off once identified.

ACCOUNTING POLICIES (continued)

Trade and other payables
Trade payables are not interest bearing and are stated at their nominal value.

Cash and cash equivalents
Cash and short term deposits comprise cash in hand and at bank, deposits on call at banks and investments in money market transactions, and they are carried at nominal value.
Bank overdrafts are shown as borrowing in current liabilities, unless committed for more than twelve months from the Balance Sheet date.

Borrowings
Borrowing is accounted for at the amount of the proceeds received less transaction costs. The difference between cost and the amortised cost (using the effective interest method) is adjusted through the Income Statement, if significant, on an accruals basis.

Provisions
Provisions are made when there is present legal or constructive obligation arising from past events, where it is probable that costs will be incurred to settle the obligations, and a reliable estimate of the amount of the obligation can be made.

Property, plant and equipment
All trading property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is provided in equal annual instalments at rates designed to reduce the net book values of the assets to their estimated residual values at the end of their expected useful lives.

The maximum useful lives are estimated as follows:

Freehold buildings	25 years
Plant, fixtures and equipment	8 years
Motor vehicles	4 years
Computer equipment	3 years

Gains and losses on disposal are calculated by reference to their carrying amount and the proceeds on disposal and the result is taken to the income statement immediately. Interest costs on acquisition of property, plant and equipment is written off as incurred.

Revenue recognition
Revenue is recognised upon delivery of products or services to customers, when substantially all the risks and rewards of ownership pass to the customer, in accordance with the terms and conditions attaching to the transaction. The majority of revenue stem from the delivery of products.

Revenue is stated at the invoiced amount, net of discounts and value added, turnover or sales taxes. Interest income is recorded as it accrues.

Taxation
The charge for taxation is based primarily on the profit for the year, and is calculated using tax rates enacted at the balance sheet date. The charge for tax takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes. Deferred taxation is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Credit is taken for deferred tax assets to the extent it is probable that the asset will be recovered in the near future.

ACCOUNTING POLICIES (continued)

Impairment
The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Financial Instruments
Financial instruments include cash and bank balances, receivables, payables and borrowings. Particular recognition methods are outlined in the individual policy statements pertaining to those items.

An explanation of the company's financial instrument risk management objectives, policies and strategies are set out in the Directors' report.

Share Capital
Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

1 REVENUE

Revenues are shown according to the location of the customer.	2008 £'000's	2007 £'000's
European Union	34,058	45,708
Rest of Europe	697	810
North America	8,478	8,890
South America	1,464	1,474
Asia	5,329	2.016
Other	-	107
Total	50,026	59,005

2 OTHER REVENUES and EXPENSES

Staff costs		
Salaries, wages, bonuses and commissions	2,463	2,828
Social security costs	303	287
Terminations payments	-	803
Pension costs - defined contribution plans	57	57
Other costs	137	126
	2,960	4,101

Staff costs are allocated to cost of sales and other operating expenses as appropriate.

The average number of employees	Nº	Nº
Manufacturing and development	66	67
Sales and distribution	16	16
Administration	11	10
	93	93

Directors' remuneration		
Emoluments (one director)	302	566
Contributions to defined contribution schemes (one director)	163	32
	465	598
Highest paid director - emoluments	302	374
- pension contributions	163	7

The remaining director, during the period under review, was remunerated by another group company.

No director had any interest in the shares of the Company. The interests of the Directors in the shares of the parent company are shown in that company's annual financial statements.

	2008 £'000's	2007 £'000's
Operating profit is stated after charging:		
Amortisation of intangibles	55	28
Depreciation of property, plant and equipment	265	286
Foreign exchange differences: losses / (gains)	(864)	(63)
Research and development expenditure (expensed as incurred)	228	211
Operating lease rentals: plant and equipment	18	7
Profit/(Loss) on sale of property, plant and equipment	(2)	7
Professional Fees		
Auditors remuneration for statutory audits	25	25
Other services provided by auditors		
Tax compliance	6	-
Other	21	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2008 £'000's	2007 £'000's
3 INCOME TAX		
Current tax	371	888
Deferred tax	203	(9)
Taxes on current year results per income statement	574	879
Tax on accounting profit: average 28.5% (2007: 30%)	290	823
Expenses not deductible for tax	73	66
Other	211	(10)
Tax on current year results	574	879

The other adjustments above comprise £222,000 in respect of the withdrawal of Industrial Building Allowance and (£11,000) in respect of the change in tax rates on these balances.

4 DIVIDENDS

	2008	2007
Dividend declared and paid during the year		
Equity dividend on ordinary shares		
First interim dividend for 2008: 0p per share (2007: 40p per share)	-	400
	-	400
Dividend declared after the year end (not shown as a liability at 31 December)	nil	nil

5 INTANGIBLES

	2008 £'000's	2007 £'000's
Cost		
At 1 January	55	83
Additions	-	-
Amortisation	(55)	(28)
At 31 December	-	55

Intangibles comprise the cost of acquisition of a customer list as part of the acquisition of the business, trade and assets of a small pewter business. The useful life of this intangible was considered to be 3 years and was amortised accordingly during 2007. After an impairment test the Customer List was deemed to no longer hold any long term benefit. Therefore, the net asset remaining has been fully amortised within operating expenses in the income statement during the year under review.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land and Buildings £'000's	Plant and Equipment £'000's	Cars, computers and other £'000's	TOTAL £'000's
Cost				
At 1 January 2007	2,330	2,077	671	5,078
Additions	21	34	1	56
Disposals	-	-	(33)	(33)
At 31 January 2008	2,351	2,111	639	5,101
Additions	-	511	37	548
Disposals	-	-	(2)	(2)
At 31 December 2008	2,351	2,622	674	5,647
Depreciation				
At 1 January 2007	449	1,414	512	2,375
Charged in year	71	151	64	286
Disposals	-	-	(19)	(19)
At 1 January 2008	520	1,565	557	2,642
Charged in current year	70	153	42	265
At 31 December	590	1,718	599	2,907
Net Book Value				
At 1 January 2008	1,831	546	82	2,459
At 31 December 2008	1,761	904	75	2,740

Freehold land and buildings includes an element of cost for land of £ 580,000 which is not depreciated. The Land has been mortgaged in favour of HSBC Bank Plc. A register of the land held is available at the Company office, 1-4 Nielson Road, Finedon Road Industrial Estate, Wellingborough, Northamptonshire, NN8 4PE.
Refer to note 16 for assets pledged as security for banking facilities.

7 INVESTMENTS in SUBSIDIARIES

	2008 £'000's	2007 £'000's
Cost and Net Book Value		
At 1 January	400	-
Additions	-	400
Disposal	(400)	-
At 31 December	-	400

The share holding in both MCP France SA and MCP Iberia SA were disposed of on 1 October 2008.

Companies	Shares at Cost £'000's	Interest in Equity	Country of Incorporation	Principal Activity
MCP Iberia SA	200	100%	Spain	Agency
MCP France SA	200	100%	France	Agency
	400			

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2008 £'000's	2007 £'000's
8 INVENTORIES		
Raw materials and consumables	23,499	10,791
Work-in-progress	2,473	1,249
Goods in transit	1,564	1,706
Finished goods	1,630	1,573
	29,166	15,319

Refer to note 16 for assets pledged as security for banking facilities.

9 TRADE and OTHER RECEIVABLES

	2008	2007
Trade receivables	2,084	1,994
Amounts owed by fellow group undertakings	9,211	8,841
VAT recoverable	2,390	57
	13,685	10,892

Trade receivables are non-interest bearing with credit periods of between 30 and 120 days.
Amounts owed by fellow group undertakings are non-interest bearing and recoverable within 1 year.
Refer to note 16 for assets pledged as security for banking facilities.

There is no impairment allowance provided against amounts owed by trade receivables or by fellow group undertakings above. The analysis of amounts owed by trade debtors and by fellow group undertakings that were past due but not impaired is as follows:

			Past due but not impaired	
	Total	Neither past due nor impaired	<30 days	30-60 days
	£000's			
2008	13,685	13,324	164	197
2007	10,892	10,494	212	186

The credit quality of receivables to fellow group undertakings is assessed by information internal to MCP Group SA. There is no history of default from amounts owed by fellow group undertakings.

Debtor management
The company monitors outstanding debtors on a daily bases and employs a full time credit controller to ensure payments are received within the agreed credit terms. An external credit reference agency is used to determine the initial level of credit offered and as an ongoing monitor. Where debtors fail to meet the agreed credit term there are a number of sanctions the company can employ. These range from credit control letters to placing the debtors account on hold. For persistent defaulters trading terms are changed to pro-forma invoices. The company has seldom found it necessary to resorted to legal action to recover debts.

10 CASH AND CASH EQUIVALENTS

Cash at banks in current accounts usually earns no interest. Short-term deposits are made for varying periods between one day and one month, depending on immediate cash requirements, and these earn interest at short term rates. Cash and cash equivalents comprise the following:

	2008 £'000's	2007 £'000's
Cash at banks and in hand	356	205
Bank overdrafts	(4,389)	(2,747)
	(4,033)	(2,542)

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 ISSUED CAPITAL

The total authorised share capital as at 1 January and 31 December was one million ordinary shares of £ 1 each.

	2008		2007	
Issued and fully paid	Number	£'000's	Number	£'000's
At 1 January	1,000,000	1,000	1,000,000	1,000
Ordinary shares of £1 each				
At 31 December	1,000,000	1,000	1,000,000	1,000

12 INTEREST BEARING LOANS and BORROWING

	2008	2007
	£'000's	£'000's
Current		
Bank overdrafts (average interest rate 7½%)	4,389	2,747
Bank loans - current portion (effective rate 7½%)	1,400	1,400
	5,789	4,147
Non-current		
Bank loans (effective rate 7½%)	2,500	3,900
	2,500	3,900
	8,289	8,047

Bank Loans include the following secured loans, £550,000 and £600,000, repayable in quarterly instalments of £50,000 at interest rate of 7½% which will expire in 2011, and £2,750,000 loan repayable in quarterly instalments of £250,000 and will expire in 2011.

Refer note 16 for details of securities.

13 DEFERRED INCOME TAX

Deferred tax is calculated on all temporary differences under the liability method, using appropriate tax rates.

	2008	2007
Summary of deferred tax balances	£'000's	£'000's
Deferred tax liabilities	305	102

Deferred tax relates to accelerated depreciation allowances in excess of accounting depreciation.

At 1 January	102	111
Charged / (Released) to income statement in the year	203	(9)
At 31 December	305	102

14 TRADE PAYABLES and OTHER CREDITORS

	2008	2007
	£'000's	£'000's
Trade payables	1,554	6,699
Amounts owed to fellow group undertakings	23,333	2,097
Other payables	88	91
	24,975	8,887

Trade payables are non-interest bearing and credit terms are between immediate settlement and 30 days.
Amounts owed to fellow group undertakings are interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 CASH GENERATED FROM OPERATIONS

	2008 £'000's	2007 £'000's
Reconciliation of profit before tax with cash generated from operations.		
Profit before taxation	1,017	2,745
Net Interest Paid	637	346
	1,654	3,091
Depreciation and amortisation	320	314
Profit on disposal of property, plant and equipment	2	7
Items not involving cash flows	322	321
Increase in Inventory	(13,847)	(7,082)
Increase in Receivables	(2,140)	(5,505)
Increase in Payables	15,376	7,083
Net working capital changes	(611)	(5,504)
Cash generated from operations	1,365	(2,092)

16 CONTINGENCIES and COMMITMENTS

The company has provided a fixed charge over debtors and other debtors, uncalled capital and intellectual property and a floating charge over all other assets in respect of banking facilities with HSBC bank Plc.
The company has no capital commitments (2007: nil)

17 RELATED PARTY DISCLOSURES

	Sales made £'000's	Services bought £'000's	Purchases made £'000's	Amounts owed £'000's	Amounts due £'000's	2007 net owed £'000's
Ultimate Parent Company						
MCP Group SA				573	124	506
MCP Aramayo Ltd				1,694		24
Other Group Companies						
MCP HEK Oxide Limited			68		8	(8)
Ingal Stade GmbH (50%)			2,306		222	(135)
MCP France SA	2,424		149	225	21	165
Sidech SA	2,125		1,614	126	555	53
Sidmet SA	4,883		2,340	2,261	1,244	(17)
MCP KEK Chemicals co (Shangyu) Ltd			779	35		644
MCP Metals and Chemicals Limited				314		303
MCP Iberia SA	343	4		68		225
MCP Metals (Shenzhen) Limited			5	228	7	161
MCP (Asia) Limited	2,906		32,700	2,827	20,869	(265)
MCP HEK GmbH	15,219	3	796	437	306	2,402
MCP Metalspecialties Inc	12,922	17	576	423	(23)	2,686
				9,211	23,333	6,744

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 PARENT UNDERTAKING

The company is a wholly owned subsidiary of MCP Metals & Chemicals Limited, a company incorporated in the United Kingdom. The ultimate parent is MCP Group SA, a company incorporated in Belgium. Consolidated financial statements are prepared by MCP Group SA, being the only set of related entities for which consolidated financial statements are prepared. The published financial statements of the ultimate holding company are available from rue de la Station 7, Tilly 1495, Belgium.

19 KEY MANAGEMENT REMUNERATION

The directors are considered to be key management and their compensation is reflected in note 2.

20 FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash, loans, debtors and creditors that arise from its operations. There was no difference between the book and fair value of financial assets and liabilities at 31st December 2008 (2007: nil)

Credit risk

There are no significant concentrations of credit risk, other than to subsidiary undertakings as disclosed in note 9. The maximum credit risk exposure relating to financial assets is represented by carrying value as at the balance sheet date.

Foreign Currency risk

The company does not formally hedge its foreign currency exposure. The company is subject to foreign currency risk exposure on its non-Sterling denominated receivables and payables.

The following table demonstrates the sensitivity to a reasonably possible change in Sterling against the Euro and US Dollar exchange rates with all other variables held constant, of the company's profit before tax.

	Increase/ decrease in UK Sterling vs Euro/ US Dollar rate	Effect on profit before tax £'000's
2008		
Euro	+10%	(77.8)
	-10%	95.1
US Dollar	+10%	849.2
	-10%	(1,037.9)
2007		
Euro	+10%	(13.0)
	-10%	15.9
US Dollar	+10%	(608.0)
	-10%	743.1

Liquidity risk

The maturity profile of the company's financial liabilities is shown in note 12.

Fair value of financial assets and liabilities

There is no difference between the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 ACCOUNTING ESTIMATES and JUDGMENTS

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable, the results for which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates, assumptions and judgements that are likely to contain the greatest degree of uncertainty are summarised below.

Income taxes
In recognising income tax assets and liabilities estimates have to be made as to the likely outcome of decisions by tax authorities on transactions and events whose outcomes are uncertain and on the expected manner of realisation or settlement of deferred tax assets and liabilities.

Useful lives
Intangible assets and property, plant and equipment are expensed over their estimated useful lives. The period of actual use or economic benefit may differ from these estimated lives.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINING & CHEMICAL PRODUCTS LIMITED

We have audited the financial statements on pages 6 to 21

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.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion:

- The financial statements give a true and fair view, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, of the state of the company's affairs at 31 December 2008 and of its profit for the year then ended and 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.

Baker Tilly UK Audit LLP

Date: 2 July 2009

BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
Exchange House
446 Midsummer Boulevard
Central Milton Keynes
MK9 2EA