The Alumasc Group plc
Report and Accounts 2010

alumasc

The Alumasc Group

Alumasc is a UK based supplier of premium building and precision engineering products. In recent years, an increasing majority of the business has been focused in the area of sustainable building products which enable customers to manage energy and water use in the built environment. We believe growth rates in these businesses through the construction cycle will exceed UK industry averages.

All Alumasc businesses have strong UK market positions within their individual market niches and many are market leaders. Alumasc further develops this strong strategic positioning by offering customers quality products, service and trust. For certain chosen brands, Alumasc is actively seeking to leverage UK successes in international markets, with particular focus in the USA, Europe and the Middle East.

Alumasc fosters an entrepreneurial, achievement orientated culture whereby businesses are empowered to innovate and respond quickly to local market needs within the parameters of a cohesive group strategic and management framework. Alumasc businesses also benefit from the group's financial strength and access to capital.

In your Report and Accounts…

Overview

Strategy and Performance

Governance

Financial Statements & Company Information

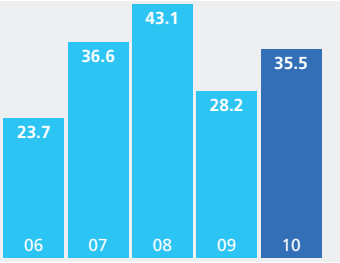
Forward-looking statements
This Report includes forward-looking statements that involve risk and uncertainties that could cause actual results to differ materially from those predicted by such forward-looking statements. These risks and uncertainties include international, national and local conditions, as well as competition. The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Financial highlights

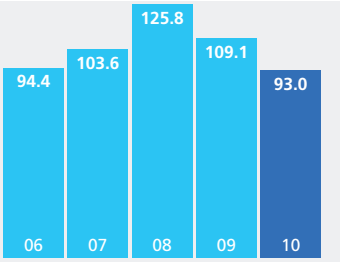
	2009/10	2008/09	% change
Order book at 30 June (£m)	**35.5**	28.2	26%
Revenue (£m)	**93.0**	109.1	–15%
Underlying profit before tax (£m)*	**4.1**	5.2	–21%
Underlying earnings per share (pence)*	**7.9**	10.0	–21%
Profit before tax (£m)	**3.4**	1.8	87%
Basic earnings per share (pence)	**6.2**	2.9	100%+
Dividends per share (pence)	**10.0**	10.0	
Net borrowings at 30 June (£m)	**9.3**	10.3	

*Underlying profits and earnings are stated prior to deducting non-recurring restructuring costs of £0.4 million (2008/09: £0.9 million), brand amortisation of £0.3 million (2008/09: £0.3 million), and impairment of assets £nil (2008/09: £2.2 million)

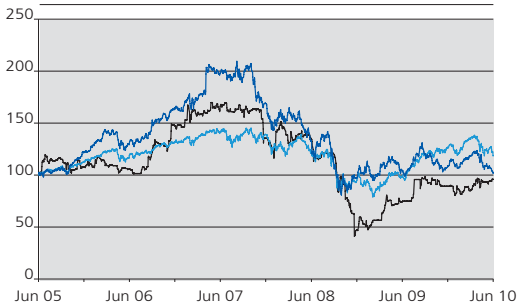
Order Book at 30 June
£m



Revenue
(continuing operations) £m

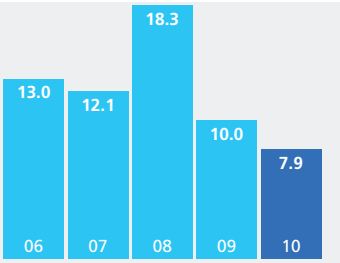


Total shareholder return

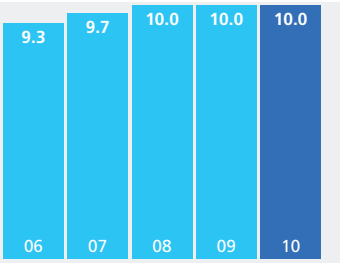


Source: Perfect Information

Underlying earnings per share
(continuing operations) pence



Dividends per share
pence



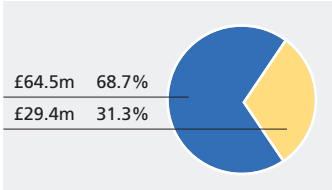
Alumasc at a glance

Around 70% of group revenues are derived from sustainable building products, where the focus is on providing solutions that enable customers to manage energy and water use within the built environment.

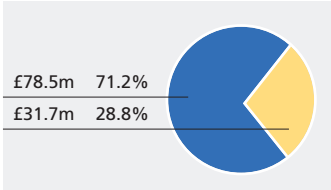
Approximately half the Building Products' division's revenues are derived from early life cycle businesses, including solar shading, green roofing and modern line drainage systems with significant further development potential in UK markets and internationally.

Divisional analysis

Revenue in 2009/10 analysed by business



Revenue in 2008/09 analysed by business



Building Products
Engineering Products

Building products
Revenue £64.5m

Energy management
Revenue £33.6m

Solar shading

Roofing & walling

Energy management products are designed either to increase the efficiency of, or to reduce energy use within, the built environment, improve the life cycle costs of a building, and in some cases improve the comfort of building occupants.

Solar shading

Green roofing

Waterproofing

Roofing services support systems

Exterior wall insulation

Water management and other
Revenue £30.9m

Construction products

Rainwater, drainage & other

Water management products promote the more efficient use, retention and recycling of water within the built environment.

External line drainage systems

Engineered access covers

Roof, shower and floor drainage systems

Rainwater and rainwater harvesting systems

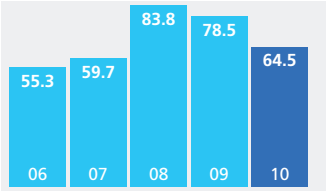
House building products

Interior casing systems

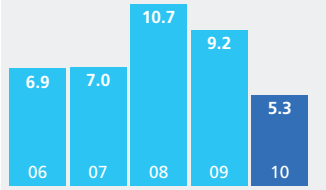
Scaffolding products

Building products
Revenue £64.5m

Revenue
£m

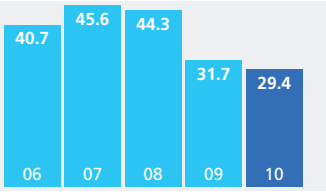


Underlying operating profit
£m

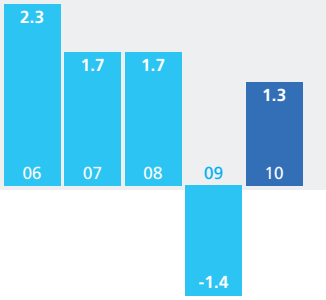


Engineering products
Revenue £29.4m

Revenue
(continuing operations) £m



Underlying operating profit
(continuing operations) £m



New market opportunities

Alumasc is actively seeking opportunities to broaden its international market reach, with focus on the USA, Europe and the Middle East.

Alumasc has invested further in sales and marketing resources to support market development in both its Solar Shading and Construction Products businesses. Market research and feedback from key specifiers, such as architects and engineers, suggest our products are innovative and offer key performance benefits relative to competitors in our chosen markets.

Engineering products
Revenue £29.4m

Premium engineering solutions

Alumasc Precision

Alumasc Precision supplies high quality, precision engineered and machined aluminium and zinc die cast components to international OEMs operating mainly in the off-highway diesel, premium automotive and industrial sectors.

Alumasc Dispense

Alumasc Dispense supplies innovative point of sale products, taps and glassware to the international drinks industry.

Chairman's Statement

Two years have passed since the collapse of Lehman Brothers in September 2008. The intervening two years have been an extraordinary period for business, particularly because the recession which followed was triggered not by an economic cycle – something with which those of us of a certain age are familiar – but by a financial crisis on a global scale, both unpredicted and unpredictable.

I suspect that Alumasc, as an industrial company, felt the impact of this recession more than most. By the most simple measure, annual revenue fell by 30% between the Autumn of 2008 and the Spring of 2010, a daunting figure for any business with high levels of service and fixed costs. Within this figure, our Engineering Division fell by an astonishing 45%, reflecting the catastrophic conditions which faced their OEM customers in world markets.

In response to these powerful external events, Alumasc took effective and frequently painful action to reduce the costs of running our businesses and to conserve cash in these difficult circumstances. As a result, the company has remained soundly profitable, maintained its dividend, and actually generated cash in the most recent year.

I would like particularly to thank our employees, who have appreciated the challenges facing their businesses and have responded most positively.

Alumasc is not the same company it was before this recession. It is a stronger company. In addition to the lower cost base, customer relationships have been strengthened, management has been enhanced, and internal controls and systems have been developed in anticipation of an expanding and prosperous future. The migration to activities with greater added value continues.

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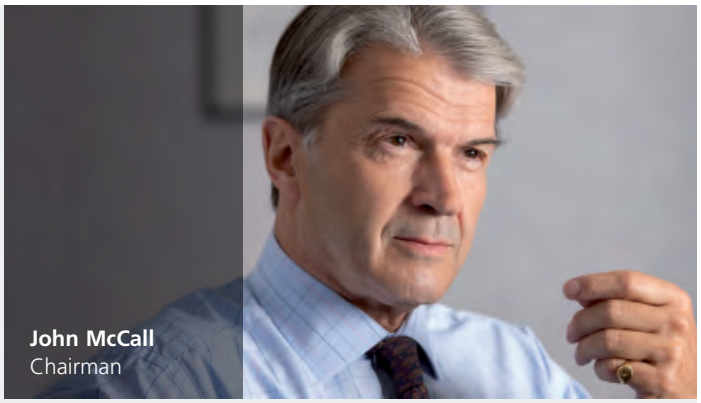

John McCall
Chairman

Development

We have continued to develop the business and we believe our specific focus on sustainable building products and the heightened activity in introducing selected product groups to overseas markets should aid our own recovery.

The steady rise in order books in recent months has continued into the new financial year. In the light of the improving outlook and the company's robust performance, the Board is recommending an unchanged final dividend.

Have our markets been impaired? It is too early to speak with certainty but we believe not. Our industrial customers have overwhelmingly proved themselves to be winners in adversity and have ambitious future plans for their own products. The position with regard to the UK building industry is more complex. While there are signs of recovery in the commercial and private housing sectors, the public sector is undergoing much publicised reviews with reductions likely. There will most likely be several paths to recovery in different sectors. Our specific focus on sustainable building products should aid our own recovery.

In addition to being proactive in managing the downturn, we have continued to develop the business with a number of initiatives which we believe will augment the underlying recovery in our markets. Foremost among these is the heightened activity in introducing selected product groups to overseas markets. These exciting developments are covered more fully in the Chief Executive's Operating Review.

Turning to the specifics of the past year, its shape overall was as we anticipated: a strong recovery in our early cycle engineering business, contrasted with a further decline in the late cycle UK commercial building sector, which was exacerbated by the severe winter. It is true to say that both these "events" exceeded our expectations at the start of the year, and the return to profitability by our engineering business was an outstanding achievement. On balance, however, the declines experienced in our higher margin areas resulted in a lower profit overall for the year than was anticipated at the outset.

The most important and visible leading indicators for our businesses are their order intake and the level of their order books. There has been a steady rise in these in recent months, which has continued into the new financial year. In the light of the improving outlook and the company's robust performance, the Board is recommending an unchanged final dividend.

John McCall
Chairman

Business Review
Chief Executive's Operating Review

Performance Overview

	2009/10	2008/09	% Change
Revenue (£m)	**93.0**	109.1	–15
Underlying operating profit (£m)	**5.6**	6.7	–16
Operating margin (%)	***6.1***	*6.1*	
Net financing costs (£m)	**(1.5)**	(1.5)	
Underlying profit before tax (£m)	**4.1**	5.2	–21
Restructuring costs (£m)	**(0.4)**	(0.9)	
Amortisation of brands and impairment (£m)	**(0.3)**	(2.5)	
Profit before tax (£m)	**3.4**	1.8	87

Strategic development
Alumasc's strategy is to grow shareholder value through:

- The development of our sustainable Building Products business, where we believe growth rates through the construction cycle will exceed UK industry averages, with significant additional potential from further growing export sales; and
- Re-establishing value in the group's Precision Engineering business, building on its strong market positioning, technical expertise and the resurgence begun in the last eighteen months.

We believe that the group's Solar Shading, Construction Products and Precision Engineering businesses, which together represent over half of group revenues, each have the strategic potential to increase substantially in size over the medium term through a widening of their geographical presence and product ranges. We intend to grow the group's other businesses by supporting their ability to innovate and develop new product ranges, leveraging brand strength and market positions primarily in the UK market.

Steps taken in the current year to ensure that this significant growth potential is realised have been:

- Further strengthening and renewing the leadership teams in certain of our building products businesses, ensuring that the new generation of senior managers each have a proven track record of success in growing and managing larger businesses in an international environment;
- Investing further in sales and marketing resources to support international development, with particular focus on North America and the Middle East in both our Solar Shading and Construction Products businesses. Market research, and feedback from key specifiers such as architects and engineers, suggests our products are innovative and offer key performance benefits relative to competitors in those markets; and
- Consolidating and further strengthening the new management team at Alumasc Precision, leading to significant improvements in performance and quality, evidenced by the achievement of a Supplier Quality Excellence Programme ("SQEP") award from Caterpillar and new work wins from both existing and new customers.

The group's sustainable Building Products strategy
In recent years, group strategy has been to increase focus on the development of a portfolio of modern and growing sustainable Building Products businesses, with the common themes of reducing or improving the efficiency of energy and water use in the built environment and providing products that reduce the life cycle cost of buildings. In addition, where possible, Alumasc offers products either manufactured or grown from sustainable or recyclable materials, including aluminium, sustainable hard and soft woods and high quality green roofing horticulture.

In view of the increasing global "green" agenda, with the built environment believed to create around 40% of man-made CO_2 emissions, Alumasc believes its chosen areas of strategic focus should enable the achievement of growth rates through the construction cycle ahead of sector averages. This growth is already being driven by demand from both building owners and tenants, public planning policies and more stringent building regulations. However, we believe growth will increasingly be driven by simple economics as energy and clean water resources become more scarce and valuable, whilst at the same time technological advances improve the performance and efficiency of sustainable building solutions.

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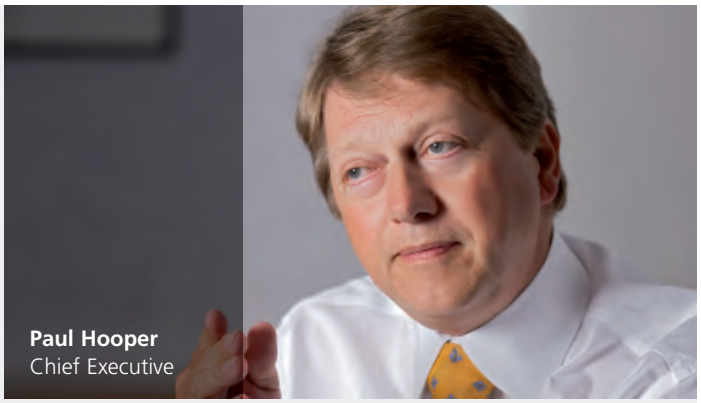
- The development of our sustainable Building Products business; and
- Re-establishing value in the group's Precision Engineering business, building on the resurgence begun in the last eighteen months.



Paul Hooper
Chief Executive

Strategic drivers for growth in sustainable building products

We believe that growth rates through the construction cycle for our sustainable building products businesses will exceed industry averages, due to the increasing "green" agenda, and simple economics as energy and water resources become more scarce and valuable.

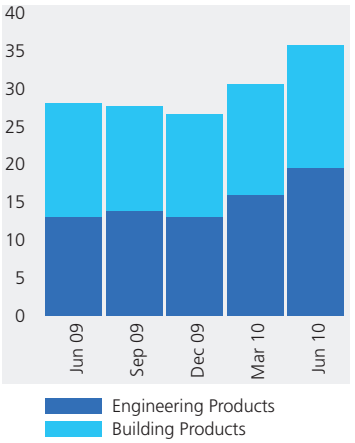
Health & Safety
The group's number one priority continues to be to provide a safe place of work for employees. It is pleasing to report a further improvement in the group's safety performance rate index (which is a measure of safety incidents relative to hours worked) to 3.7 in 2009/10 from 4.4 in 2008/09 and 9.4 two years ago. This illustrates the significant progress made in this area in recent years. Further details are given in the Corporate and Social Responsibility statement on page 20.

Performance Overview
Notwithstanding the exciting strategic potential of the group and the steps taken during the year to ensure these opportunities are realised over the medium term, the 2009/10 financial year was extremely challenging for Alumasc, with the impact of the wider economic recession on the Building Products division in particular leading to a contraction in overall group revenues by £16.1 million, or 14.8% to £93.0 million.

The effect of this on group profit was mitigated by the delivery of a further £4.3 million in fixed cost and efficiency savings across the group and a strong recovery in the performance of our Precision Engineering business during the year. The cost savings achieved exceeded internal expectations and have amounted to a substantial £8.5 million in total over the last two years, equivalent to 9% of group revenues. As a consequence overall operating margins were retained at prior year levels of 6.1% and underlying profit before tax for the year was £4.1 million (2008/09: £5.2 million). Reported profit before tax, after brand amortisation and restructuring costs, improved to £3.4 million from £1.8 million in the prior year due to lower restructuring costs and the absence of any asset impairment charges in the current year.

Cash flow performance was again strong, with the group's investment in working capital being reduced at a faster rate than the reduction in revenues, and careful control was maintained over capital expenditure. The resulting cash flow generated from operations (prior to restructuring costs) of £10.7 million was sufficient, despite the difficult trading conditions, not only to finance the group's pension funding obligations in full and pay an unchanged dividend to shareholders, but also to reduce the group's overall net borrowings by £1.0 million to £9.3 million at 30 June 2010.

Orders in hand at quarter end
£m



Business Review
Chief Executive's Operating Review

Building Products' Divisional Operating Performance

	2009/10	2008/09	% Change
Revenue (£m)	**64.5**	78.5	–18
Underlying operating profit (£m)	**5.3**	9.2	–42
Operating margin (%)	***8.3***	*11.7*	
Restructuring costs (£m)	**(0.2)**	(0.4)	
Amortisation/impairment (£m)	**(0.3)**	(0.3)	
Reported operating profit (£m)	**4.8**	8.5	–43

Building Products Division
Following the record results in a number of Building Products businesses in the financial year to June 2009, with the impact of the economic recession not observed until the final quarter of that year, we anticipated that the financial year to 30 June 2010 would be more challenging for two reasons. Firstly, the new build commercial market is the group's largest end use market segment representing 44% of divisional sales. This typically lags the more general construction cycle, evidenced by large projects that were funded prior to the credit crunch in 2008 still being completed well into the first half of 2009. Secondly, many of our products are installed towards the end of the construction of a building, including solar shading, roofing and walling products, which together represented 52% of divisional sales. The Construction Products Association estimates that commercial new build activity levels reduced by 23% in the 2009 calendar year and is forecasting a further 10% reduction during the 2010 calendar year.

Against this background, divisional revenues reduced by 17.8% to £64.5 million and underlying operating profits were £5.3 million (2008/09: £9.2 million), despite management action taken to reduce fixed costs and improve efficiency, which improved profits by £2.1 million. Whilst some seasonal improvement in activity levels was observed towards the end of the financial year, the recovery in the second half was not as fast as we had anticipated. Although divisional order books began to improve again in January, the prolonged period of cold winter weather in the UK significantly hindered work at construction sites in the third quarter of the financial year. Thereafter, in common with many companies in our peer group, the impact of consequential delays continued through to the year end, exacerbated by ongoing general economic and UK political uncertainties.

Encouragingly, divisional order books amounted to £15.9 million at 30 June 2010, some 6% ahead of June 2009 and 20% ahead of the low point in December 2009.

Energy management
The group's energy management brands were the most affected by the recession, due to the relatively high concentration of sales to the new build commercial market sector. This segment also contains all the group's solar shading, roofing and walling products, installed late in the construction cycle. Segmental revenues were 26% lower at £33.6 million which led to a reduction in underlying operating profit to £1.9 million from £6.1 million in 2008/09. In view of the significant strategic growth potential in our solar shading and green roofing businesses in particular, where order books improved in the second half of the year, positive decisions were taken to protect the key people and know-how in these businesses pending market recovery, and to continue to invest in resources to support both UK and international market penetration and development. These decisions inevitably reduced short term profitability.

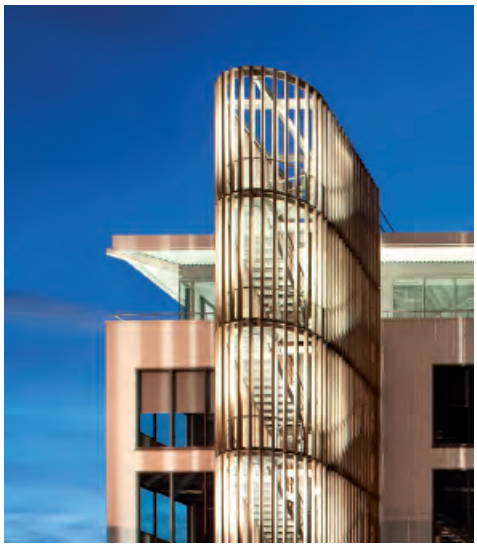
Solar shading
Levolux had a challenging year due to the general shortage of available work in the UK on high profile commercial buildings, with many larger developments either mothballed or unable to obtain funding in the period following the credit crunch two years ago. Nonetheless, Levolux showed great resilience throughout the year, remaining strongly profitable and cash generative, whilst continuing to invest in both product innovation and international development.

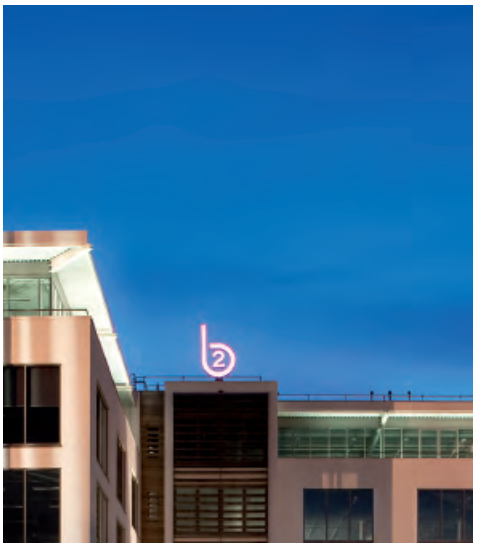
The first major solar shading project to incorporate photovoltaic cells into glass louvres was completed during the year for the Skipton Building Society, and is featured on the cover of this annual report. Work is being undertaken to enable customers to benefit from the government funded feed-in tariffs introduced in April in conjunction with such installations in future.

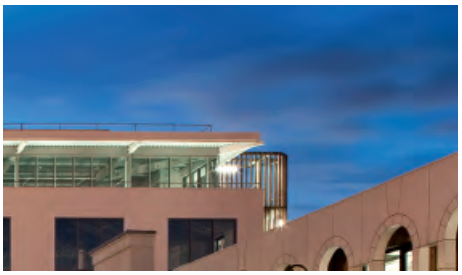
L E V

Growth potential

We believe that the group's Solar Shading, Construction Products and Precision Engineering businesses which together represent over half of group revenues, each have the strategic potential to increase substantially in size over the medium term through a widening of their geographical presence and product ranges.







LEVOLUX
DESIGNED TO CONTROL

Battersea Studios 2, whose design is a model of sustainable development and Levolux's state-of-the-art system, incorporating timber fins derived from a sustainable source, provides a highly effective method of solar shading while enhancing the building's stunning aesthetics.

The new HQ for Atkins represents a working example of eco-conscious building design, with a striking external solar shading system from Levolux. The bespoke arrangement of aluminium aerofoil fins, with an integral 'walk-on' platform, helped the building to achieve a BREEAM rating of 'Excellent'.

DESIGN

During the year, Levolux completed the first major solar shading project in the UK to incorporate photovoltaic cells into glass fins at the Skipton Building Society. This project is featured on the cover of this Annual Report, with further detail illustrated below.

OLUX

Business Review
Chief Executive's Operating Review

A light redirection system was developed and patented during the year. This system uses glass louvres as a means of refracting the natural light into buildings at the same time as providing shading, thereby reducing the costs of both artificial cooling and lighting, whilst also improving the environment for building occupiers.

In addition the Triniti® bracket has been patented and launched. This eliminates cold bridging (thereby reducing condensation), provides sound insulation and transfers loads safely back to the curtain walling structure.

A network of sales representatives has been established in North America to develop export potential. In response to the strong level of enquiries subsequently received, a North American sales director was appointed in May. The North American specification bank now stands at over US$2 million, and contracts have recently been won at a hotel in New York and a building in the Bahamas. An international sales manager has been appointed to develop opportunities in the Middle Eastern market, a move that has been rewarded with an initial order for a large office project in Dubai.

Levolux's order books improved in the second half of the year, as some major new developments (both new build and fit-out) are starting to be funded once again, particularly in the London area. Orders have been received for a new building at Chiswick Park in West London and the Media Centre for the London Olympics.

Roofing & walling

The group's premium roofing brands performed resiliently when measured against the overall market contraction for commercial new build work. Gross margins were robust despite increasingly strong competition for work, albeit operating margins were affected by the lower volumes.

The MR exterior wall insulation brand benefited from a high proportion of sales made into the social housing refurbishment sector, where the Decent Homes Initiative continued to underpin demand, with the Community Energy Savings Plan opening up new opportunities moving into the new financial year.

Alumasc has invested in the senior management team to further strengthen this portfolio of brands, leveraging this by increased investment in sales, marketing and technical resources to communicate and differentiate our offering more effectively. The Firestone commercial single-ply waterproofing brand was added to strengthen the portfolio at the half year stage and initial progress has been encouraging, including a major project win for Caterpillar in Leicester, just prior to the year end.

Water management & other

The group's water management and other brands have shown a greater degree of stability through the recession, with a higher proportion of sales made to the infrastructure and refurbishment end use markets, which have proven to be relatively resilient. Moreover, the last twelve months have seen a welcome partial recovery in the new house building market, following a very difficult prior year. In the year to 30 June 2010, segmental revenues were just 6% lower than in the prior year at £30.9 million. After cost and efficiency savings of £0.7 million, underlying operating profit improved by 10% to £3.4 million, compared with £3.1 million in 2008/09.

Innovative approach

Alumasc empowers its businesses and management teams to innovate and be entrepreneurial. Developments in the year have included solar shading systems incorporating photovoltaic cells, the patenting of a light re-direction system and, illustrated below, the introduction of Gatic Slotdrain into the North American market and launch of a new advanced range of Harmer shower drain products.

©James Mooney

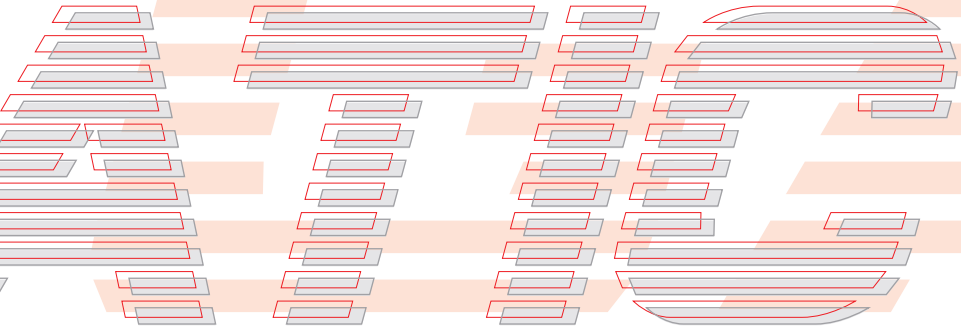
ELKINGTON GATIC

HARMER

Commission sales representatives have been put in place to develop export sales potential for Gatic Slotdrain in the USA. An initial high profile order was won at Minuit Plaza in New York, which overlooks the Statue of Liberty.

Gatic Slotdrain is a modern line drainage system that is lightweight and easy to install. Software is available on the website www.slotdrain.com that allows engineers to reduce significantly the time needed to design and specify a Gatic Slotdrain drainage system.

ELKINGTON



The Harmer drainage range was enhanced during the year by new technically advanced shower drain products that are available either in aluminium or an anti-microbial plastic.

Business Review
Chief Executive's Operating Review

Engineering Products' Divisional Operating Performance

£m	**2009/10**	2008/09	% Change
Revenue	**29.4**	31.7	–7
Underlying operating profit/(loss)	**1.3**	(1.4)	100+
Restructuring costs	**(0.1)**	(0.6)	
Impairment charges	**–**	(2.1)	
Reported operating profit/(loss)	**1.2**	(4.1)	100+

Construction products
The group's Construction Products brands benefited from record sales volumes of Gatic access covers, buoyed by robust infrastructure markets both in the UK and internationally. Gatic Slotdrain benefited from improved export sales in Europe and, after experiencing some softness in UK demand earlier in the financial year caused by weak industrial and commercial markets, showed encouraging signs of recovery towards the end of the year.

Commission sales representatives were put in place to develop export sales potential for Gatic Slotdrain in the USA, with a particular initial focus on the airport sector. Arrangements are also in place to have Slotdrain manufactured in the USA. Recently, an initial high profile order for Gatic Slotdrain was won at Minuit Plaza in New York (pictured on the previous page).

Rainwater, drainage & other building products
The group's rainwater, drainage and other brands delivered improved performances, benefiting from robust refurbishment sector activity and some recovery in new house building demand. Towards the end of the year Alumasc rainwater products regained their preferred supplier status with Wolseley, and the Harmer drainage range was boosted by a new technically advanced range of shower drain products available either in aluminium or anti-microbial plastic. Pendock had an improved year benefiting from becoming the first UK supplier in the UK pre-formed plywood casings market to achieve Forest Stewardship Council accreditation for its products. Timloc also recovered strongly, helped by an improved house building market, but also benefiting from the wider product range and distribution channels developed over the last few years, which have enabled growth in market share.

Engineering Products Division
Although divisional revenues were 7% lower at £29.4 million, operating results were transformed from an underlying operating loss of £1.4 million in 2008/09 to an underlying operating profit of £1.3 million, largely due to the excellent turnaround at Alumasc Precision led by the new management team.

Alumasc Precision
Alumasc Precision's year began well, achieving the SQEP supplier quality excellence award from Caterpillar. This facilitated new work wins not only with Caterpillar and Perkins, but also other major international OEM customers such as Deutz, later in the year. New projects, such as the work on aluminium substrates for the interior of the new Jaguar XJ series were successfully introduced and progressed well with further new work from Bentley, Bernard Actuators, Edwards High Vacuum and McLaren secured during the year. The strong actions taken to reduce costs quickly when the recession took hold last year had the effect of bringing the business back towards break even levels from the beginning of the 2009/10 financial year. This enabled the business to move more strongly into profit as customers began to re-stock, underlying demand improved steadily and more new work came on-stream in the second half of the year.

Alumasc Precision has recently established a subsidiary business in China to serve its international customer base directly in this market with product sourced through our existing local supplier.

Resurgence of Alumasc Precision

The new management team at Alumasc Precision led an excellent turnaround in performance during the year. This transformed the results of the Engineering Products Division from an underlying operating loss of £1.4 million in 2008/09 to an underlying operating profit of £1.3 million in 2009/10.

Partnership success with Caterpillar / Perkins (including the supply of the timing cases illustrated above) and securing a 'Supplier Quality Excellence' award has resulted in Alumasc Precision winning increased orders for future generation business ensuring ongoing business security and extended planning horizons.

A new high integrity vacuum pump component utilises leading edge low pressure die casting technology.

The windscreen surround for Aston Martin, the prestigious UK premium car manufacturer, is a complex, one piece, low pressure die cast, fully machined component.

Business Review
Chief Executive's Operating Review

Alumasc Dispense
Alumasc Dispense again experienced muted demand for its products as major brewers continued to restrict capital spend following industry consolidation two years ago. Sales momentum did show some improvement, which brought the business back into a modest profit towards the end of the financial year, assisted by sales of the Carlsberg Draughtmaster II beer dispensing system. At the beginning of the current financial year projects were secured to supply a global brewing company with countermounts for the international market and glassware to Magners cider.

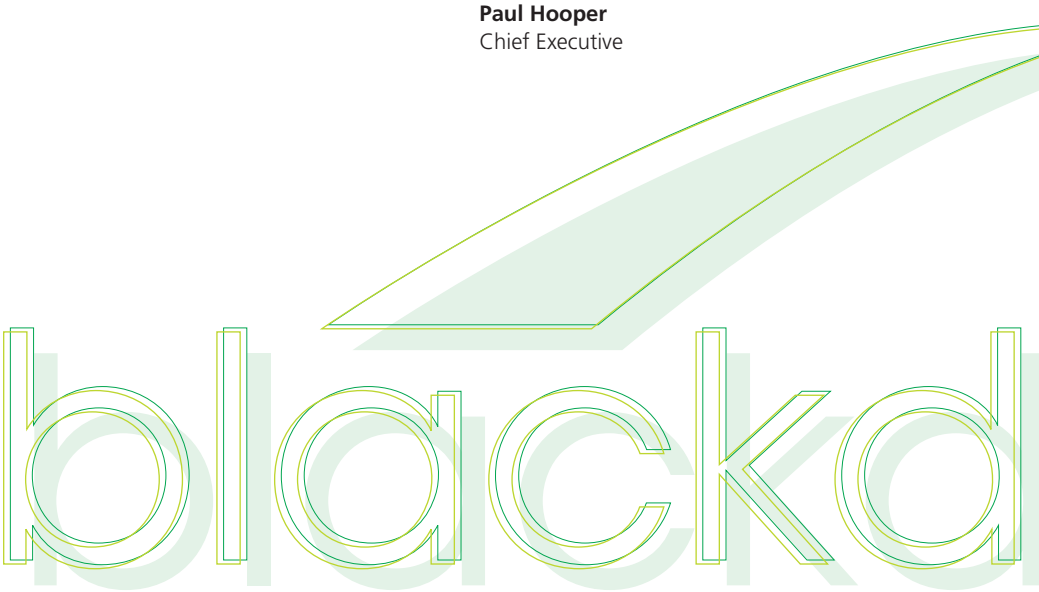
Prospects
The group's order book momentum has been positive since December 2009. Order intake in 2009/10 was 11.5% ahead of the prior year at £104.4 million and order books have increased by 34% since the half year. Whilst encouraging, the group's overall order book coverage is currently around five months, so we have limited visibility of the second half of the current financial year at this stage.

Based on a strong order book which provides a reasonable level of coverage for the current year as a whole, we expect Alumasc Precision to continue its recent resurgence, with potential to leverage spare production capacity and further improve operating efficiencies.

Order books are also growing in the Building Products Division, although uncertainties remain as to the strength of the UK economy generally and the impact of lower public spending.

Following the robust performance of the group through the recent recession, we believe Alumasc is well positioned to continue to make progress through uncertain times. The group's balance sheet remains strong, the funding of our pension schemes has improved significantly and we have demonstrated our ability to control costs and cash. Our export sales strategies should bear fruit as the year progresses, and the Board has confidence in the exciting medium and longer term strategic potential of the group.

Paul Hooper
Chief Executive



Sustainable

The wider group is well-positioned to benefit from environmentally driven changes in policy and regulation, in particular, the growing awareness of sustainability and life cycle cost amongst building and construction specifiers.

Designed to be lightweight and low maintenance, Blackdown Horticultural Consultants planted roofs are naturalistic with the objective of establishing self-sustaining plant and animal communities.

Blackdown Horticultural Consultants is a UK leader in green roof horticulture. Work is ongoing to develop innovative planting solutions that will improve biodiversity in future green roof environments.

A ZinCo green roof has helped the new Co-Operative in Oakham become one of the most energy efficient retail stores in the UK.

Business Review
Group Finance Director's Review

Key performance indicators
The group's key performance indicators (KPI's) are summarised in the table below.

Cross references have been provided from the table to the pages in this Annual Report where each KPI is discussed.

Key performance indicators	2009/10	2008/09	% Change	Annual Report cross reference
Safety Performance Index	**3.7**	4.4	15.9%	Pages 7 and 20
Order intake for the year (£m)	**104.4**	93.6	11.5%	Page 14
Year end order book (£m)	**35.5**	28.2	26.1%	Page 14
Group revenues (£m)	**93.0**	109.1	– 14.8%	Pages 6 and 16
Operating margin (%)	**6.1**	6.1	–	Page 7
Underlying PBT (£m)	**4.1**	5.2	– 21.5%	Pages 7 and 16
Underlying earnings per share (pence)	**7.9**	10.0	– 21.2%	Page 17
Average trade working capital % sales	**16.2**	17.2	5.8%	Page 18
Net cash inflow/(outflow) (£m)	**1.0**	(0.9)	n/a	Pages 7 and 18
Net debt (£m)	**9.3**	10.3	9.7%	Pages 7 and 18
Capital invested (£m)	**45.5**	50.1	– 9.3%	Page 17
Return on investment (post tax) (%)	**8.2**	8.9	– 7.8%	Page 17
Gearing (%)	**33.5**	33.5	–	Page 18
Interest cover (times)	**8.4**	10.7	– 21.5%	Page 18
Net debt/EBITDA (times)	**1.1**	1.1	–	Page 18

Revenue and underlying profit before tax
Details of the group's trading performance are set out in the Chief Executive's Operating Review. Group revenues decreased by £16.1 million, or 14.8%, to £93.0 million, mainly due to the impact of the recession on the group's building product activities. Fixed cost savings and efficiencies amounting to £4.3 million were achieved in the year which ensured the group remained profitable and net cash generative. Underlying profit before tax was £4.1 million compared with £5.2 million in 2008/09.

Reported profit before tax, brand amortisation and non-recurring items
Reported profit before tax improved from £1.8 million to £3.4 million, with lower restructuring costs and the absence of impairment charges in the 2009/10 year more than offsetting the lower level of underlying profit.

The charge to the statement of comprehensive income for brand amortisation was £0.3 million (2008/09: £0.3 million). Restructuring costs were £0.4 million (2008/09 £0.9 million). Restructuring costs have been higher than usual in the past two years because of the need to re-align the group's cost base to the lower trading activity levels during the recession. In the prior year there was a one-off non-cash charge of £2.2 million relating to impairment of property, plant and equipment mainly at Alumasc Precision.

The group again delivered a strong cash performance in challenging circumstances, with working capital and capital expenditure tightly controlled.

Andrew Magson
Group Finance Director

Significant improvement in pension scheme funding

The triennial actuarial valuations of the group's two defined benefit pension schemes, both of which are now closed to future accrual, are currently being finalised. These show a significant reduction in the size of the combined deficit to £11.4 million compared with £28.5 million three years ago.

Tax

The underlying group effective tax rate of 30.4% was similar to the prior year. The difference between the effective tax rate and the UK statutory rate of 28% is explained by routine items of expenditure which are disallowable for tax purposes.

After charging the non-recurring costs described above, the group's overall effective tax rate was 33.7%, a significant reduction compared with the unusually high rate of 41.2% in 2008/09 which was due to the one off impact of changes to tax relief for capital items such as industrial buildings.

The group's cash tax rate remained low reflecting the comparatively high level of pension deficit reduction payments made during the year relative to taxable profit.

Earnings per share

Underlying earnings per share were 7.9 pence, 21.2% lower than the prior year, broadly in line with the change in underlying profit before tax. Basic earnings per share more than doubled to 6.2 pence due to lower restructuring costs, the absence of any impairment charges in the current year and the lower effective tax rate.

Dividends

In view of the group's rising order books, strong strategic positioning and a further resilient cash flow performance in the year, the Board has proposed an unchanged final dividend of 6.75 pence per share, to be paid on 29 October 2010 to shareholders on the register on 1 October 2010. This will give an unchanged total dividend for the year of 10.0 pence per share.

Capital invested and return on investment

The group defines its capital invested as the sum of shareholders' funds, non-controlling interests, bank debt and the pension deficit (net of tax).

The group's average capital invested in the year decreased by £4.5 million to £47.8 million. Post tax return on average capital invested[1] reduced from 8.9% in 2008/09 to 8.2% in 2009/10, consistent with the lower level of underlying profitability.

Shareholders' funds and return on shareholders' funds

Shareholders' funds decreased from £30.8 million at 30 June 2009 to £27.7 million at 30 June 2010, mainly due to the net of tax actuarial loss on defined benefit pension schemes of £1.5 million and a reduction in retained earnings after payment of dividends of £1.4 million. Post-tax return on average shareholders' funds[1] reduced from 11.6% in 2008/09 to 9.6% in 2009/10, principally because of the lower level of underlying profitability.

[1]Return on investment and return on shareholders' funds are calculated using underlying profit figures.

Reconciliation of underlying to reported profit before tax

	2009/10	2008/09
	£m	£m
Underlying profit before tax	**4.1**	5.2
Restructuring costs	**(0.4)**	(0.9)
Brand amortisation	**(0.3)**	(0.3)
Impairment charges	**–**	(2.2)
Reported profit before tax	**3.4**	1.8

Business Review
Group Finance Director's Review

Impairment Review
The Board conducted an impairment review which covered all assets that contribute to the goodwill figure on the group statement of financial position, together with any other assets where indicators of impairment existed. No assets were found to have been impaired.

Cash flow, working capital and capital expenditure
The group's cash flow statement is summarised on page 19, and illustrates a strong cash flow performance, in view of the lower levels of underlying profitability. This was due to tight control over working capital and capital expenditure. The net cash inflow for the year was £1.0 million, leading to a reduction in net debt from £10.3 million to £9.3 million.

The group initiated a programme to improve working capital efficiency ahead of the recession, with the objective of reducing trade working capital as a percentage of sales. This KPI was incorporated into management bonus objectives at the beginning of the last financial year, a decision which has succeeded in placing increased focus on actions to achieve a structural reduction in cash tied up in working capital over time. Overall working capital reduced by £2.2 million in the year to 30 June 2010, and the rolling 12 month average trade working capital as a percentage of sales improved from 17.2% to 16.2%.

Capital expenditure of £0.8 million in the year was well below the level of the annual depreciation and non-brand amortisation charge of £2.8 million. The requirement for capital spend other than routine replacement of assets was low during the year, with most of the group's manufacturing operations having available spare capacity, because of prevailing economic conditions.

Whilst it is likely that capital spend will now begin to increase to support recovery and future growth, current plans are for spend to continue to run below the level of the annual depreciation and non-brand amortisation charge for the time being.

Capital structure and financing
The group's capital structure remained broadly unchanged during the year. Gearing at 30 June 2010 was unchanged on the prior year level of 33.5%.

The group continues to have available a total of £20 million of committed banking facilities and a further £6 million of uncommitted overdraft facilities.

Based on net debt of £9.3 million at 30 June 2010, the group had utilised only 47% of its committed facilities and 36% of total banking facilities. In the 2009/10 financial year:

- interest on borrowings was covered by underlying operating profit by 8.4 times. This compares with the group's banking covenant of a minimum of 3 times; and

- the group's ratio of net debt to EBITDA was 1.1. This compares with the group's banking covenant of not more than 3 times.

Summarised Cash Flow Statement

	2009/10 £m	2008/09 £m
EBITDA[1]	**8.5**	10.0
Change in working capital	**2.2**	1.7
Operating cash flow	**10.7**	11.7
Capital expenditure	**(0.8)**	(2.1)
Pension deficit & scheme expenses funding	**(3.8)**	(4.3)
Interest	**(0.7)**	(0.7)
Tax	**(0.2)**	(0.5)
Recurring Free cash flow	**5.2**	4.1
Dividends	**(3.6)**	(3.6)
Restructuring and other one-off cash flows	**(0.4)**	(1.4)
Acquisitions	**(0.2)**	(0.1)
Property and asset disposal proceeds	**–**	0.1
Decrease/(increase) in net debt	**1.0**	(0.9)

[1] EBITDA: Underlying earnings before interest, tax, depreciation and amortisation.

Alumasc's current committed financing facilities expire in May 2012. Whilst at the time of writing this is 20 months away, constructive discussions have already commenced with relationship banks to facilitate an orderly refinancing of the group at the appropriate time.

Pensions
Following consultation with scheme members, the board decided to close the Alumasc Group Pension Scheme to future accrual in December. This became effective on 31 March 2010.

The group's overall pre-tax pension deficit measured under IAS19 decreased from £12.5 million at 30 June 2009 to £11.6 million at 30 June 2010, reflecting deficit reduction payments of £3.4 million made by the company, partly offset by actuarial losses mainly caused by a fall in the yield curve used to discount projected scheme liabilities to present values.

The triennial actuarial review of the group's two defined benefit schemes as at April 2010 is in the process of being finalised with the Pension Trustees. This shows a combined deficit of £11.4 million compared with £28.5 million three years ago. This significant reduction has arisen from the substantial contributions made by the company in the intervening period, and an improved actual and expected future investment performance, following changes made to the schemes' investment strategy, investment advisers and fund managers in February 2009.

The much improved funding position of the pension schemes has enabled the company to agree with the Pension Trustees a lower level of deficit contribution levels of £2.3 million per annum (on average), previously £3.4 million per annum, over a recovery period of 6 years. This reduced level of funding becomes effective in September 2010.

Internal Control and Information Systems
The group's approach to internal control is described in the Directors' Report on page 31.

Further progress has been made to strengthen internal controls during the year with the group's internal audit programme, introduced three years ago and refreshed annually, having become embedded in routine management process. An increasingly important driver of recent improvements in information and control has been the upgrade of business systems. The group is now approaching the half way point in a strategy to achieve improved, integrated business systems across the group, with data processing increasingly focused around a few key centres of excellence. This initiative should significantly enhance the group's systems infrastructure to support future business growth, whilst also improving information flows, standards of internal control and data processing efficiency.

Andrew Magson
Group Finance Director

Business Review
Corporate and Social Responsibility

Health and Safety
The group's number one priority continues to be to provide a safe place of work for employees, and health and safety remains the first agenda item for all subsidiary and group board meetings. The majority of directors and many senior managers within the group have been trained to Institution of Occupational Safety and Health (IOSH) accreditation standard. The group holds regular health and safety best practice days. In addition, each group business has local health and safety committees that meet regularly and each operation is subject to at least an annual health and safety audit, with consequential action plans being monitored in board meetings. Each operational location is subject to an annual Independent Environmental Compliance audit.

The group is committed to a programme of continuous improvement in its health and safety performance. Particular areas of focus in the year have been driving improvements in our systems for the reporting of "near-misses" and the way in which we communicate our health and safety performance and culture throughout the group.

The principal key performance indicator of health and safety performance is the safety performance rate. This is a relative measure, capturing the total number of lost time and other safety incidents, weighting each one in terms of its severity and relating the result to the overall number of hours worked. The group's weighted average safety performance rate followed the recent trend of improvement, reducing to 3.7 for the year, compared with 4.4 in the previous year. This is an excellent achievement of which our businesses can be justifiably proud.

Environment
Many of our building products businesses are strongly focused on providing effective solutions to enhance sustainability in the built environment. The group has established leading positions in energy and water management, through brands such as Levolux, Elkington Gatic and our green roof operations, Blackdown and ZinCo. We are committed to complementing this leadership by adopting environmentally sound business practices throughout our operations.

Our programme of environmental audits, carried out by external consultants, has continued through the year. These audits are designed not only to identify areas in which we can do better, but also to form a basis for our achieving ISO14001 accreditation throughout our businesses. ISO14001 establishes a framework of control for an Environmental Management System, against which an organisation can be certified by a third party.

The group has an ongoing programme to monitor progress against a number of criteria against which improvements in environmental performance can be measured in operating businesses.

As new environmental regulations come into force, the group takes active steps to be at the forefront of compliance. We continue to ensure compliance with the REACH Regulations on the manufacture and import of chemicals in the EU.

All operational sites segregate their process waste to allow direct recovery and recycling. Our obligations to recover and recycle packaging waste are discharged by membership of an independent compliance scheme operated by Valpak.

We recognise that improving our energy consumption, particularly within our more energy-intensive operations in the Engineering Products division, is a key way in which we can improve both our environmental and financial performance. Our two foundry sites continue the improvements they began in 2001, targeting and achieving energy savings each year to benefit from rebates on their electricity bills under Climate Change Levy agreements. The principal initiatives have included investing in more energy efficient equipment and improving management processes. In addition the group is undergoing a review of overall energy consumption to assess its participation in The CRC Energy Efficiency Scheme.

Levolux is a member of the UK Green Building Council. This high-profile group, launched in 2007, campaigns for sustainability in the built environment and has drawn members from across the construction industry, government agencies, academic institutions and other

Promoting biodiverse solutions is becoming an increasingly important driver for the specification of green roof systems.

Environmental performance

The group has an ongoing programme to monitor progress against a number of criteria against which improvements in environmental performance can be measured in operating businesses.

non-government bodies. As a leader in solar shading products, Levolux is well-placed to contribute to the Green Building Council's campaigning. Its products are fully recyclable and help maintain a naturally cool and energy efficient environment. Levolux is certified as a 'climate neutral' company, brought about by offsetting its direct CO_2 emissions, through contributing to a project introducing small scale renewable energy solutions across India.

Pendock was the first business in the UK preformed pipe boxing market to acquire Forest Stewardship Council certification in 2009, showing our commitment to sustainability in the use of forest products and demonstrating compliance with the highest social and environmental standards on the market.

The wider group is well-positioned to benefit from environmentally-driven changes in policy and regulation. In particular, the growing awareness of sustainability and life-cycle cost amongst building and construction specifiers should assist those group businesses that assist their customers to manage energy and water use in the built environment.

Community

In addition to the wider community benefits arising from our environmental programme, the group is committed to supporting local community initiatives and a number of charitable donations have been made throughout the year as described in the Director's Report on page 27.

Board of Directors
and Company Advisors

John McCall MA (Cantab) (65)
Chairman [a]

John McCall was appointed Chairman and Chief Executive on the foundation of the company in 1984. He was called to the Bar in 1968. His previous employment was with the mining finance house Consolidated Gold Fields plc with whom he gained extensive international experience in the fields of mining and construction materials.

Jon Pither MA (Cantab) (76)
Deputy Chairman [abc]

Jon Pither holds directorships in numerous companies and is a past council member of the CBI and a past President of The Aluminium Federation. He was appointed to the Alumasc Board in 1992 and became Deputy Chairman in 1995. He is the senior independent non-executive director on the Alumasc Board.

Committees:
[a] Nomination Committee
[b] Audit Committee
[c] Remuneration Committee

Paul Hooper BSc, MBA, DipM (54)
Chief Executive

Paul Hooper was appointed Chief Executive in March 2003 having joined Alumasc as Group Managing Director in April 2001. His earlier career included a first Managing Director role with BTR plc in 1992. He subsequently joined Williams Holdings plc in Special Operations, implementing acquisitions in Europe and North America, prior to joining Rexam PLC as a Divisional Managing Director with responsibility for operations in Europe and South East Asia.

Philip Gwyn MA (Cantab) (66)
Non-Executive Director [abc]

Philip Gwyn has been a non-executive director since 1984. He was called to the Bar in 1968 and after a period with merchant bankers, Dawnay, Day & Co, started to invest in businesses in which he was involved in executive and non-executive capacities. These include Christie Group plc (currently Chairman), The Soho Group (Chairman from 1990 to 2001), GrandVision SA., a French retail group, of which he is a founder director, and other UK enterprises.

Andrew Magson BSc, FCA (43)
Group Finance Director and Company Secretary

Andrew Magson joined Alumasc as an executive director in October 2006. Andrew qualified as a chartered accountant with, and spent his earlier career at, PricewaterhouseCoopers. Prior to its acquisition by Saint Gobain in December 2005, Andrew was the Group Financial Controller of BPB plc, a FTSE 100 company. More recently he was a divisional financial controller at Saint Gobain.

Richard Saville BSc (61)
Non-Executive Director [abc]

Richard Saville joined the Board as a non-executive director at the beginning of 2002. His early career was in the City, where he became a partner of Phillips & Drew in 1980 and a director of Morgan Grenfell Securities in 1987. He joined George Wimpey plc in 1988 becoming Group Finance Director at the beginning of 1994, a position he held until May 2001. After 2001 he served for a time as Director of Finance of Halfords plc and at Craegmoor Limited. He is currently a director of a number of companies.

John Pilkington MA (Cantab) (61)
Non-Executive Director [bc]

John Pilkington joined the Board in March 2009. He has spent his career working in the construction industry, most recently at Amey UK plc from 2000 to 2008, latterly as an Executive Director responsible for PFI Investments. His earlier appointments were with the Arup Group, the world's leading engineering consultancy, from 1971 to 1994, latterly as Managing Director of its German business, and at Tarmac plc/Carillion plc from 1994 to 2000, latterly as Development Director of the Carillion Private Finance Unit.






John McCall
Chairman

Paul Hooper
Chief Executive

Andrew Magson
Group Finance Director

Jon Pither
Deputy Chairman

Philip Gwyn
Non-Executive Director

Richard Saville
Non-Executive Director

John Pilkington
Non-Executive Director

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Directors' Report

The Directors present their Annual Report and the consolidated financial statements for The Alumasc Group plc for the financial year ended 30 June 2010.

Principal activities and business review

The principal activities of the group are the design, manufacture and marketing of products for the building and construction industries and the manufacture of engineering products and components for industrial customers. A review of the group's operations, future prospects and Key Performance Indicators are included in the Business and Financial Reviews on pages 6 to 21.

The following sections are incorporated by reference into the Director's Report.

- Business and Financial Reviews (pages 6 to 19)
- Corporate Social Responsibility (pages 20 to 21)
- Board of Directors (pages 22 to 23)
- Statement of Corporate Governance (pages 29 to 32)
- Remuneration Report (pages 33 to 36)

In compliance with the business review provisions of the Companies Act 2006, principal risk factors are discussed under the section "Principal risks and uncertainties" on pages 25 and 26. Key performance indicators are set out in the Group Finance Director's Review on page 16. Information on potential future developments in the group is set out in the "Prospects" section on page 14.

Results and dividends

The group reported profit before tax from continuing operations was £3.4 million (2008/09: £1.8 million). The directors recommend a final dividend of 6.75p per ordinary share payable on 29 October 2010 to members on the register at the close of business on 1 October 2010 which, together with the interim dividend, makes a total of 10.0p for the year (2008/09: 10.0p).

The company operates a Dividend Re-Investment Plan, details of which are available from Capita Registrars.

The right to receive any dividend has been waived by the trustee of the company's Employee Benefit Trust over any shares that the Trustees may hold from time to time. At the year end, the Trustees' holding was 335,171 shares. The shares held in Trust are to meet commitments under the company's Long Term Incentive Share Plans.

Share capital

The present capital structure of the company is set out in note 25 to the financial statements.

Purchase of own shares by the company

At last year's Annual General Meeting, authority was granted to the directors to purchase, in the market, the company's own shares, up to the limit of 14.9% of the issued share capital. The authority is expressed to run until the company's next Annual General Meeting at which it will expire. No purchases pursuant to this authority have been made during the year. Renewal of this authority will be proposed at the forthcoming Annual General Meeting. The Directors do not propose to exercise the authority unless satisfied that a purchase would be in the best interest of shareholders and could be expected to result in an increase in earnings per share.

Directors

The current Directors are listed below and their biographies are set out on page 22. All of these Directors served throughout the year.

In accordance with the Articles of Association, John McCall and Paul Hooper retire by rotation at the forthcoming Annual General meeting and, being eligible, offer themselves for re-election.

Jon Pither and Philip Gwyn, having served on the Board for more than nine years, also retire and offer themselves for re-election.

Details of Directors' service agreements are given in the Remuneration Report on pages 33 to 36.

Directors' share interests

	Shares	
	At 30 June 2010	At 30 June 2009
J S McCall	**4,120,918**	4,111,458
J P Pither	**286,631**	286,631
P H R Gwyn	**3,057,605**	3,057,605
G P Hooper	**262,489**	225,893
A Magson	**20,000**	5,000
J Pilkington	**9,186**	9,186
R C C Saville	**23,000**	13,000

The Directors' interests are beneficial with the exception of 434,000 shares (2009: 434,000) in which John McCall has a non-beneficial interest. Details of options granted to the Directors can be found in the Remuneration Report on pages 33 to 36.

There has been no change in the Directors' interests in the share capital of the company from 30 June 2010 to 9 September 2010.

Substantial shareholders

In addition to those of the Directors, the analysis of the company's share register showed the following interests in 3 per cent or more of the company's issued ordinary shares as at 30 June 2010:

	Shares	% of share capital
Axa Investment Management	5,149,684	14.25
Delta Lloyd Asset Management	4,057,702	11.23
Schroder Investment Management	1,308,667	3.62
E W O'Loughlin Esq	1,600,962	4.43

The directors are not aware of any other notifiable interest in the share capital of the company.

There has been no change to substantial shareholders since the year end.

Shareholders' statistics

Ordinary shareholders on the register at 30 June 2010:

	Shareholders Number	Ordinary shares Number
Shareholding range:		
1 – 999	438	215,160
1,000 – 9,999	782	2,089,038
10,000 – 49,999	165	4,620,241
50,000 – 99,999	44	13,903,314
100,000 and over	7	15,305,805
	1,436	36,133,558

Information required for shareholders

The following provides additional information for shareholders as a result of the implementation of the Takeovers Directive into UK law.

The details of the company's share capital structure are given in note 25 to the accounts on page 68 of this report. With the exception of 335,171 ordinary shares held in the employee trust being subject to a waiver of the right to a dividend, all shares carry equal rights and no restrictions other than those imposed from time to time by laws and regulations and pursuant to the Listing Rules of the Financial Services Authority.

Significant interests

Director's interests in the share capital of the company are shown on page 24. Major interests (i.e. those above 3%) of which the company has been notified are shown above.

Change of control

The company is not party to any material agreements which take effect, alter or terminate upon a change of control of the company following a takeover bid.

There are no additional agreements between the company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Principal risks and uncertainties

Alumasc's portfolio of niche businesses generate sales in a variety of building and construction, and industrial markets. This reduces the group's exposure to any one end-market segment or single third party. The group's major risks are:

UK and Global Economy
Alumasc's principal operations are based in the UK, and the majority of the group's sales are made to UK customers, with the remainder mostly to customers in the USA and Europe. Any significant change in UK economic conditions, government policy, or regulations (including the European Union) in these locations and particularly those that impact the building, construction, vehicle manufacturing and brewing sectors could affect Alumasc's future revenues and profits.

Directors' Report

Customers
Certain of the group's businesses derive a significant proportion of their revenues from individual key customers. The management teams of these businesses and group management, where appropriate, maintain regular contact with all key customers to manage and develop these important business relationships. Whilst the loss of any key customer could have a significant impact on the performance of an individual business within the group, it is unlikely to have as material an impact on the group as a whole.

People
The loss of key management and employees could impact operating performance through loss of know-how. These risks are mitigated as far as possible through succession planning for key executives, teamwork and ensuring that key individuals are appropriately motivated and incentivised.

Innovation and competition
Alumasc encourages an entrepreneurial and innovative approach from its business and management teams as the group's performance is dependent on niche, differentiated products, systems and solutions. Insufficient innovation, particularly relative to competitors, could result in loss of competitive advantage.

Product quality
The reputation of Alumasc products and brands could be impacted by significant product quality issues. The group's quality control procedures are designed to ensure that own-manufactured products and, where applicable, bought-in products perform to specification, provided they have been correctly installed. In circumstances where the group installs its own products, careful project management processes seek to ensure that any potential issues are pro-actively identified, managed and resolved on-site as far as possible. Residual risks are, where possible, insured. Based on past experience, it is not considered likely that quality claims on any individual product or contract would be fundamental to the group's performance as a whole.

Supply chain
The loss or failure of key suppliers, or the prolonged loss of a major manufacturing site within Alumasc could impact ability to deliver to customer expectations. The increase over the last few years in Alumasc's raw materials, components or sub-assemblies that are being sourced from the Far East, whilst reducing costs, has introduced additional supply chain risks that are being carefully managed by senior personnel within each business.

Credit risk
As global economic conditions have become more challenging, credit risks have increased. Credit risks are monitored carefully in all group businesses, including at monthly board meetings and, in certain specific cases where judged cost-effective, these risks are insured. The group has a wide range of customers reflecting the variety of end user markets served and this mitigates the group's exposure to any one end-market segment or single third party.

Foreign exchange rate risk
The group is exposed to movements in foreign exchange rates, particularly in relation to purchases and sales made in Euros and US Dollars. These risks are mitigated wherever possible by internal hedging between businesses and external forward foreign exchange contracts. Such hedging can only protect the group against relatively short-term volatility in exchange rates and not against more structural changes to the relative strength of these currencies against Sterling.

Interest rate risk
The group has exposure to interest rate risk, arising principally on changes in sterling interest rates. In order to manage this risk, the group has entered into interest rate swap and cap transactions, with the objective of ensuring that the majority of the group's net indebtedness at any time is protected against interest rates rising above the level fixed by hedging instruments. These hedges are expected to be effective.

Liquidity risk
The group has £20 million of committed banking facilities which expire in May 2012. These facilities are more than double the level of the group's net indebtedness at 30 June 2010. In addition, the group has a further £6 million of uncommitted overdraft facilities. The Board believes these facilities are sufficient to meet the group's funding requirements for the foreseeable future.

Acquisitions
An important part of the group's growth strategy is to acquire niche building product businesses, where we consider these will increase shareholder value. Poor execution of this strategy or poor management after acquisition could, conversely, erode value. All acquisitions are approved by the group's main board. Senior management from both Alumasc Group and operating businesses, as appropriate to each case, are involved in all key aspects of acquisition execution and post acquisition management. In most cases, Alumasc seeks to retain key staff within acquired businesses and develop their responsibilities within the group.

Pensions
Alumasc has mitigated some of the risks associated with its two defined benefit pension schemes in recent years by closing the schemes to future accrual and working with the Pension Trustees to substantially reduce the overall level of the funding deficit. Nonetheless, the group's pension obligations remain material and the future levels of funding required will be affected by changes in demographic, capital market and regulatory factors over time, many of which are beyond the group's control. These factors, and developments in the pensions industry more generally, are closely monitored by management and its advisors in order that the group can continue to reduce its pension deficit over time, without this in any way affecting the management of the group's trading operations.

Environmental matters

The Board aims to conduct its business so as to minimise as far as practicable any adverse effects that its operations may have on the environment and to find alternative ways of operating where its activities may have an environmental impact. The group requires that each operating business achieves minimum standards of environmental efficiency in accordance with group policy.

The Board is committed to applying best practice environmental standards throughout the business. This is achieved through a variety of methods, including product process development, promoting use of recycled materials, waste minimisation and energy efficiency.

More information regarding the group's approach to Environmental matters is given in the Corporate and Social Responsibility statement on pages 20 and 21.

Health and safety

The Alumasc Group plc places the highest priority on health and safety matters and seeks to achieve high standards for the well-being of its employees. There is a clear group policy to this effect. Achieving an embedded health and safety culture and the reduction of accident risk is the responsibility of management and employees alike.

All operating companies ensure compliance with legislation and have developed and implemented action plans with the objective of achieving continuous improvement in health and safety performance which is reviewed systematically by local management and at group Board level.

More information regarding the group's approach to health and safety matters is given in the Corporate and Social Responsibility statement on pages 20 and 21.

Creditor payment policy

While the company does not follow a specific code of practice, it is the company's policy to settle the terms and conditions of payment with suppliers when agreeing each transaction, to make sure that suppliers are made aware of such terms and, providing the supplier meets its contractual obligations, to abide by them. At the year end the company had no trade creditors (2009: none). The group average number of creditor days as at 30 June 2010 was 61 (2009: 52).

Research and development

The group continues to devote effort and resources to the research and development of new processes and products. Research and development expenditure during the year totalled £0.2 million (2008/09: £0.4 million).

Employees

Through regular company announcements and other staff communications, employees are kept informed on the group's financial performance, future prospects and other matters affecting them.

The group is an equal opportunities employer and its policies for recruitment, training, career development and promotion are based on the aptitude and abilities of the individual. Those who are disabled are given equal treatment with the able-bodied. When employees are disabled after joining the company, every effort is made to ensure that employment continues and appropriate training is given.

Employees are kept informed of changes in the business and general financial and economic factors influencing the group, this is done through briefing sessions and presentations. The group values the views of its employees and consults with them and their representatives on a regular basis about matters that may affect them.

Donations

The group made charitable donations of £3,400 during the year (2008/09: £3,000).

No political donations were made during the year.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company will be put to the members at the forthcoming Annual General Meeting.

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

Annual General Meeting

The notice convening the Annual General Meeting, to be held on 28 October 2010, is included with this document together with an explanation of the business to be conducted at the meeting and a form of proxy.

The Directors believe that the proposals set out for approval at the AGM will promote the success of the company. Accordingly, they recommend unanimously that members vote in favour of each resolution. Members who are in any doubt as to what action to take are advised to consult appropriate independent advisers.

By order of the Board

Andrew Magson
Company Secretary

9 September 2010

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under that law they are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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.

Responsibility Statement

We confirm that to the best of our knowledge:

(a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the group and the company; and

(b) the Directors' Report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that the group faces.

On behalf of the Board

Paul Hooper
Chief Executive

Andrew Magson
Group Finance Director

9 September 2010

Statement of Corporate Governance

There is a commitment to high standards of corporate governance throughout the group. The Board endorses the general principles set out in The Combined Code on Corporate Governance, June 2008 ("Combined Code") and is accountable to the group's shareholders for good governance. This report, together with the information contained in the Remuneration Report on pages 33 to 36 explains how the directors seek to apply the requirements of the Combined Code to procedures within the group.

Statement of Compliance

During the year ended 30 June 2010 the group has complied with the requirements of the Combined Code save for the following provisions:

A.4.4 and A.7.2 where not all Non-Executive Directors have a service contract or letter of appointment, further details are given in the Remuneration Report on pages 34 and 35.

Directors

The Board consists of a Non-Executive Chairman, Chief Executive, Group Finance Director and four Non-Executive Directors.

Two of the Board's Non-Executive Directors, Jon Pither and Philip Gwyn, have served on the Board for more than the recommended nine years. In addition, Philip Gwyn has a significant shareholding, detailed in the Directors' Report on page 24. The Board has reviewed the role of each of these Directors and concluded that each is independent in character and judgement. It is felt that their knowledge and understanding are fundamental to the Board's deliberations. These two Directors have other significant commercial commitments.

The Non-Executive Directors are considered by the Board to be independent of management and free from any relationship that could materially interfere with the exercise of their independent judgement. Jon Pither is the Senior Independent Director.

No individual or group of individuals dominates the Board's decision-making and the requirement of the Combined Code that a smaller company should have at least two independent Non-Executive Directors is satisfied.

The Non-Executive Directors' interests in the shares of the company are set out on page 24 and they receive a fixed fee for their services.

Profiles of the Board members appear on page 22 of this report. These indicate the high level and range of business experience which enables the group to be managed effectively.

The Board meets at least seven times a year and more frequently where business needs require. Two of these meetings are focused upon strategy specific discussions. The Board has a schedule of matters reserved for its decision which includes material capital commitments, commencing or settling major litigation, business acquisitions and disposals and Board appointments. Directors are given appropriate information for each Board meeting, including reports on the latest financial and trading position.

Any Director appointed is required to retire and seek re-election by shareholders at the next Annual General Meeting following their appointment. Additionally, one-third of the Directors retire by rotation each year and seek re-election at the Annual General Meeting. The Directors required to retire are those in office longest since their previous re-election.

All Directors have access to independent professional advice if required and at the company's expense. This is in addition to the access that every Director has to the Company Secretary. The Secretary is charged by the Board with ensuring that Board procedures are followed.

Chairman and Chief Executive

There is a clear division of responsibilities between the roles of the Chairman and of the Chief Executive.

The role of the Chairman is to conduct Board meetings and to ensure that all Directors are properly briefed in order to take a full and constructive part in Board discussions. He is responsible for evaluating the performance of the Board and of the Executive Management and of the other Non-Executive Directors. The Senior Independent Director is responsible for evaluating the performance of the Chairman.

In line with the Combined Code, a formal evaluation of the performance and effectiveness of the Board, its Committees and individual Directors was carried out during the year. A brief questionnaire covering the main areas of the evaluation was prepared by the Chairman and formed the basis of one-to-one discussions between each of the Directors and the Chairman and, in the case of the Chairman, between the Chairman and the Senior Independent Director. The evaluation questionnaire included questions about the effectiveness of the Executive and Non-Executive Directors. Issues arising from this process were discussed with the Board with recommendations for actions where appropriate.

The role of the Chief Executive is to develop and lead business strategies and processes to enable the group to meet shareholder requirements. The role involves leading the executive team and evaluating the performance of the Executive Management. Together with the Group Finance Director, he is also responsible for dealing with investor and public relations, external communications and corporate governance.

Statement of Corporate Governance

Board Committees

The Board has delegated authority to the following committees and there are written terms of reference for each committee outlining its authority and duties. All terms of reference comply with the Combined Code and are available on the company's website www.alumasc.co.uk.

Audit Committee

The members of the Audit Committee throughout the year were Richard Saville (Chairman), Jon Pither and Philip Gwyn with John Pilkington joining the committee on the 24 June 2010. The Board considers that Richard Saville has relevant, recent financial experience. The Committee meets at least three times a year and its main duties are as follows:

i. monitoring the integrity of and reviewing the financial reporting process and statements;

ii. the appointment of and the review of the effectiveness and independence of the external auditors;

iii. approval of the scope and monitoring the effectiveness of the group's internal controls and risk management processes.

iv. overseeing the establishment and maintenance of good business practices throughout the group

The Chief Executive, Group Finance Director, Group Financial Controller and the group's external auditors were invited to and attended a number of meetings of the Audit Committee. As part of these meetings members of the Audit Committee meet with the external auditors without members of the management team being present.

The Audit Committee keeps the scope and cost effectiveness of the external audit under review, with the external auditors having access to the Committee chairman.

KPMG have reported to the Audit Committee that, in their professional judgement, they are independent within the meaning of regulatory and professional requirements and the objectivity of the audit director and audit staff is not impaired.

The independence and objectivity of the external auditors are also considered on a regular basis, with particular regard to the level of non-audit fees. The provision of non-audit fees is reviewed on a case-by-case basis. During the year, no non-audit fees were paid to KPMG.

The Committee's view is that the size, relative lack of complexity of the group and the close involvement of the executive directors make it unnecessary for the group to have a dedicated internal audit function, although a major part of the Group Financial Controller's role is to lead an annual internal audit programme. This position is kept under annual review.

Remuneration Committee

The Remuneration Committee members serving throughout the year were Jon Pither (Chairman), Philip Gwyn and Richard Saville with John Pilkington joining the committee on the 24 June 2010. The Committee meets at least twice a year to review the remuneration of the Executive Directors. It is also responsible for determining the fees of the Chairman. Full details of the Directors' remuneration and a statement of the company's remuneration policy are set out in the Remuneration Report on pages 33 to 36. The Chairman and Chief Executive attend meetings of the Committee as necessary but take no part in deliberations relating to their own position.

The Executive Directors abstain from any discussion or voting at full Board meetings on Remuneration Committee recommendations where the recommendations have a direct bearing on their own remuneration package.

The Non-Executive Directors' fees are reviewed by the Board, excluding the Non-Executives.

Nomination Committee

The Nomination Committee members throughout the year were John McCall (Chairman), Jon Pither, Philip Gwyn and Richard Saville. The Committee meets when appropriate to consider appointments to the Board of both Executive and Non-Executive Directors. When considering appointments, external search consultants are used to ensure that a wide range of candidates is considered. An induction to the group's business and relevant training is available for all Directors on appointment.

Attendance at Board meetings

	Board – 7 meetings	Audit Committee – 3 meetings	Remuneration Committee – 2 meetings	Nomination Committee – 1 meeting
J S McCall	7	N/A	2†	1
J P Pither	7	2	2	1
P H R Gwyn	6	3	2	1
J Pilkington	7	3†	2†	N/A
R C C Saville	7	3	2	1
G P Hooper	7	3†	1†	N/A
A Magson	7	3†	N/A	N/A

† By invitation as an attendee
John Pilkington joined the audit and remuneration committees on the 24 June 2010 and before that date attended by invitation.

Internal control and risk management

The Board acknowledges that it is responsible for the company's system of internal control and for reviewing its effectiveness. The system is designed to manage the risk of failure to achieve business objectives. However, this risk cannot be wholly eliminated and therefore the system can only provide reasonable and not absolute assurance against the risk of material misstatement, fraud or loss.

In accordance with the Turnbull Guidance on Internal Control, the group has an ongoing process for identifying, evaluating and managing the significant risks faced by the business. This process was in place during the year and remained in place on the date that the Annual Report and financial statements were approved by the Board. The main elements of the group's internal control process are as follows:

(i) Risk Management

Risk management is a continuing activity throughout the year, dealt with through the monthly board meetings of operating companies. In addition, a formal business risk review exercise is conducted every year at each operating company and for the group as a whole. This identifies the most important risks, their likelihood of occurrence and possible business and financial implications and the effectiveness of mitigating controls. Each operating company has implemented procedures for controlling the relevant risks of their business.

Based on their attendance at the board meetings of each operating subsidiary and a specific annual audit committee meeting held at each subsidiary, the Executive Directors report periodically to the Board on the risk management processes that have been in place during the year and the effectiveness of the level of control in managing the identified risks. The Board is able to confirm that these procedures are ongoing.

(ii) Financial Reporting and Monitoring

The Board receives regular financial reports, including monthly management accounts, quarterly re-forecasts, annual budgets and 5 year strategic plans. These procedures are intended to ensure that the Board maintains full and effective control over all financial issues. An Executive Committee, comprising the group's Executive Directors and the Managing Directors of operating companies, oversees the group's trading activities and addresses matters of common interest with regard to safety, development, performance and risk.

Day to day management of the group companies is delegated to operational management with a clearly defined system of control, including:

- An organisational structure with an appropriate delegation of authority to operational management;
- The identification and appraisal of business and financial risks both formally, within the annual process of preparing business plans and budgets and informally through close monitoring of operations;
- A comprehensive financial reporting system within which actual results are compared with approved budgets, quarterly re-forecasts and previous years' figures on a monthly basis and reviewed at both local and group level; and
- An investment evaluation procedure to ensure an appropriate level of scrutiny and approval for all capital expenditure.

(iii) Internal Audit

Whilst the group, due to its size, does not have a full-time internal audit function, this position is kept under annual review. The group has, in recent years, increased the level of resource available for internal audit work and during the year the Audit Committee agreed a formal programme of work which was carried out under the leadership of the Group Financial Controller. Specialist external resource is used to carry out parts of this work where appropriate.

Having reviewed the scope and results of internal control activities for the year and from information provided by management and the group's external auditors, the Board was satisfied with the process of risk identification, management and control during the year.

Statement of Corporate Governance

Whistleblowing policy

The Audit Committee has reviewed during the year the whistleblowing policy, which provides a formal mechanism whereby every group employee can, on a confidential basis, raise concerns over potential malpractice or impropriety within the group. A copy of the whistleblowing policy can be found on the group website www.alumasc.co.uk.

Business ethics policy

The group has in place a business ethics policy, setting out the standards of business conduct that the group expects from its executives and employees. This policy will be the subject of periodic review to ensure it reflects the operation of the group and the business environment in which it operates.

Internal controls assurance

The Audit Committee on behalf of the Board has reviewed during the year the effectiveness of the system of internal control from information provided by management and the group's external auditors. The review included an assessment by the Board of the key risks affecting the group in the delivery of its long-term strategies.

Going concern

The Directors, having taken account of the group's net cash resources and bank facilities and having made appropriate enquiries, consider that the company and the group have adequate resources to continue operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the financial statements.

Shareholder relations

The company is committed to maintaining good communications with its shareholders. Shareholders have direct access to the company via its website where material of interest to shareholders is displayed. Additionally, the company responds to numerous individual enquiries from shareholders on a wide range of issues.

There is regular dialogue with individual institutional shareholders, analysts and private shareholders with large holdings, as well as general presentations after the announcement of results. All shareholders have the opportunity to raise questions at the Annual General Meeting when the company also highlights the latest key business developments.

Remuneration Report

Introduction

The Remuneration Committee has adopted the principles of good governance relating to Directors' remuneration as set out in the Combined Code. This report has been prepared in accordance with the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

It is a requirement that the company's auditors report to shareholders on certain parts of this Report and state whether in their opinion those parts of it have been properly prepared. Accordingly, the Report has been divided into separate sections consisting of unaudited and audited information.

As required by the Companies Act, a resolution to approve this Report will be proposed at the Annual General Meeting of the company on 28 October 2010.

This Report has been prepared by the Remuneration Committee on behalf of the Board.

Unaudited information

The Remuneration Committee

The Remuneration Committee is entirely non-executive and its membership is set out on page 22. The Committee's principal functions are to advise the Board on the company's policy on executive remuneration and to approve the specific remuneration of executive directors, including their service contracts. Its remit therefore includes, but is not limited to, basic salary, benefits in kind, performance-related bonus awards, share options and awards, long-term incentive plans, pension rights and any other compensation or termination payments. The detailed terms of reference for the Committee are displayed on the company's web-site www.alumasc.co.uk.

Remuneration policy

The company's policy is that current and future remuneration arrangements should be sufficiently competitive to attract, retain and motivate high quality executives capable of achieving the group's objectives thereby enhancing shareholder value. The Committee considers the arrangements described below are reasonable and necessary to achieve this purpose. In determining the remuneration of Directors for the year, the Committee took careful account of the pay and conditions of the employees throughout the group.

The Committee has decided that, in view of current economic conditions and the salary freeze in the 2009/10 year, basic salary increases for Executive Directors for the year commencing 1 July 2010 should be restricted to 2%. The bonuses payable to Executive Directors for the year ended 30 June 2010 were designed to reward action taken to manage the group through the recession, including cost reduction and improved cash flow performance. The bonus structure for the current year is also driven by profit and cash flow performance against budget targets and also includes an element based on the Executive Directors achieving certain strategic objectives as set by the Committee. The Committee retains discretion to review these decisions should circumstances dictate.

There are four main elements which make up the executive remuneration package; basic salary, bonuses, benefits and share-based incentive schemes.

Salaries

Salaries are reviewed annually on the basis of market comparisons with positions of similar responsibility and scope in companies of a similar size in comparable industries. In reviewing Directors' salaries the Remuneration Committee takes into account both company pay awards and personal performance and information from external salary survey sources

Fees for Non-Executive Directors are determined by the Board on the basis of market comparisons with positions of similar responsibility and scope in companies of a similar size in comparable industries. They are not eligible for pension scheme membership and do not participate in any of the group's bonus, share option or incentive schemes. The fees payable remained unchanged throughout the year.

Bonuses

Annual bonuses are determined as a percentage of basic salary by a formula agreed with the Remuneration Committee. A zero threshold is set each year above which bonuses increase in line with profits and cash generation and the achievement of certain strategic objectives, to a maximum of 50% in relation to Paul Hooper and 45% in relation to Andrew Magson. The bonus targets are set at levels which the Remuneration Committee believes provide a major challenge for management in the bonus year.

Benefits

During the year, Paul Hooper and Andrew Magson participated in defined contribution pension arrangements. Additional benefits available to Directors include health insurance and a car allowance.

Remuneration Report

Share-based Incentive Schemes

Long term incentive awards and awards under the group's executive share option plan are designed to reward the achievement of long-term performance targets and to align the interests of management with those of the shareholders.

1 - Executive Share Option Scheme

Executives have, in the past, been able to participate in the Executive Share Option Scheme approved by shareholders in 2004. This scheme is designed to encourage the matching of interests between management and shareholders. No awards under the scheme were made to Executive Directors during the year. Paul Hooper continues to participate by virtue of an award made in 2006, which may be exercised until 2016 on condition that the growth in Earnings per Share (EPS) exceeds the increase in the Retail Price Index (RPI) by 7.5% over the course of a continuous three year period.

2 - Long Term Incentive Plans

The group operates two Long Term Incentive Plans (the "Plans") which were approved by shareholders in October 1997 and in October 2008 respectively. The purpose of the Plans is to motivate key individuals to take the company upon a programme of long term growth and to reward them for exceptional performance. Under the Plans each participant is allocated a number of shares. The vesting of shares under the Plans is subject to the achievement of performance criteria, which are described for each plan below.

The 1997 Plan

The 1997 Plan has expired and thus no new awards were made during the year. However, awards remain outstanding from previous years and the interests of Directors in such awards are set out in the table in the section of this Report that is subject to audit.

Awards vest pro rata between nil and 100%, conditional upon achieving targeted growth in earnings per share ("EPS") over a fixed three year period following the making of the award.

There will be 10% vesting when the group reaches the lower target of 2.5% growth per annum in EPS above the rate of increase in RPI. 100% of awards will vest on achieving 10% growth per annum in EPS above the rate of increase in RPI.

In between the higher and the lower target the awards vest on a straight line basis.

The 2008 Plan

Details of the awards made to individual Directors are set out in the table in the section of this Report that is subject to audit.

Each award is dependent partially on an EPS performance condition and partially on total shareholder return ("TSR") meaning a measure of the growth in value of the ordinary shares of the company over the performance period, assuming that all dividends are reinvested to purchase additional shares. The relative weighting to be attributed to EPS and TSR in a particular award is decided upon by the Remuneration Committee.

No part of any award will vest unless the average annual growth of EPS equals or exceeds RPI plus 2.5% measured over a fixed three year period following the making of the award.

On the attainment of this 2.5% average annual growth threshold, 25% of the whole award will vest.

The whole of the remaining part of an award dependent on EPS will vest if the average annual growth in EPS equals or exceeds RPI plus 10%.

The vesting of the remainder of any part of an award dependent on TSR will depend on the percentage movement of the company's share price at least equalling the median performance of the FTSE All Share Index, up to 100% vesting if the percentage movement is equivalent to upper quartile performance.

In between the higher and the lower targets for both EPS and TSR, the awards vest on a straight line basis.

Service contracts

The Remuneration Committee has determined to respect current best practice in respect of service contracts issued on all new appointments.

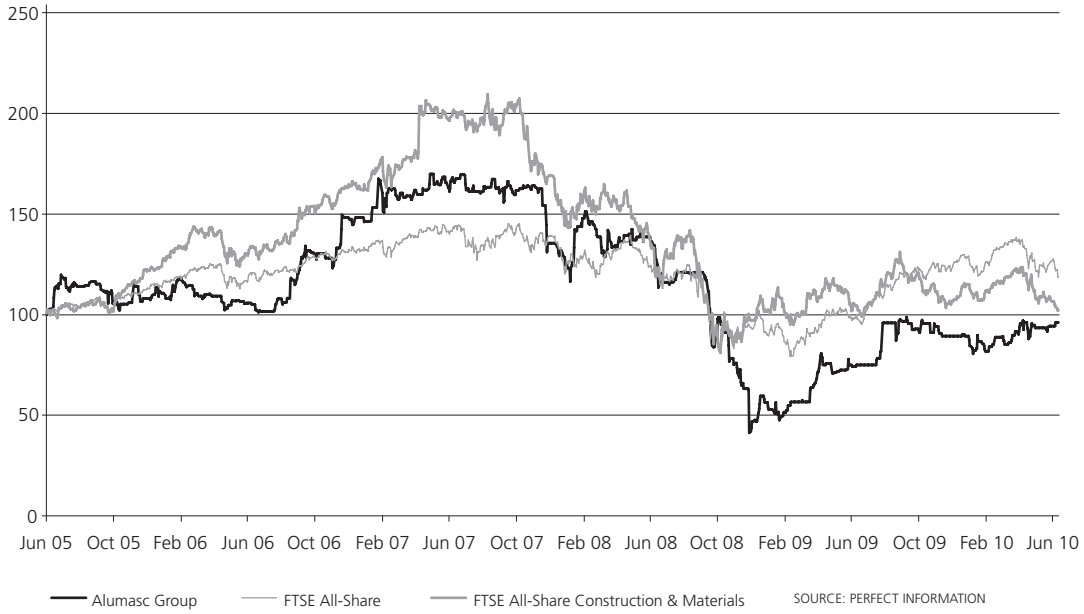
Executive Directors are employed under rolling service contracts, with notice periods of 12 months in either direction. Paul Hooper's contract is dated 28 January 2001 and Andrew Magson's contract is dated 7 August 2006.

None of the Non-Executive Directors have service contracts except for John McCall who has a service contract dated 9 May 1986. Mr McCall's contract, which was substantially amended in 2006 on his move to a part-time role, was renewed last year for a further three year term expiring on 30 April 2012. It is subject to a notice period of 12 months in either direction.

There are no specific contractual provisions dealing with compensation payable to Directors for early termination of service contracts. Under the service contracts, the company has the right to terminate employment on paying basic salary in lieu of the contractual notice period. In the event of such early termination, the Remuneration Committee would give careful consideration to the amount to be paid, taking into account the circumstances of the particular case and the responsibility and ability of the individual to mitigate.

In accordance with current best practice, since 1999 all new Non-Executive Directors have been appointed on the basis of letters of appointment providing for an initial period of three years, subject to review. There are no such letters of appointment in respect of Messrs Gwyn and Pither, who were appointed prior to 1999. Mr Saville's letter of appointment was renewed for a further one-year period during the year.

Historical Total Shareholder Return Performance



The graph shows the total shareholder return on a hypothetical holding of shares in the company compared with a broad equity market. The Directors have chosen to illustrate TSR against the FTSE All Share Index and the All Share Construction & Materials index. These indexes have been selected as, in the opinion of the Directors, they provides a more sound comparison than any other subset of the market.

Information subject to audit

Directors' remuneration

	Basic salary and fees £000	Benefits and other payments £000	Bonuses £000	**Total 2010 £000**	Total 2009 £000
Executive directors					
G P Hooper	230	16	75	**321**	244
A Magson	142	14	44	**200**	156
Non-executive directors					
J S McCall	100	2	–	**102**	102
J P Pither	28	–	–	**28**	28
P H R Gwyn	23	–	–	**23**	23
J Pilkington	23	–	–	**23**	8
R C C Saville	28	–	–	**28**	28

Benefits include health insurance, car and fuel allowances and payment of professional subscriptions.

Pension arrangements

The company paid contributions for Paul Hooper and Andrew Magson into executive pension schemes which are defined contribution arrangements.

Contributions paid during the year were £45,662 (2009: £46,800) and £21,300 (2009: £21,300) respectively.

Share-based Incentive Plans

The performance criteria for all awards under Share-based Incentive Plans are consistent with the remuneration policy and the summary of the schemes set out on page 34.

There were no variations in the terms and conditions applicable to any award during the year.

Remuneration Report

Executive Share Option Scheme

	Exercise price	Earliest exercise date	Expiry date	**As at 1 July 2009**	Exercised in year	Granted in year	Lapsed in year	**At 30 June 2010**
G P Hooper	171.2p	April 2009	April 2016	**39,878**	–	–	–	**39,878**

Long Term Incentive Plans

	Date of award	Market price at award date	Earliest exercise date	**As at 1 July 2009**	Vested in year	Market price at vesting date	Granted in year	Lapsed in year	**At 30 June 2010**
G P Hooper									
1997 Plan	Nov 2006	171p	Nov 2009	**53,699**	–	–	–	(53,699)	**–**
	Oct 2007	208p	Oct 2010	**45,652**	–	–	–	–	**45,652**
Total 1997 Plan				**99,351**	–		–	(53,699)	**45,652**
2008 Plan	Dec 2008	79p	Dec 2011	**176,020**	–	–	–	–	**176,020**
	Oct 2009	102.5p	Oct 2012	**–**	–	–	152,426	–	**152,426**
Total 2008 Plan				**176,020**	–		152,426	–	**328,446**
Total all LTIPs				**275,371**	–		152,426	(53,699)	**374,098**
A Magson									
1997 Plan	Nov 2006	171p	Nov 2009	**23,744**	–	–	–	(23,744)	**–**
	Oct 2007	208p	Oct 2010	**22,609**	–	–	–	–	**22,609**
Total 1997 Plan				**46,353**	–		–	(23,744)	**22,609**
2008 Plan	Dec 2008	79p	Dec 2011	**72,449**	–	–	–	–	**72,449**
	Oct 2009	102.5p	Oct 2012	**–**	–	–	62,737	–	**62,737**
Total 2008 Plan				**72,449**	–		62,737	–	**135,186**
Total all LTIPs				**118,802**	–		62,737	(23,744)	**157,795**

All awards under the 1997 and the 2008 Plans have a £nil exercise price.

The aggregate of gains made by Directors on the exercise of share options during the year was £nil (2009: £18,775).

Company share price

The closing mid market price of the shares on 30 June 2010 was 104.5p and ranged between 118p and 89.5p per share during the year.

Employee Trust

At the year end the employee trust held 335,171 ordinary shares. The market value of the shares held in trust at 30 June 2010 was £350,253.

On behalf of the Board

J P Pither
Chairman
Remuneration Committee

9 September 2010

Independent Auditors' Report

To the members of The Alumasc Group plc

We have audited the financial statements of The Alumasc Group plc for the year ended 30 June 2010 set out on pages 38 to 82. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 28, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2010 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 32, in relation to going concern; and
- the part of the Corporate Governance Statement on pages 29 to 32 relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

PD Selvey (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
Altius House
1 North Fourth Street
Central Milton Keynes
MK9 1NE
9 September 2010

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2010

		2009/10			2008/09		
	Notes	**Before non-recurring items and brand amortisation £000**	**Non-recurring items and brand amortisation £000**	**Total £000**	Before non-recurring items and brand amortisation £000	Non-recurring items and brand amortisation £000	Total £000
Revenue	3	**92,972**	**–**	**92,972**	109,088	–	109,088
Cost of sales		**(62,573)**	**–**	**(62,573)**	(73,337)	–	(73,337)
Cost of sales – impairment charges	5	**–**	**–**	**–**	–	(2,176)	(2,176)
Gross profit		**30,399**	**–**	**30,399**	35,751	(2,176)	33,575
Net operating expenses before non-recurring items and brand amortisation		**(24,754)**	**–**	**(24,754)**	(29,053)	–	(29,053)
Brand amortisation	5	**–**	**(315)**	**(315)**	–	(252)	(252)
Restructuring costs	5	**–**	**(368)**	**(368)**	–	(940)	(940)
Net operating expenses		**(24,754)**	**(683)**	**(25,437)**	(29,053)	(1,192)	(30,245)
Operating profit	4	**5,645**	**(683)**	**4,962**	6,698	(3,368)	3,330
Finance income	8	**3,926**	**–**	**3,926**	4,424	–	4,424
Finance expenses	8	**(5,510)**	**–**	**(5,510)**	(5,950)	–	(5,950)
Profit before taxation		**4,061**	**(683)**	**3,378**	5,172	(3,368)	1,804
Tax expense	9	**(1,235)**	**97**	**(1,138)**	(1,572)	828	(744)
Profit for the year		**2,826**	**(586)**	**2,240**	3,600	(2,540)	1,060
Other comprehensive income							
Actuarial (loss)/gain on defined benefit pensions	23			**(2,058)**			3,938
Effective portion of changes in fair value of cash flow hedges				**(79)**			(501)
Exchange differences on retranslation of foreign operations				**12**			63
Tax on items taken directly to or transferred from equity	9			**598**			(974)
Other comprehensive income for the year, net of tax				**(1,527)**			2,526
Total comprehensive income for the year, net of tax				**713**			3,586
Total comprehensive income for the year attributable to:							
Equity holders of the parent				**703**			3,551
Non-controlling interest				**10**			35
				713			3,586
Profit for the year attributable to:							
Equity holders of the parent				**2,234**			1,052
Non-controlling interest				**6**			8
				2,240			1,060
				Pence			Pence
Earnings per share							
– Basic	11			**6.2**			2.9
– Diluted	11			**6.2**			2.9

Consolidated Statement of Financial Position

At 30 June 2010

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
Assets					
Non-current assets					
Property, plant and equipment	12	**15,131**		16,704	
Goodwill	13	**16,888**		16,888	
Other intangible assets	14	**4,003**		4,538	
Financial asset investments	15	**17**		17	
Deferred tax assets	9	**3,255**		3,501	
			39,294		41,648
Current assets					
Inventories	16	**11,649**		12,524	
Biological assets	17	**372**		341	
Trade and other receivables	19	**21,280**		19,474	
Cash and cash equivalents		**5,622**		1,019	
Income tax receivable		**35**		161	
Derivative financial assets	22	**1**		25	
			38,959		33,544
Total assets			**78,253**		75,192
Liabilities					
Non-current liabilities					
Interest bearing loans and borrowings	21	**(14,939)**		(11,331)	
Employee benefits payable	23	**(11,626)**		(12,504)	
Provisions	24	**(339)**		(499)	
Deferred tax liabilities	9	**(1,853)**		(1,905)	
			(28,757)		(26,239)
Current liabilities					
Interest bearing loans and borrowings	21	**–**		(6)	
Trade and other payables	20	**(20,967)**		(17,657)	
Provisions	24	**(213)**		–	
Derivative financial liabilities	22	**(540)**		(461)	
			(21,720)		(18,124)
Total liabilities			**(50,477)**		(44,363)
Net assets			**27,776**		30,829
Equity					
Called up share capital	25	**4,517**		4,517	
Share premium	26	**445**		452	
Revaluation reserve	26	**–**		951	
Capital reserve – own shares	26	**(369)**		(178)	
Hedging reserve	26	**(389)**		(332)	
Foreign currency reserve	26	**45**		37	
Profit and loss account reserve		**23,494**		25,349	
Equity attributable to equity holders of the parent			**27,743**		30,796
Non-controlling interest			**33**		33
Total equity			**27,776**		30,829

G P Hooper
Director

A Magson
Director

9 September 2010

Company number 1767387

Consolidated Statement of Cash Flows

For the year ended 30 June 2010

	Notes	2009/10 £000	2008/09 £000
Operating activities			
Operating profit		**4,962**	3,330
Adjustments for:			
Depreciation	12	**2,402**	3,004
Amortisation	14	**729**	541
Impairments	12	**–**	2,176
Loss/(gain) on disposal of property, plant and equipment		**3**	(49)
Decrease in inventories		**876**	329
Increase in biological assets		**(31)**	(210)
(Increase)/decrease in receivables		**(1,805)**	10,290
Increase/(decrease) in trade and other payables		**3,323**	(8,627)
Movement in provisions		**53**	(448)
Movement in retirement benefit obligations		**(3,844)**	(4,276)
Share based payments	27	**44**	20
Cash generated from operations		**6,712**	6,080
Tax paid		**(219)**	(454)
Net cash inflow from operating activities		**6,493**	5,626
Investing activities			
Purchase of property, plant and equipment		**(707)**	(1,727)
Payments to acquire intangible fixed assets		**(139)**	(430)
Proceeds from sales of plant and equipment		**36**	51
Proceeds from sales of other intangible assets		**–**	73
Acquisition of subsidiary undertaking	13	**(200)**	–
Acquisition of brand	14	**–**	(126)
Interest received		**22**	149
Net cash outflow from investing activities		**(988)**	(2,010)
Financing activities			
Interest paid		**(663)**	(854)
Equity dividends paid		**(3,602)**	(3,607)
Equity dividends paid to non-controlling interests		**(10)**	(24)
Draw down/(repayment) of amounts borrowed		**4,994**	(5,017)
Purchase of own shares		**(191)**	(124)
(Repayment of)/proceeds from refund of share issue costs		**(7)**	69
Net cash inflow/(outflow) from financing activities		**521**	(9,557)
Net increase/(decrease) in cash and cash equivalents		**6,026**	(5,941)
Cash and cash equivalents brought forward		**(405)**	5,529
Effect of foreign exchange rate changes		**1**	7
Cash and cash equivalents carried forward	28	**5,622**	(405)
Cash and cash equivalents comprise:			
Cash and short term deposits		**5,622**	1,019
Bank overdrafts		**–**	(1,424)
	28	**5,622**	(405)

Consolidated Statement of Changes in Equity

For the year ended 30 June 2010

	Notes	Share capital £000	Share premium £000	Revaluation reserve £000	Capital reserve – own shares £000	Hedging reserve £000	Foreign currency reserve £000	Profit and loss account reserve £000	Total £000	Non-controlling interest £000	Total equity £000
At 1 July 2008		4,517	383	1,101	(106)	40	1	24,951	30,887	22	30,909
Profit for the period		–	–	–	–	–	–	1,052	1,052	8	1,060
Exchange differences on retranslation of foreign operations		–	–	–	–	–	36	–	36	27	63
Net loss on cash flow hedges		–	–	–	–	(501)	–	–	(501)	–	(501)
Tax on derivative financial liability		–	–	–	–	129	–	–	129	–	129
Actuarial gain on defined benefit pensions, net of tax		–	–	–	–	–	–	2,835	2,835	–	2,835
Excess depreciation on previously revalued assets		–	–	(150)	–	–	–	150	–	–	–
Share premium costs refund		–	69	–	–	–	–	–	69	–	69
Acquisition of own shares		–	–	–	(124)	–	–	–	(124)	–	(124)
Vesting of own shares		–	–	–	52	–	–	(52)	–	–	–
Dividends	10	–	–	–	–	–	–	(3,607)	(3,607)	(24)	(3,631)
Share based payments	27	–	–	–	–	–	–	20	20	–	20
At 1 July 2009		4,517	452	951	(178)	(332)	37	25,349	30,796	33	30,829
Profit for the period		**–**	**–**	**–**	**–**	**–**	**–**	**2,234**	**2,234**	**6**	**2,240**
Exchange differences on retranslation of foreign operations		**–**	**–**	**–**	**–**	**–**	**8**	**–**	**8**	**4**	**12**
Net loss on cash flow hedges		**–**	**–**	**–**	**–**	**(79)**	**–**	**–**	**(79)**	**–**	**(79)**
Tax on derivative financial liability		**–**	**–**	**–**	**–**	**22**	**–**	**–**	**22**	**–**	**22**
Actuarial loss on defined benefit pensions, net of tax		**–**	**–**	**–**	**–**	**–**	**–**	**(1,482)**	**(1,482)**	**–**	**(1,482)**
Reserves transfer	26	**–**	**–**	**(951)**	**–**	**–**	**–**	**951**	**–**	**–**	**–**
Share premium costs refund		**–**	**(7)**	**–**	**–**	**–**	**–**	**–**	**(7)**	**–**	**(7)**
Acquisition of own shares		**–**	**–**	**–**	**(191)**	**–**	**–**	**–**	**(191)**	**–**	**(191)**
Dividends	10	**–**	**–**	**–**	**–**	**–**	**–**	**(3,602)**	**(3,602)**	**(10)**	**(3,612)**
Share based payments	27	**–**	**–**	**–**	**–**	**–**	**–**	**44**	**44**	**–**	**44**
At 30 June 2010		**4,517**	**445**	**–**	**(369)**	**(389)**	**45**	**23,494**	**27,743**	**33**	**27,776**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

1 Basis of preparation

The Alumasc Group plc is incorporated and domiciled in England and Wales. The company's ordinary shares are traded on the London Stock Exchange.

The group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union as they apply to the financial statements of the group for the year ended 30 June 2010, and the Companies Act 2006.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review on pages 6 to 21. The financial position of the group, its cashflows, liquidity position and borrowing facilities are described within note 22.

The group has £26 million of banking facilities, of which £20 million is committed until May 2012. At 30 June 2010 the group's net indebtedness was £9.3 million.

On the basis of the group's financing facilities and current financial plans and sensitivity analyses, the Board is satisfied that the group has adequate resources to continue in operational existence for the foreseeable future and accordingly continue to adopt the going concern basis in preparing the financial statements.

2 Summary of significant accounting policies

Changes in accounting policy

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The group has adopted IFRS8 "Operating Segments" for the first time in this financial year. This accounting standard requires that the segmentation of the group's results follows the group's internal management structure and this has resulted in a more detailed segmentation analysis and some re-allocation of brands between segments previously reported. See note 4 for details.

The group has adopted IAS1 (revised) "Presentation of Financial Statements", which has had no impact on the measurement of the group's results or net assets but has resulted in a change in the presentation of the group's primary financial statements.

The group has applied the amendments to IFRS7 "Improving Disclosures about Financial Instruments". The amendment requires disclosures relating to fair value measurements using a three level fair value hierarchy and provides more direction on the form of quantitive disclosures about fair value measurements. The amendment has adjusted the definition of liquidity risk and provides more direction in the form of quantitive disclosures about liquidity risk. The adoption of this standard has resulted in some changes to the disclosures presented in respect of Financial Instruments in note 22.

The group has applied the amendments to IFRS2 "Share-based payment – Vesting Conditions and Cancellations". The amendment provides a definition of vesting conditions and specifies the accounting treatment for non-vesting conditions.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and each of its subsidiaries made up to 30 June each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. Control in this context means the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that is not owned by the group and is presented separately within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

2 Summary of significant accounting policies (continued)

Judgements and estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and valuation of intangible assets and goodwill and the measurement and valuation of defined benefit pension obligations. The measurement of intangible assets other than goodwill on a business combination involves estimation of future cash flows and the selection of a suitable discount rate. The group determines whether goodwill is impaired on an annual basis and this requires an estimation of the value in use of the cash generating units to which the intangible assets are allocated. This involves estimation of future cash flows and choosing a suitable discount rate (see note 13). Measurement of defined benefit pension obligations requires estimation of future changes in inflation, as well as mortality rates, the expected return on assets and the selection of a suitable discount rate (see note 23).

The group may from time to time become involved in legal action which could give rise to contingent assets or liabilities. The group accounts for these under IAS 37 and will only accrue costs when it is probable that there will be a transfer of economic benefits based on independent legal advice and the Directors' judgement.

Revenue recognised on construction contracts is determined by the assessment of completion stage of each contract. The requirement for Directors' judgement is limited due to the involvement of quantity surveyors during the assessment process detailed within the Revenue recognition accounting policy.

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures.

As part of its transition to IFRS, the group elected to re-state only those business combinations that occurred on or after 1 July 2004. In respect of acquisitions prior to 1 July 2004, goodwill represents the amount recognised under the group's previous accounting framework, UK GAAP. For acquisitions on or after 1 July 2004, goodwill represents the excess of the cost of the acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment at least annually, and whenever events or changes in circumstances indicate that the carrying value may be impaired. The carrying amount of goodwill allocated to a cash-generating unit is taken into account when determining the gain or loss on disposal of the unit, or of an operation within it.

Other intangible assets

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. Expenditure on internally developed intangible assets, excluding development costs, is taken to the statement of comprehensive income in the year in which it is incurred.

Development expenditure is recognised as an intangible asset only after all the following criteria are met:

– the project's technical feasibility and commercial viability can be demonstrated;
– the availability of adequate technical and financial resources and an intention to complete the project have been confirmed; and
– the correlation between development costs and future revenues has been established.

Intangible assets with a finite life are amortised on a straight line basis over their expected useful lives, as follows:

– computer software	3 to 5 years
– development expenditure	7 years
– brands	3 to 20 years

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. In addition, the carrying value of capitalised development expenditure is reviewed for impairment annually and before being brought into use.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

2 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Under IFRS transitional provisions, the group elected to bring in previous valuations of freehold and long leasehold land and buildings at a valuation frozen under FRS 15, and these amounts are carried forward at deemed cost.

Freehold land is not depreciated.

The cost of other property, plant and equipment is written off by equal monthly instalments over their estimated useful lives as follows:

Freehold buildings	–	25 to 50 years
Long leasehold property	–	over the period of the lease to a maximum of 50 years
Short leasehold improvements	–	over the period of the lease
Plant and equipment	–	3 to 15 years
Motor vehicles	–	4 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, each part is accounted for as a separate item. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Impairment of fixed assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. For the purpose of impairment testing, goodwill is allocated to the related cash-generating units monitored by management, usually at business segment level or business level as the case may be.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the group are capitalised with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the rental obligation is charged to the statement of comprehensive income in proportion to the reducing capital element outstanding.

Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases and rentals payable are charged in the statement of comprehensive income on a straight line basis over the life of the lease.

Financial assets

When financial assets are recognised initially under IAS39, they are measured at fair value, being the transaction price plus directly attributable transaction costs.

The group's investments are classified as available-for-sale financial assets. As there is no active market for these investments their fair value cannot be reliably measured subsequent to initial recognition, and they are therefore held at cost less impairment.

Inventories

Inventories are valued at the lower of cost and net realisable value on a first in first out basis after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal production.

The group holds certain raw materials from suppliers on an inventory held on consignment basis, which is accounted for as consumed. This inventory remains the property of the supplier until used.

2 Summary of significant accounting policies (continued)

Biological assets

Biological assets relate to the value of horticultural inventories at Blackdown Horticultural Consultants, which form part of the green roof systems supplied by this business. The assets are measured at fair value, being discounted market value less estimated point-of-sale costs, with any change therein recognised in the statement of comprehensive income. Point-of-sale costs include all costs that would be necessary to sell the assets.

Pension costs

The group operates both defined benefit and defined contribution pension schemes as follows:

(i) Defined benefit pensions

The group operates two principal defined benefit schemes which require contributions to be made to separately administered funds. One of the schemes was closed to future benefit accrual in 2009, the other on 31 March 2010, with neither closure resulting in a curtailment gain or loss. Up until these dates, benefits were accrued under the career average revalued earnings (CARE) basis.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and is based on actuarial advice.

Prior to the schemes' closure to future accrual, the employer's portion of the current service costs, past service costs related to employee service in prior periods, and any curtailment gains or losses were charged to the statement of comprehensive income within cost of sales, selling and distribution costs or administrative expenses as appropriate.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

The interest cost on the liabilities is charged to finance costs and the expected return on plan assets is credited to finance revenue.

Actuarial gains and losses are recognised in full in the consolidated statement of comprehensive income. These comprise, for scheme assets, the difference between the expected and actual return on assets, and, for scheme liabilities, the difference between the actuarial assumptions and actual experience, and the effect of changes in actuarial assumptions.

The defined benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the sum of any unrecognised past service costs and the present value of any amount the group expects to recover by way of refunds from the plan or reductions in the future contributions.

(ii) Defined contribution pensions

The pension cost charge to the statement of comprehensive income of the group's defined contribution schemes represents the contributions payable by the group to the funds. The assets of the schemes are held separately from those of the group in independently administered funds.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

– where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

– in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

– deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

2 Summary of significant accounting policies (continued)

Foreign currencies

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Exchange differences resulting from the settlement of such transactions and from the translation at exchange rates ruling at the statement of financial position date of monetary assets and liabilities denominated in currencies other than the functional currency are recognised in the statement of comprehensive income.

Own shares

The Alumasc Group plc shares held by the group are classified in shareholders' equity as 'own shares' and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to reserves. No gain or loss is recognised in the performance statements on the purchase, sale, issue or cancellation of equity shares.

Equity settled share based payment transactions

The fair value of long term incentive awards and share options granted to employees is recognised as an employee expense from the date of grant, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of shares for which the related service and non-market vesting conditions are met.

Derivative financial instruments and hedging

The group uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risk.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such items are expected at inception to be highly effective.

For the purpose of hedge accounting, the hedges used by the group are classified as cash flow hedges, as they hedge exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the profit or loss.

The portion of the gain or loss on a cash flow hedge that is determined to be an effective hedge is initially recognised directly in equity, while the ineffective portion is recognised in the statement of comprehensive income.

Amounts taken to equity are transferred to the profit or loss at the time when the underlying transaction being hedged affects profit or loss, such as when the forecast sale or purchase of the hedged item occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to profit or loss.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction being hedged occurs and are transferred to profit or loss or to the initial carrying amount of a non-financial asset or liability as above. If the related transaction is not expected to occur, the amount is taken to profit or loss.

2 Summary of significant accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, and is stated net of rebates, and before VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

Tooling

Revenue generated on tooling work is recognised when work on the tool has been completed and it has been accepted by the customer.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of comprehensive income in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of comprehensive income.

Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the group will not be able to recover balances in full.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance costs. Borrowing costs are recognised as an expense over the period to the maturity of the underlying instrument.

Provisions

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the group expects some or all of a provision to be reimbursed, for example under an insurance policy, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

New standards and interpretations not applied

The group has considered all new standards and interpretations that are endorsed but not effective at the year end and views that there will be no significant impact on the financial statements next year.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

3 Revenue

Revenue from continuing operations disclosed in the statement of comprehensive income is analysed as follows:

	2009/10 £000	2008/09 £000
Sales of goods	**71,718**	79,323
Tooling	**3,216**	3,429
Construction contracts	**18,038**	26,336
Revenue (per statement of comprehensive income)	**92,972**	109,088
Rental income	**60**	117
Finance revenue (note 8)	**3,926**	4,424
Total revenue	**96,958**	113,629

4 Segmental analysis

The group has adopted IFRS 8 "Operating Segments" for the first time this financial year. This accounting standard requires that the segmentation of results follows the group's internal management reporting structure and this has resulted in a more detailed segmental analysis compared to the previous year, which was based on the nature and end-use of the products. The adoption of the standard has resulted in brands previously included within the Premium Building Products segment now being included within the Water Management & Other segment to reflect the reporting line to the Chief Executive, being the chief operating decision maker.

The Chief Executive reviews internal management reports on a monthly basis, with performance being measured based on segmental operating profit as disclosed below. Performance is measured on this basis as management believes this information is the most relevant when evaluating the impact of strategic decisions.

Inter-segment transactions are entered into applying normal commercial terms that would be available to third parties. Segment results, assets and liabilities include those items directly attributable to a segment. Unallocated assets comprise cash, deferred tax assets, income tax recoverable and corporate assets that cannot be allocated on a reasonable basis. Unallocated liabilities comprise borrowings, employee benefit obligations, deferred tax liabilities, income tax payable and corporate liabilities that cannot be allocated on a reasonable basis to a reportable segment.

4 Segmental analysis (continued)

Analysis by reportable segment 2009/10

	Revenue			Operating Result
	External £000	Inter-segment £000	Total £000	Segmental Result £000
Solar Shading	16,517	–	**16,517**	**1,729**
Roofing & Walling	17,119	–	**17,119**	**209**
Energy Management	**33,636**	**–**	**33,636**	**1,938**
Construction Products	11,473	–	**11,473**	**2,171**
Rainwater, Drainage & Other	19,330	89	**19,419**	**1,242**
Water Management & Other	**30,803**	**89**	**30,892**	**3,413**
Building Products	**64,439**	**89**	**64,528**	**5,351**
Alumasc Precision	23,049	905	**23,954**	**1,311**
Alumasc Dispense	5,484	–	**5,484**	**(50)**
Engineering Products	**28,533**	**905**	**29,438**	**1,261**
Elimination/Unallocated costs	–	(994)	**(994)**	**(967)**
Total	**92,972**	**–**	**92,972**	**5,645**

	£000
Segmental result	5,645
Brand amortisation	(315)
Restructuring costs	(368)
Total operating profit	**4,962**

			Capital and acquisition expenditure			
	Segment Assets £000	Segment Liabilities £000	Property Plant & Equipment £000	Other Intangible Assets £000	Depreciation £000	Amortisation £000
Solar Shading	17,546	(3,434)	135	–	94	173
Roofing & Walling	11,774	(4,026)	275	10	178	129
Energy Management	**29,320**	**(7,460)**	**410**	**10**	**272**	**302**
Construction Products	5,692	(1,573)	149	3	173	5
Rainwater, Drainage & Other	12,815	(4,275)	205	26	678	274
Water Management & Other	**18,507**	**(5,848)**	**354**	**29**	**851**	**279**
Building Products	**47,827**	**(13,308)**	**764**	**39**	**1,123**	**581**
Alumasc Precision	18,083	(6,198)	103	100	1,107	132
Alumasc Dispense	2,555	(1,175)	–	–	136	14
Engineering Products	**20,638**	**(7,373)**	**103**	**100**	**1,243**	**146**
Unallocated	9,788	(29,796)	1	55	36	2
Total	**78,253**	**(50,477)**	**868**	**194**	**2,402**	**729**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

4 Segmental analysis (continued)

Analysis by reportable segment 2008/09

	Revenue			Operating Result
	External £000	Inter-segment £000	Total £000	Segmental Result £000
Solar Shading	23,606	–	**23,606**	**4,916**
Roofing & Walling	21,891	20	**21,911**	**1,178**
Energy Management	**45,497**	**20**	**45,517**	**6,094**
Construction Products	13,028	–	**13,028**	**2,476**
Rainwater, Drainage & Other	19,962	11	**19,973**	**640**
Water Management & Other	**32,990**	**11**	**33,001**	**3,116**
Building Products	**78,487**	**31**	**78,518**	**9,210**
Alumasc Precision	23,025	1,102	**24,127**	**(1,503)**
Alumasc Dispense	7,576	–	**7,576**	**54**
Engineering Products	**30,601**	**1,102**	**31,703**	**(1,449)**
Elimination/Unallocated costs	–	(1,133)	(1,133)	(1,063)
Total	**109,088**	**–**	**109,088**	**6,698**

	£000
Segmental result	6,698
Brand amortisation	(252)
Restructuring costs	(940)
Impairment charges	(2,176)
Total operating profit	**3,330**

			Capital and acquisition expenditure			
	Segment Assets £000	Segment Liabilities £000	Property Plant & Equipment £000	Other Intangible Assets £000	Depreciation £000	Amortisation £000
Solar Shading	18,749	(4,057)	66	14	83	174
Roofing & Walling	12,313	(4,009)	127	59	182	111
Energy Management	**31,062**	**(8,066)**	**193**	**73**	**265**	**285**
Construction Products	6,570	(1,534)	126	1	193	13
Rainwater, Drainage & Other	13,142	(3,957)	430	411	699	162
Water Management & Other	**19,712**	**(5,491)**	**556**	**412**	**892**	**175**
Building Products	**50,774**	**(13,557)**	**749**	**485**	**1,157**	**460**
Alumasc Precision	15,878	(2,995)	1,007	144	1,609	45
Alumasc Dispense	3,033	(963)	47	27	145	36
Engineering Products	**18,911**	**(3,958)**	**1,054**	**171**	**1,754**	**81**
Unallocated	5,507	(26,848)	5	–	93	–
Total	**75,192**	**(44,363)**	**1,808**	**656**	**3,004**	**541**

4 Segmental analysis (continued)

Analysis by geographical segment 2009/10

	United Kingdom £000	**Rest of Europe – EU £000**	**Europe – Non EU £000**	**Rest of World £000**	**Total £000**
Sales to external customers	**77,835**	**7,799**	**472**	**6,866**	**92,972**
Segment non-current assets	**36,038**	**–**	**–**	**1**	**36,039**

Analysis by geographical segment 2008/09

	United Kingdom £000	Rest of Europe – EU £000	Europe – Non EU £000	Rest of World £000	Total £000
Sales to external customers	91,317	9,888	287	7,596	109,088
Segment non-current assets	38,146	–	–	1	38,147

Segment revenue by geographical segment represents revenue from external customers based upon the geographical location of the customer. The analyses of segment non-current assets are based upon location of the assets.

5 Non-recurring items and amortisation

	2009/10 £000	2008/09 £000
Brand amortisation	**315**	252
Restructuring costs	**368**	940
Cost of sales – impairment charges	**–**	2,176
	683	3,368

Restructuring costs relate to restructuring and redundancy costs in both years, including costs associated with the closure of the Alumasc Group Pension Scheme during 2009/10.

Further detail to the impairment charge in 2008/09 is given in note 12.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

6 Expenses by nature

The following items have been charged/(credited) in arriving at operating profit:

	2009/10 £000	2008/09 £000
Raw materials and consumables	**41,897**	51,484
Changes in stocks of finished goods and WIP	**(441)**	761
Depreciation of property, plant and equipment	**2,402**	3,004
Intangible assets amortisation	**414**	289
Brand amortisation	**315**	252
Impairment	**–**	2,176
Loss/(gain) on disposal of plant and equipment	**3**	(49)
Foreign exchange gains	**(48)**	(117)
Employee benefit expense	**23,965**	26,255
Operating lease payments	**788**	1,184
Income from property operating leases	**(60)**	(117)
Research and development	**226**	391
Auditors' remuneration:		
Audit of these financial statements	**48**	48
Audit of financial statements of subsidiaries pursuant to legislation	**77**	77
Other operating charges	**18,424**	20,120
	88,010	105,758

7 Employee costs and numbers

	2009/10 £000	2008/09 £000
Employee benefit expense:		
Wages and salaries	**21,208**	22,954
Social security	**2,058**	2,359
Pension costs (note 23)		
– defined contribution plans	**409**	415
– defined benefit plans	**1,198**	1,427
	24,873	27,155

Pension costs – defined benefit plans includes net pension finance costs of £908,000, (2008/09: £900,000).

	2009/10 Number	2008/09 Number
Average number of employees:		
Building products	**473**	485
Engineering products	**285**	350
	758	835

Included in wages and salaries is a total charge for share based payments of £44,000 (2008/09: £20,000) arising from transactions accounted for as equity settled share based payment transactions.

8 Net finance costs

		2009/10 £000	2008/09 £000
Finance revenue	– Bank interest	**(22)**	(149)
	– Derivative financial instruments	**–**	(25)
		(22)	(174)
	– Expected return on pension scheme plan assets	**(3,904)**	(4,250)
		(3,926)	(4,424)
Finance costs	– Bank loans and overdrafts	**180**	154
	– Revolving credit facility	**494**	644
	– Finance charges payable under finance leases	**–**	2
	– Derivative financial instruments	**24**	–
		698	800
	– Pension scheme liability interest	**4,812**	5,150
		5,510	5,950

9 Tax expense

(a) Tax on profit on ordinary activities

Tax charged in the statement of comprehensive income

	2009/10 £000	2008/09 £000
Current tax:		
UK corporation tax	**399**	338
Amounts over provided in previous years	**(53)**	(282)
Total current tax	**346**	56
Deferred tax:		
Origination and reversal of temporary differences	**645**	567
Tax under provided in previous years	**147**	121
Total deferred tax	**792**	688
Total tax expense	**1,138**	744
Tax recognised in other comprehensive income		
Deferred tax:		
Actuarial (losses)/gains on pension schemes	**(576)**	1,103
Cash flow hedge	**(22)**	(129)
Tax (credited)/charged to other comprehensive income	**(598)**	974
Total tax charge in the statement of comprehensive income	**540**	1,718

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

9 Tax expense (continued)

(b) Reconciliation of the total tax charge

The total tax rate applicable to the tax expense shown in the statement of total comprehensive income of 33.7% is higher than (2008/09: 41.2% was higher than) the standard rate of corporation tax in the UK of 28% (2008/09: 28%). The differences are reconciled below:

	2009/10 £000	2008/09 £000
Profit before taxation	**3,378**	1,804
Current tax at the UK standard rate of 28% (2008/09: 28%)	**946**	505
Expenses not deductible for tax purposes	**98**	125
Tax effect of share options	**–**	(7)
Deferred tax arising on abolition of Industrial Buildings Allowances	**–**	282
Tax over provided in previous years – corporation tax	**(53)**	(282)
Tax under provided in previous years – deferred tax	**147**	121
	1,138	744

(c) Unrecognised tax losses

The group has agreed tax capital losses in the UK amounting to £21million (2009: £21 million) that relate to prior years. Under current legislation these losses are available for offset against future chargeable gains. A deferred tax asset has not been recognised in respect of these losses, as they do not meet the criteria for recognition.

Deferred tax on revaluation gains on land and buildings that are available for offset against capital losses amount to £1 million (2009: £1 million). After this offset net capital losses carried forward amount to £20 million (2009: £20 million). The capital losses are able to be carried forward indefinitely.

(d) Deferred tax

A reconciliation of the movement in deferred tax during the year is as follows:

	Accelerated capital allowances £000	Short term temporary differences £000	Brands £000	Losses £000	Hedging £000	Total deferred tax liability £000	Pension deferred tax asset £000
At 1 July 2008	1,481	(187)	997	–	–	2,291	(5,549)
(Credited)/charged to the statement of comprehensive income - current year	(490)	179	(67)	–	–	(378)	945
Charged/(credited) to the statement of comprehensive income - prior year	218	32	–	(129)	–	121	–
(Credited)/charged to equity	–	–	–	–	(129)	(129)	1,103
At 1 July 2009	1,209	24	930	(129)	(129)	1,905	(3,501)
(Credited)/charged to the statement of comprehensive income - current year	**(180)**	**4**	**(67)**	**66**	**–**	**(177)**	**822**
Charged to the statement of comprehensive income - prior year	**84**	**–**	**–**	**63**	**–**	**147**	**–**
Credited to equity	**–**	**–**	**–**	**–**	**(22)**	**(22)**	**(576)**
At 30 June 2010	**1,113**	**28**	**863**	**–**	**(151)**	**1,853**	**(3,255)**

Deferred tax assets and liabilities are presented as non-current in the consolidated statement of financial position.

Deferred tax assets have been recognised where it is probable that they will be recovered. Deferred tax assets of £5.9 million (2009: £5.9million) have not been recognised in respect of tax capital losses of £21 million (2009: £21 million).

9 Tax expense (continued)

(d) Deferred tax (continued)

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20th July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly. If the rate change from 28% to 27% had been substantively enacted on or before the statement of financial position date it would have had the effect of reducing the net deferred tax asset recognised at that date by £50,000.

10 Dividends

	2009/10 £000	2008/09 £000
Interim dividend for 2010 of 3.25p paid on 1 April 2010	**1,170**	–
Final dividend for 2009 of 6.75p paid on 30 October 2009	**2,432**	–
Interim dividend for 2009 of 3.25p paid on 7 April 2009	**–**	1,170
Final dividend for 2008 of 6.75p paid on 29 October 2008	**–**	2,437
	3,602	3,607

A final dividend of £2,416,000, 6.75p per equity share, has been proposed for 2010, payable on 29 October 2010. In accordance with IFRS accounting requirements this dividend has not been accrued in these consolidated financial statements.

11 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period, after allowing for the exercise of outstanding share options. The following sets out the income and share data used in the basic and diluted earnings per share calculations:

	2009/10 £000	2008/09 £000
Profit attributable to equity holders of the parent	**2,234**	1,052

	000s	000s
Basic weighted average number of shares	**35,918**	36,023
Dilutive potential ordinary shares – employee share options	**95**	–
	36,013	36,023

Calculation of underlying earnings per share:

	2009/10 £000	2008/09 £000
Profit before taxation	**3,378**	1,804
Add back brand amortisation	**315**	252
Add back restructuring costs	**368**	940
Add back impairment charges	**–**	2,176
	4,061	5,172
Tax at underlying group tax rate of 30.4% (2008/09: 30.4%)	**(1,235)**	(1,572)
Underlying earnings	**2,826**	3,600
Basic weighted average number of shares	**35,918**	36,023
Underlying earnings per share	**7.9p**	10.0p

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

12 Property, plant and equipment

	Freehold land and buildings £000	Long leasehold property £000	Short leasehold improvements £000	Plant, equipment and motor vehicles		Total £000
				Owned £000	Leased £000	
Cost:						
At 1 July 2008	10,715	235	443	45,811	31	57,235
Additions	364	–	7	1,432	5	1,808
Reclassification	22	–	–	(10)	(12)	–
Disposals	–	–	(69)	(2,902)	–	(2,971)
At 1 July 2009	11,101	235	381	44,331	24	56,072
Additions	**33**	**–**	**20**	**815**	**–**	**868**
Reclassification	**–**	**–**	**–**	**24**	**(24)**	**–**
Disposals	**–**	**–**	**–**	**(5,737)**	**–**	**(5,737)**
At 30 June 2010	**11,134**	**235**	**401**	**39,433**	**–**	**51,203**
Accumulated depreciation and impairment losses:						
At 1 July 2008	3,509	125	185	33,326	12	37,157
Depreciation charge for year	319	7	41	2,628	9	3,004
Impairment charges	53	–	–	2,123	–	2,176
Reclassification	18	–	–	(12)	(6)	–
On disposals	–	–	(69)	(2,900)	–	(2,969)
At 1 July 2009	3,899	132	157	35,165	15	39,368
Depreciation charge for year	**331**	**7**	**37**	**2,022**	**5**	**2,402**
Reclassification	**–**	**–**	**–**	**20**	**(20)**	**–**
On disposals	**–**	**–**	**–**	**(5,698)**	**–**	**(5,698)**
At 30 June 2010	**4,230**	**139**	**194**	**31,509**	**–**	**36,072**
Net book value at 30 June 2010	**6,904**	**96**	**207**	**7,924**	**–**	**15,131**
Net book value at 30 June 2009	7,202	103	224	9,166	9	16,704
Net book value at 1 July 2008	7,206	110	258	12,485	19	20,078

During the prior year an impairment review was performed at Alumasc Precision Components as the business reported an operating loss in the year. The result of the review led to a write down in property, plant and equipment of £2,096,000.

For the purpose of the impairment testing in the prior year, the recoverable amount of the cash generating unit was based on value in use calculations. The value in use was derived from discounted management cash flow forecasts for the business, based on budgets and strategic plans covering a five year period. A pre-tax discount rate of 11.6% was used. The growth rate used to extrapolate the cash flows beyond this period was 1%. A 1% change in the discount rate used would have resulted in approximately a £1 million change in the value of the impairment. A 0.5% change in the growth rate used to extrapolate the cash flows beyond the five year period would have resulted in the impairment changing by £300,000.

In addition, an impairment charge of £80,000 was recognised in the prior year in connection with plant and machinery relating to the Armaseam brand within the Building Products division.

13 Goodwill

	2010 £000	2009 £000
Cost:		
At 1 July and 30 June	**16,986**	16,986
Impairment:		
At 1 July and 30 June	**98**	98
Net book value at 1 July and 30 June	**16,888**	16,888

Goodwill acquired through acquisitions has been allocated to cash generating units for impairment testing as set out below:

	2010 £000	2009 £000
Building Products Division:		
Roof-Pro	**3,194**	3,194
Timloc	**2,264**	2,264
Levolux	**10,179**	10,179
Blackdown	**1,251**	1,251
At 30 June	**16,888**	16,888

Impairment testing of acquired goodwill

The group considers each of the operating businesses that have goodwill allocated to them, which are those units for which a separate cashflow is computed, to be a cash generating unit (CGU) and each CGU is reviewed annually for indicators of impairment. In assessing whether an asset has been impaired, the carrying amount of the CGU is compared to its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. In the absence of any information about the fair value of a CGU, the recoverable amount is deemed to be its value in use.

Each of the CGU's are equal to or lower than the operating segments per note 4.

For the purpose of impairment testing, the recoverable amount of cash generating units is based on value in use calculations. The value in use is derived from discounted management cash flow forecasts for the businesses, based on budgets and strategic plans covering a four year period. The growth rate used to extrapolate the cash flows beyond the period was 1% (2009: 1%) for each CGU.

Key assumptions included in the recoverable amount calculation include:

(i) Sales and gross margins
(ii) Raw materials and overhead costs

Each assumption has been considered in conjunction with the local management of the relevant operating businesses who have used their past experience and expectations of future market developments in arriving at the figures used.

The range of pre-tax rates used to discount the cash flows of these cash generating units with on balance sheet goodwill was between 9.5% and 10.5% (2009: between 10.1% and 11%). The decrease in the discount rate is explained by a reduced risk premium applied to costs of finance. The surplus headroom above the carrying value of goodwill at 30 June 2010 was significant in the case of each relevant CGU, with no impairment arising from either a 2% increase in the discount rate; a growth rate of -1% used to extrapolate the cash flows; or a reduction of 25% in the cash flow generated in the terminal year for any CGU.

During the year £200,000 deferred consideration payable on the acquisition of Blackdown Horticultural Consultants Limited was settled.

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14 Other intangible assets

	Brands £000	Development expenditure £000	Computer software £000	Total £000
Cost:				
At 1 July 2008	3,789	166	2,720	6,675
Acquisition	226	–	–	226
Additions	–	–	430	430
Disposals	–	–	(196)	(196)
At 1 July 2009	4,015	166	2,954	7,135
Additions	**–**	**–**	**194**	**194**
Disposals	**–**	**–**	**(46)**	**(46)**
At 30 June 2010	**4,015**	**166**	**3,102**	**7,283**
Accumulated amortisation:				
At 1 July 2008	228	26	1,925	2,179
Amortisation for the year	252	26	263	541
On disposals	**–**	–	(123)	(123)
At 1 July 2009	480	52	2,065	2,597
Amortisation for the year	**315**	**25**	**389**	**729**
On disposals	**–**	**–**	**(46)**	**(46)**
At 30 June 2010	**795**	**77**	**2,408**	**3,280**
Net book value at 30 June 2010	**3,220**	**89**	**694**	**4,003**
Net book value at 30 June 2009	3,535	114	889	4,538
Net book value at 1 July 2008	3,561	140	795	4,496

Amortisation for the year is included within administrative expenses.

The Levolux brand is being amortised over a life of 20 years.

The Blackdown brand is being amortised over a life of 5 years.

The Contour-Ply brand is being amortised over a life of 3 years.

Business combinations

2009
Contour-Ply brand

On 1 May 2009, the group purchased the brand of Contour-Ply for an initial payment of £101,000 to be followed by future additional contingent consideration payments, which management estimated to be £100,000. £25,000 of legal costs were capitalised in respect of this acquisition. Revenues subsequent to acquisition in the two month period to 30 June 2009 were £90,000. The impact on the group's results had the acquisition taken place at the beginning of the year is not practicable to determine.

15 Financial asset investments

	£000
Cost:	
At 1 July 2009 and 30 June 2010	**17**

The group holds 20% of the share capital of Amorim Isolamentos SA, a specialist cork insulation product manufacturer and distributor, which is incorporated and operates in Portugal. In the Directors' opinion, the degree of influence exercised over Amorim Isolamentos SA is insufficient to justify its treatment as an associate.

16 Inventories

	2010 £000	2009 £000
Raw materials	**4,249**	5,565
Work in progress	**3,667**	2,341
Finished goods	**3,733**	4,618
	11,649	12,524

During the year the group's stock provision increased by £82,000 (2009: decreased by £457,000). At 30 June 2010 the group's stock provision was £1,239,000 (2009: £1,157,000).

17 Biological assets

	2010 £000	2009 £000
At 1 July	**341**	131
Increases from purchases	**246**	205
Decreases from sales	**(382)**	(289)
Gain from change in fair value less costs to sell	**167**	294
At 30 June	**372**	341

18 Construction contracts

	2010 £000	2009 £000
Contracts in progress at 30 June:		
Gross amount due from customers for contract work	**3,384**	4,194
Gross amount due to customers for contract work	**79**	168

For contracts in progress at 30 June 2010, the amount of contracts costs incurred plus recognised profits less recognised losses to date was £4,734,000 (2009: £6,698,000). These contracts were on average 55% complete at 30 June 2010 (2009: 53%).

19 Trade and other receivables

	2010 £000	2009 £000
Trade receivables	**15,241**	12,693
Construction contracts	**3,384**	4,194
Other receivables	**621**	1,027
Prepayments and accrued income	**2,034**	1,560
	21,280	19,474

Trade receivables are non-interest bearing, are generally on 30-90 days' terms and are shown net of a provision for impairment. As at 30 June 2010, trade receivables at nominal value of £417,000 (2009: £593,000) were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

	2010 £000	2009 £000
At 1 July	**593**	406
Charge for the year	**90**	346
Amounts written off	**(266)**	(159)
At 30 June	**417**	593

Included within the total provision for impairment is £150,000 (2009: £259,000) in relation to provisions against construction contracts.

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For the year ended 30 June 2010

20 Trade and other payables

	2010 £000	2009 £000
Trade payables	**15,162**	11,606
Other taxation and social security	**1,563**	1,387
Other payables	**1,239**	2,084
Construction deposits received on account	**79**	168
Accruals and deferred income	**2,924**	2,412
	20,967	17,657

21 Borrowings

	2010 £000	2009 £000
Current liabilities:		
Obligations under finance leases and hire purchase contracts	**–**	6
	–	6
Non-current liabilities:		
Bank overdraft	**–**	1,424
Non-current instalments due on bank loans	**14,939**	9,907
	14,939	11,331

The bank loans comprise a committed £15 million revolving credit facility drawn down against three month LIBOR and a £5 million committed overdraft facility. Neither the loan nor the committed overdraft facility are secured. The following financial covenants apply to both committed facilities; group interest cover, based on underlying operating profit, to be at least three times; and net debt/underlying EBITDA to be below three times. The group has the option to cancel and repay elements of these facilities at short notice should it wish to do so. The loan and committed overdraft facility have a final maturity date of 22 May 2012.

	2010 £000	2009 £000
Obligations under finance leases and hire purchase contracts:		
Less than one year	**–**	6
Less: future finance charges	**–**	–
	–	6
Present value of lease/hire purchase agreements:		
Less than one year	**–**	6
	–	6

The liabilities at 30 June 2009 relate to lease/hire purchase financing over vehicles which were inherited by the group on acquisition of Levolux and Blackdown.

The obligations under lease/hire purchase agreements held in the prior year had fixed interest rates varying from 6.8% to 9.9%.

22 Financial instruments

Financial risk management

The group's treasury activities are carried out in accordance with policies set by the Board. The purpose of treasury policies is to ensure that adequate cost effective funding is available to the group at all times and that exposure to interest rate, foreign exchange and counterparty risks are managed within acceptable levels. The group uses derivative financial instruments as economic hedges to manage foreign exchange and certain interest rate risks. It is the group's policy that no trading in financial instruments is undertaken. Hedge accounting treatment has been applied to some of these hedging activities. All derivative financial instruments are measured at fair value at each balance sheet date.

Financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of all the group's financial assets and liabilities:

	30 June 2010		30 June 2009	
	Carrying amount £000	**Fair value £000**	Carrying amount £000	Fair value £000
Financial assets:				
Available-for-sale financial assets	**17**	**17**	17	17
Cash and cash equivalents	**5,622**	**5,622**	1,019	1,019
Trade receivables	**15,241**	**15,241**	12,693	12,693
Construction contracts	**3,384**	**3,384**	4,194	4,194
Other receivables	**621**	**621**	1,027	1,027
Derivative financial instruments	**1**	**1**	25	25
	24,886	**24,886**	18,975	18,975
Financial liabilities:				
Bank overdraft	**–**	**–**	1,424	1,424
Bank loans	**14,939**	**14,939**	9,907	9,907
Obligations under lease/hire purchase agreements	**–**	**–**	6	6
Trade and other payables	**19,325**	**19,325**	16,102	16,102
Derivative financial instruments	**540**	**540**	461	461
	34,804	**34,804**	27,900	27,900

Available-for-sale financial assets have been valued at cost. Market values have been used to determine the fair value of bank borrowings. The fair values of fixed rate secured borrowings and finance leases/hire purchase agreements have been determined by discounting their cash flows at prevailing interest rates. The fair value of interest rate swap and cap transactions has been determined by marking those contracts to market against prevailing/forecast future interest rates. The fair value of forward foreign exchange contracts has been determined by marking those contracts to market against prevailing forward foreign exchange rates.

The table below summarises the maturity profile of the group's financial liabilities at 30 June 2010 and 2009 based on contractual undiscounted payments, including future unaccrued interest.

Year ended 30 June 2010	**On demand £000**	**Less than 3 months £000**	**3 to 12 months £000**	**1 to 5 years £000**	**Total £000**
Interest bearing loans and borrowings	**–**	**117**	**351**	**15,429**	**15,897**
Trade and other payables	**3,846**	**13,378**	**2,048**	**53**	**19,325**
	3,846	**13,495**	**2,399**	**15,482**	**35,222**

Year ended 30 June 2009	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	Total £000
Interest bearing loans and borrowings	–	110	328	10,735	11,173
Overdraft	–	–	–	1,424	1,424
Trade and other payables	2,078	11,925	2,099	–	16,102
	2,078	12,035	2,427	12,159	28,699

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For the year ended 30 June 2010

22 Financial instruments (continued)

Liquidity and interest rate risk

The group manages liquidity and interest rate risk by monitoring its net debt position regularly and ensuring that banking facilities are in place to provide adequate headroom for anticipated future cash flows. At 30 June 2010, the group had £26 million (2009: £26 million) of banking facilities, of which £20 million (2009: £20 million) was committed. The facilities comprise a committed five year £15 million revolving credit facility (2009: £15 million), a committed overdraft facility of £5 million (2009: £5 million) and unsecured overdraft facilities of £6 million (2009: £6 million). All of the group's committed debt facilities expire in May 2012. Uncommitted overdrafts are repayable on demand and the facility agreements are reviewed annually.

The group's net debt at 30 June 2010 was £9.3 million (2009: £10.3 million) equivalent to 47% (2009: 52%) of committed debt facilities and 36% (2009: 40%) of total debt facilities. The unutilised element of the group's facilities at 30 June 2010 was £11.0 million (2009: £14.6 million).

Details of the group's policies and procedures for managing capital are given within the Business Review on page 18.

The maturity profile of the group's interest bearing financial liabilities is as follows:

	2010 £000	2009 £000
Fixed rate interest bearing financial liabilities:		
In one year or less	**–**	6
In one to two years	**5,000**	–
In two to three years	**–**	5,000
	5,000	5,006
Floating rate interest bearing financial liabilities:		
In one to two years	**9,939**	–
In two to three years	**–**	6,331
	9,939	6,331

In order to manage the interest rate risk arising on drawn debt facilities, the group has entered into interest rate swap and cap transactions to hedge £10 million of group borrowings, with the objective of ensuring that the majority of the group's net indebtedness at any time is protected against interest rates rising above the level fixed by hedging instruments. These instruments become effective when the LIBOR is above 6%.

The group's overall pre tax cost of debt finance at interest rates in place at 30 June 2010 is approximately 5.0% (2009: 6.4%).

The interest rate risk profile of the group's financial liabilities is as follows:

Fixed rate financial liabilities:		
Weighted average interest rate – %	**6.5**	6.7
Weighted average period for which interest rate is fixed – years	**1.9**	2.9

The fixed rate financial liability comprises an interest rate swap that expires in May 2012.

The floating rate financial liabilities comprise a revolving credit facility, that bears interest based on LIBOR, an interest rate cap that bears a floating rate of interest up to LIBOR of 6%, and above that becomes fixed, and bank overdrafts that bear interest based on a margin over the Bank of England base rate.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the group's profit before tax (through the impact of floating rate borrowings).

		Basis Points	Effect on profit before tax £000
2010	**Increase**	**+300**	**(129)**
	Decrease	**–50**	**22**
2009	Increase	+300	(165)
	Decrease	–50	28

The effect of the above changes to the interest rate on the group's equity is not considered to be material.

22 Financial instruments (continued)

Credit risk

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in relation to transactions where the group provides goods and services on deferred terms. There are no concentrations of credit risk which amount to more than 10% of group revenues. The maximum credit risk exposure relating to financial assets is represented by its carrying value as at the balance sheet date and is limited to the value of trade and other receivables. In addition the group may from time to time have credit exposures relating to bespoke inventories. The group's cash deposits are only lodged with approved institutions that have strong credit ratings.

Group policies are aimed at minimising credit losses, and require that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit terms to ensure that the group's exposure to bad debts is minimised. Goods may be sold on a cash with order basis to mitigate credit risk. Some operating units purchase credit insurance where the cost is not excessive when compared to the risks covered.

At 30 June, the analysis of trade and other receivables that were past due but not impaired is as follows:

			Past due but not impaired			
Year ended 30 June 2010	**Total £000**	**Not past due £000**	**<30 days £000**	**30-60 days £000**	**60-90 days £000**	**>90 days £000**
Trade receivables	**15,241**	**10,367**	**3,630**	**922**	**268**	**54**
Construction contracts	**3,384**	**2,963**	**322**	**48**	**2**	**49**
Other receivables	**621**	**621**	**–**	**–**	**–**	**–**
	19,246	**13,951**	**3,952**	**970**	**270**	**103**
Year ended 30 June 2009						
Trade receivables	12,693	8,534	2,595	1,061	222	281
Construction contracts	4,194	1,864	1,835	295	184	16
Other receivables	1,027	1,027	–	–	–	–
	17,914	11,425	4,430	1,356	406	297

Foreign currency risk

The group has transactional currency exposures. Such exposures arise from sales or purchases by operating companies in currencies other than the companies' operating currency (mainly Pounds Sterling). Transactional currency risks are managed by offsetting as far as possible purchases and sales by group companies in the same currency. Residual risk is managed where appropriate through the use of forward currency contracts.

None of the derivative financial instruments held at 30 June 2010 or 30 June 2009 related to derivative trading activity. Where IFRS cashflow hedge accounting is applied, gains or losses on the financial instrument hedges are held in equity and only recognised in the consolidated income statement when the losses or gains on the hedged transactions are recognised in the consolidated income statement.

The following shows the amounts of foreign currency denominated receivables, payables and cash balances at 30 June stated in local currency:

	2010			2009		
	Receivable	**Payable**	**Cash**	Receivable	Payable	Cash
Euros	**609,000**	**(822,000)**	**392,000**	322,000	(876,000)	833,000
US Dollars	**597,000**	**(1,002,000)**	**508,000**	879,000	(1,352,000)	1,264,000
Hong Kong Dollars	**94,000**	**(38,000)**	**2,767,000**	204,000	–	1,352,000

The Hong Kong Dollar cash balances at 30 June 2010 are being held in connection with the recent establishment of Alumasc Precision Hong Kong Limited.

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For the year ended 30 June 2010

22 Financial instruments (continued)

The following table demonstrates the impact on the group's profit after tax and equity when the fair value of monetary asset and liabilities at 30 June are retranslated at varied exchange rates.

		Exchange rate change	Effect on profit after tax and equity US$ £000	Euro £000	HK$ £000
2010	**Increase**	**+10%**	**(6)**	**(13)**	**(22)**
	Decrease	**–10%**	**8**	**16**	**27**
2009	Increase	+10%	(40)	(19)	(11)
	Decrease	–10%	50	24	14

Hedging activities

The net fair values of the group's derivative financial instruments at 30 June designated as hedging instruments are set out below:

	2010		2009	
	Cash flow hedges £000	**Total £000**	Cash flow hedges £000	Total £000
Interest rate cap instrument	**1**	**1**	25	25
Interest rate swap instrument	**(472)**	**(472)**	(453)	(453)
Forward foreign exchange contracts	**(68)**	**(68)**	(8)	(8)
	(539)	**(539)**	(436)	(436)

Cash flow hedges

At 30 June 2010 the group had an interest rate swap with a notional principal amount of £5 million (2009: £5 million) and an interest rate cap with a notional principal amount of £5 million (2009: £5 million), each with a maturity date of 22 May 2012. The cash flows associated with the interest swap and cap hedges are expected to occur in the next two years.

At 30 June 2010 the group had forward foreign exchange contracts with principal amounts equivalent to £2,604,000 (2009: £322,000). The forward foreign exchange contracts hedge foreign currency price risks of various currency purchases and sales across the group. The cash flows associated with the forward foreign exchange hedges are expected to occur within the next 12 months.

The derivative financial instruments carried at fair value have been valued using quoted prices (unadjusted) in active markets for identical assets and liabilities and therefore they are all considered to have been valued at Level 1, as described in the amendments to IFRS7.

23 Retirement benefit obligations

(a) The group's pension schemes

The group operates a number of defined benefit and defined contribution schemes, funded by the payment of contributions into separately administered funds. The defined benefit schemes, which are now closed to future accrual, provide defined benefits based on a career average revalued earnings (CARE) basis. Pension contributions are determined with the advice of an independent qualified actuary on the basis of triennial valuations using the projected unit credit method.

Defined contribution schemes

Of the amount charged to operating profit in the statement of comprehensive income for pension contributions, £409,000 (2009: £415,000) was in respect of defined contribution schemes. At 30 June 2010 there was an accrual of £73,000 payable in respect of defined contribution schemes, (2009: £21,000).

Defined benefit schemes

The two principal defined benefit schemes are The Alumasc Group Pension Scheme and The Benjamin Priest Group Pension Scheme. The rate of contributions is reassessed regularly in accordance with actuarial advice.

Contributions to the pension schemes are currently being discussed with the Pension Trustees and are currently not expected to exceed £3 million in aggregate in the next financial year. Following the closure of The Alumasc Group Pension Scheme to future accrual during the year, neither schemes now have any active members.

(b) IAS 19

Disclosures in accordance with IAS 19 are set out below in respect of the defined benefit schemes.

Pension charges are determined with the advice of an independent qualified actuary on the basis of annual valuations using the projected unit credit method. Under the projected unit method, for closed schemes the amounts allocated to service cost in future periods will tend to be higher as the members of the schemes approach retirement.

The principal assumptions used for the purpose of the IAS 19 valuations are set out below.

To develop the expected long term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments, (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long term rate of return on assets assumption for the portfolio. An allowance for the expected administration expenses of the schemes over the forthcoming year was deducted from the expected return on each class.

	The Alumasc Group Scheme 2010 %	**The Benjamin Priest Group Scheme 2010 %**	The Alumasc Group Scheme 2009 %	The Benjamin Priest Group Scheme 2009 %
Discount rate	**5.4**	**5.4**	6.5	6.5
Expected rate of salary increases	**n/a**	**n/a**	3.4	n/a
Expected rate of deferred pension increases	**3.6**	**4.4**	3.4	3.4
Future pension increases	**3.0**	**2.2**	3.1	3.0
Inflation rate	**3.2**	**3.2**	3.3	3.3
Expected return on plan assets:				
Equities	**7.1**	**7.1**	8.5	8.5
Gilts	**4.1**	**4.1**	4.5	4.5
Bonds	**5.2**	**5.2**	6.5	6.5
Absolute return	**6.2**	**6.2**	–	–
	Years	**Years**	Years	Years
Post retirement mortality				
Current pensioners at 65 – male	**21.1**	**20.2**	21.7	20.8
Current pensioners at 65 – female	**23.1**	**22.2**	24.2	23.3
Future pensioners at 65 in 2030 – male	**22.6**	**21.7**	23.6	22.6
Future pensioners at 65 in 2030 – female	**24.1**	**23.1**	25.4	24.5

A discount rate of 5.4% has been used in evaluating the value of liabilities of the pension schemes at 30 June 2010. A 0.1% change to this rate would have changed the value of the pension fund liabilities at that date by approximately £1,243,000 before tax.

An inflation rate of 3.2% has been used in evaluating the value of liabilities of the pension schemes at 30 June 2010. A 0.1% change to this rate would have changed the value of the pension fund liabilities at that date by approximately £598,000 before tax.

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For the year ended 30 June 2010

23 Retirement benefit obligations (continued)

(b) IAS 19 (continued)

In valuing the liabilities of the pension schemes at 30 June 2010, mortality assumptions have been assumed as indicated above. If life expectancy had been changed to assume that all members of the schemes live for one year longer on average, the value of the reported liabilities at 30 June 2010 would have increased by approximately £2,539,000 before tax.

The combined assets and liabilities of the schemes at 30 June are:

	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
Scheme assets at fair value:					
Equities	**30,098**	36,716	34,649	40,525	36,879
Government bonds	**10,185**	16,863	18,688	17,416	17,472
Corporate bonds and insured annuities	**8,437**	4,708	12,205	11,420	9,605
Absolute return fund	**22,650**	–	–	–	–
Property	**1,140**	1,145	1,351	–	–
Cash	**3,496**	4,200	676	–	–
	76,006	63,632	67,569	69,361	63,956
Present value of scheme liabilities	**(87,632)**	(76,136)	(87,387)	(86,922)	(88,263)
Defined benefit pension deficit	**(11,626)**	(12,504)	(19,818)	(17,561)	(24,307)

The whole of the defined benefit pension deficit is shown as a non-current liability.

Amounts recognised in the statement of comprehensive income in respect of the defined benefit plans, before taxation, are as follows:

	2009/10 £000	2008/09 £000
Included within operating profit:		
Current service cost	**290**	500
Past service cost	**–**	27
	290	527
Included in net finance cost:		
Expected return on plan assets	**(3,904)**	(4,250)
Interest cost	**4,812**	5,150
	908	900
Included in other comprehensive income:		
Actuarial (gain)/loss on plan assets	**(8,765)**	8,912
Actuarial loss/(gain) on retirement benefit obligations	**10,823**	(12,850)
	2,058	(3,938)
Total recognised in the statement of comprehensive income	**3,256**	(2,511)

The actual return on plan assets for 2009/10 was a gain of £12,669,000 (2008/09: a loss of £4,662,000).

Changes in the present value of the defined benefit obligation before taxation are as follows:

	2010 £000	2009 £000	2008 £000
At 1 July	**(76,136)**	(87,387)	(86,922)
Current service cost	**(290)**	(500)	(525)
Past service cost	**–**	(27)	–
Interest cost	**(4,812)**	(5,150)	(4,822)
Benefits paid	**4,562**	4,293	3,802
Actuarial (loss)/gain	**(10,823)**	12,850	1,317
Contributions by plan participants	**(133)**	(215)	(237)
At 30 June	**(87,632)**	(76,136)	(87,387)

23 Retirement benefit obligations (continued)

(b) IAS 19 (continued)

Changes in the fair value of plan assets before taxation are as follows:

	2010 £000	2009 £000	2008 £000
At 1 July	**63,632**	67,569	69,361
Expected return on plan assets	**3,904**	4,250	4,321
Actuarial gain/(loss)	**8,765**	(8,912)	(7,874)
Contributions by plan participants	**133**	215	237
Contributions by employer	**4,134**	4,803	5,326
Defined benefit actual benefit payments	**(4,562)**	(4,293)	(3,802)
At 30 June	**76,006**	63,632	67,569

	2009/10	2008/09	2007/08	2006/07	2005/06
Experience adjustments on scheme liabilities:					
Amount (£000)	**(3,391)**	115	1,317	2,880	468
Percentage of scheme liabilities (%)	**(3.87)**	0.15	1.51	3.31	0.53
Experience adjustments on scheme assets:					
Amount (£000)	**8,765**	(8,912)	(7,874)	1,796	3,316
Percentage of scheme assets (%)	**11.53**	(14.01)	(11.65)	2.59	5.18

During the year ended 30 June 2010 £3,400,000 of contributions to the scheme deficit were paid into the defined benefit plans (2009: £3,431,000) to eliminate the past service shortfall over ten years. In addition, contributions of £444,000 (2009: £845,000) were made by the company to fund the administration expenses and the Pension Protection Fund Levies on the schemes.

The cumulative amount of actuarial gains recognised since 1 July 2004 in the group statement of comprehensive income is £4,744,000 (2008/09: £6,802,000).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

24 Provisions

	Dilapidations £000 Note (i)	Warranty £000 Note (ii)	Total £000
At 1 July 2008	695	252	947
Charge for the year	–	72	72
Utilised	(446)	(74)	(520)
At 1 July 2009	249	250	499
Charge for the year	**54**	**107**	**161**
Utilised	**–**	**(108)**	**(108)**
At 30 June 2010	**303**	**249**	**552**
At 30 June 2010			
Current liabilities	**–**	**213**	**213**
Non-current liabilities	**303**	**36**	**339**
	303	**249**	**552**
At 30 June 2009			
Current liabilities	–	–	–
Non-current liabilities	249	250	499
	249	250	499
At 30 June 2008			
Current liabilities	116	–	116
Non-current liabilities	579	252	831
	695	252	947

(i) Dilapidations

The provision is in respect of a number of the group's leased premises where the group has obligations to make good dilapidations.

The non-current liabilities are estimated to be payable over periods from two to nine years.

(ii) Warranty

Warranty provisions are generally utilised within five years and relate to certain products supplied by the Building Products Division.

Provisions are not discounted since the impact of reflecting the time value of money on these balances is not considered to be material.

25 Called up share capital

	2010 £000	2009 £000
Authorised:		
54,800,000 (2009: 54,800,000) ordinary shares of 12.5p each	**6,850**	6,850
Allotted, called up and fully paid:		
36,133,558 (2009: 36,133,558) ordinary shares of 12.5p each	**4,517**	4,517

26 Movements in equity

Share capital and share premium

The balances classified as share capital and share premium are the proceeds of the nominal value and premium value respectively on issue of the company's equity share capital net of issue costs. Following an enquiry by HMRC during the year, £7,000 of the £69,000 refunded in 2008/09 in respect of previously incurred share issue costs was repaid.

Capital reserve – own shares

The capital reserve – own shares relates to 335,171 (2009: 135,171) ordinary own shares held by the company. The market value of shares at 30 June 2010 was £350,253 (2009: £120,000). These are held to help satisfy the exercise of awards under the company's Long Term Incentive Plans. A Trust holds the shares in its name and shares are awarded to employees on request by the company. The company bears the expenses of the Trust.

Hedging reserve

This reserve records the post-tax portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

Foreign currency reserve

This foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Revaluation reserve

This reserve was created when, under IFRS transitional provisions, the group elected to bring in previous valuations of freehold and long leasehold land and buildings at a valuation frozen under FRS 15. During the year the revaluation reserve balance of £951,000 was transferred to the profit and loss account reserve to reflect freehold and long leasehold land and buildings being carried forward at deemed cost.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

27 Share based payments

The company operates two types of share based payment schemes, the main features of each scheme are as detailed in the Remuneration Report on pages 33 to 36.

	As at 1 July 2009	Weighted average exercise price (pence)	Granted	Weighted average exercise price (pence)	Exercised	Weighted average exercise price (pence)	Lapsed	Weighted average exercise price (pence)	**As at 30 June 2010**	Weighted average exercise price (pence)
LTIP (i)	610,220	n/a	343,290	n/a	–	n/a	(139,188)	n/a	**814,322**	n/a
ESOS (ii)	182,878	168.2	140,000	1.04	–	–	(18,000)	1.73	**304,878**	1.38

	As at 1 July 2008	Weighted average exercise price (pence)	Granted	Weighted average exercise price (pence)	Exercised	Weighted average exercise price (pence)	Lapsed	Weighted average exercise price (pence)	As at 30 June 2009	Weighted average exercise price (pence)
LTIP (i)	349,659	n/a	365,203	n/a	(33,355)	n/a	(71,287)	n/a	610,220	n/a
ESOS (ii)	224,401	165.7	–	–	–	–	(41,523)	154.6	182,878	168.2

(i) Long term incentive plan
(ii) Executive share option scheme

ESOS

For the share options outstanding at 30 June 2010 the weighted average remaining contractual life is 6.50 years (30 June 2009: 5.04 years). The exercise price of the options outstanding ranges between 104p and 180p. 125,000 share options are exercisable at 30 June 2010 (30 June 2009: 143,000) with a weighted average option price of 167p (2009: 179p).

Included within the balance outstanding at 30 June 2010 are options over 24,000 (30 June 2009: 24,000) shares that have not been recognised in accordance with IFRS 2 as the options were granted on or before 7 November 2002. These options have not been subsequently modified and therefore do not need to be accounted for in accordance with IFRS 2.

	ESOS	**LTIP**	
	Black Scholes 2010	**Black Scholes & Binomial 2010**	Black Scholes & Binomial 2009
Share price at grant date	**101p**	**116.5p**	79p
Exercise price	**104p**	**nil**	nil
Expected volatility	**40%**	**40%**	30%
Expected life (years)	**5**	**3**	3
Risk free rate	**2.0%**	**2.0%**	2.8%
Dividend yield	**10%**	**10%**	10%
Fair value per option	**13p**	**86p**	58p

The expected volatility is based on historical volatility over the last three years. The expected life is the average expected period to exercise. The risk free rate of return is based on the yield on government bonds due to mature on the expected maturity of the award.

The charge recognised for share based payments in respect of employee services rendered during the year to 30 June 2010 was £44,000 (2008/09: £20,000).

28 Movement in net borrowings

	Cash and bank overdrafts £000	Bank loans £000	Finance leases £000	Net borrowings £000
At 1 July 2008	5,529	(14,878)	(18)	(9,367)
Cash flow movements	(5,941)	5,000	12	(929)
Non-cash movements	–	(29)	–	(29)
Effect of foreign exchange rates	7	–	–	7
At 1 July 2009	(405)	(9,907)	(6)	(10,318)
Cash flow movements	**6,026**	**(5,000)**	**6**	**1,032**
Non-cash movements	**–**	**(32)**	**–**	**(32)**
Effect of foreign exchange rates	**1**	**–**	**–**	**1**
At 30 June 2010	**5,622**	**(14,939)**	**–**	**(9,317)**

29 Financial commitments

(i) Capital commitments

At 30 June 2010, £76,000 (2009: £nil) of capital expenditure had been authorised and £71,000 (2009: £24,000) of capital expenditure had been authorised and contracted but not provided for by the group.

(ii) Operating lease commitments

The group has entered into commercial leases on certain properties, motor vehicles and items of plant and equipment. The leases have varying terms and renewal rights.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Property 2009/10 £000	Plant and vehicles 2009/10 £000	Property 2008/09 £000	Plant and vehicles 2008/09 £000
Less than one year	**592**	**309**	807	326
Between one and five years	**2,028**	**959**	2,496	387
After five years	**1,702**	**–**	2,209	–
	4,322	**1,268**	5,512	713

The total future minimum sublease receipts under non-cancellable operating leases are as follows:

	Property 2009/10 £000	Property 2008/09 £000
Less than one year	**32**	32
Between one and five years	**37**	69
	69	101

Notes to the Consolidated Financial Statements

For the year ended 30 June 2010

30 Related party disclosure

The group's principal subsidiaries are listed below:

Principal subsidiaries	Principal activity	Country of incorporation	% of equity interest and votes held	
			2010	2009
Alumasc Precision Limited	Engineering products	England	100	100
Alumasc Exterior Building Products Limited	Building products	England	100	100
Alumasc Limited	Engineering and building products	England	100	100
Levolux Limited and Levolux A.T. Limited	Building products	England	100	100
Blackdown Horticultural Consultants Limited	Building products	England	100	100
Elkington China Limited	Building products	Hong Kong	70	70

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made at arms-length market prices. Outstanding balances at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables.

Transactions with other related parties

Key management personnel are determined as the Directors of The Alumasc Group plc. Details of transactions with the Directors and their compensation are detailed in the Remuneration Report on pages 33 to 36.

31 Contingent liabilities

At the statement of financial position date there existed contingent liabilities amounting to £110,000 (2009: £274,000) in relation to outstanding Performance Bonds and £252,000 (2009: £130,000) in relation to outstanding Letters of Credit.

Company Balance Sheet

At 30 June 2010

	Notes	**2010 £000**	2009 £000
Fixed assets			
Tangible assets	4	**2,824**	2,860
Investments in subsidiary undertakings	5	**74,893**	69,874
		77,717	72,734
Current assets			
Debtors	6	**721**	1,089
Cash		**281**	–
		1,002	1,089
Creditors: amounts falling due within one year	7	**(12,357)**	(7,125)
Net current liabilities		**(11,355)**	(6,036)
Total assets less current liabilities		**66,362**	66,698
Creditors: amounts falling due in more than one year	8	**(21,739)**	(18,131)
Provision for liabilities	9	**(36)**	–
Pension liability	10	**(348)**	(340)
Net assets		**44,239**	48,227
Capital and reserves			
Called up share capital	11	**4,517**	4,517
Share premium	12	**445**	452
Revaluation reserve	12	**2,265**	2,265
Merger reserve	12	**10,606**	10,606
Capital reserve – own shares	12	**(369)**	(178)
Profit and loss account reserve	12	**26,775**	30,565
Shareholders' funds		**44,239**	48,227

G P Hooper
Director

A Magson
Director

9 September 2010

Company number 1767387

Notes to the Company Financial Statements

For the year ended 30 June 2010

1 Accounting policies

Basis of accounting

The accounts are prepared under UK GAAP using the historical cost convention as modified by the revaluation of the investment in certain subsidiaries, and in accordance with applicable accounting standards. As permitted by Section 408 of the Companies Act 2006, the profit and loss account is not presented.

The company has taken advantage of the exemption in paragraph 20 of FRS29 Financial Instruments: Disclosures, and has not disclosed information required by that standard, as the group's consolidated financial statements, in which the company is included, provide equivalent disclosures for the group under IFRS7 Financial Instruments: Disclosures.

Depreciation of tangible fixed assets

Freehold land is not depreciated. The cost or valuation of other tangible fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Freehold buildings	–	25 to 50 years
Long leasehold property	–	over the period of the lease to a maximum of 50 years
Plant and equipment	–	3 to 15 years
Motor vehicles	–	4 to 5 years

Valuation of fixed assets

The company elected to adopt the transitional provisions of FRS 15 under which previous valuations of freehold and long leasehold land and buildings are retained and treated as 'cost' for future accounting purposes. The majority of the company's properties have been acquired as a result of the acquisition of related businesses; in these cases, the fair value of the freehold and long leasehold land and buildings at acquisition is already treated as 'cost' for all purposes.

Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligation is included in creditors. The interest element of the rental obligation is charged to the profit and loss account in proportion to the reducing capital element outstanding. Rentals in respect of all other leases are charged to the profit and loss account as incurred.

Pensions

The company operates two principal defined benefit pension schemes and two defined contribution schemes which require contributions to be made to separately administered funds.

In accounting for defined benefit schemes under FRS 17, the pension scheme assets are measured using fair values whilst the pension scheme liabilities are measured using a projected unit credit method and discounted using an appropriate discount rate. The company's share of the pension scheme deficit is recognised net of the related deferred tax asset on the face of the balance sheet. The movement on the deficit is split between operating and finance charges in the profit and loss account and also in the statement of total recognised gains and losses. Prior to the schemes' closure to future accrual, the employer's portion of the current service cost was charged to operating profit. The interest cost on scheme liabilities and the expected return on scheme assets is charged or credited to other financing costs.

The actuarial gain or loss is charged directly to equity through the statement of total recognised gains and losses. It compares the difference between the expected return on assets and those actually achieved, and also any changes in the assumptions and experiences used in the valuations.

For defined contribution schemes the amount charged to the profit and loss account represents the contributions payable to the plans in the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1 Accounting policies (continued)

Deferred taxation

Provision is made for deferred taxation in accordance with FRS 19.

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 disposal 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; and

– 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.

Own shares

The Alumasc Group plc shares held by the group are classified in shareholders' equity as 'own shares' and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to revenue reserves. No gain or loss is recognised in the performance statements on the purchase, sale, issue or cancellation of equity shares.

Equity settled share based payment transactions

The fair value of long term incentive awards and share options granted to employees is recognised as an employee expense at the date of grant, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of shares for which the related service and non-market vesting conditions are met.

Awards granted to employees of subsidiary undertakings are treated as capital contributions within investments.

Investment in subsidiaries

Investments in subsidiaries are stated at cost, or revalued amount, less provisions for impairment where appropriate.

Dividends

Under FRS 21, final ordinary dividends payable to shareholders are recognised in the period that they are approved by the shareholders. Interim ordinary dividends payable are recognised in the period that they are paid. Dividends receivable are recognised when the company's right to receive payments is established.

2 Operating profit

Operating profit is stated after charging:

	2009/10 £000	2008/09 £000
Auditors' remuneration – audit of the financial statements of the company	**15**	15
Depreciation of tangible fixed assets	**90**	93
Hire of plant and machinery	**1**	1

Notes to the Company Financial Statements

For the year ended 30 June 2010

3 Dividends

	2009/10 £000	2008/09 £000
Interim dividend for 2010 of 3.25p paid on 1 April 2010	**1,170**	–
Final dividend for 2009 of 6.75p paid on 30 October 2009	**2,432**	–
Interim dividend for 2009 of 3.25p paid on 7 April 2009	**–**	1,170
Final dividend for 2008 of 6.75p paid on 29 October 2008	**–**	2,437
	3,602	3,607

A final dividend of £2,416,000, 6.75p per equity share, has been proposed for 2010, payable on 29 October 2010. In accordance with accounting requirements this dividend has not been accrued in these financial statements.

4 Tangible fixed assets

	Freehold land and buildings £000	Long leasehold property £000	Plant, equipment and motor vehicles £000	Total £000
Cost:				
At 1 July 2009	3,775	235	264	4,274
Additions	–	–	54	54
At 30 June 2010	**3,775**	**235**	**318**	**4,328**
Depreciation:				
At 1 July 2009	1,030	131	253	1,414
Charge for the year	78	8	4	90
At 30 June 2010	**1,108**	**139**	**257**	**1,504**
Net book value:				
At 30 June 2010	**2,667**	**96**	**61**	**2,824**
At 1 July 2009	2,745	104	11	2,860

Included within freehold land and buildings is land of £1,909,000 (2009: £1,909,000) which is not depreciated.

5 Investments in subsidiary undertakings

	£000
Cost or valuation:	
At 1 July 2009	69,874
Additions – capital contributions in respect of subsidiary	5,000
Additions – capital contributions in respect of share options	19
At 30 June 2010	**74,893**
Provisions:	
At 1 July 2009 and 30 June 2010	**–**
Net book value:	
At 30 June 2010	**74,893**
At 30 June 2009	69,874

5 Investments in subsidiary undertakings (continued)

At 30 June 2010 the principal subsidiary undertakings and related classes of business are as follows: Alumasc Precision Limited, (engineering products), Alumasc Exterior Building Products Limited, (building products), Alumasc Limited, (engineering and building products), Levolux Limited and Levolux A.T. Limited (building products) and Blackdown Horticultural Consultants Limited (building products). All subsidiary companies are owned 100%, and are registered and operated in England, with the exception of Elkington China Limited, which is 70% owned, incorporated in Hong Kong and operates in the People's Republic of China. All shareholdings relate to ordinary shares. The company's investment in Alumasc Limited was revalued in 1985 to reflect the subsidiary's net assets at that date and its investment in Benjamin Priest Group Limited was re-stated in 1999 and 2005 to reflect permanent diminutions in value.

During the year £5,000,000 of capital was contributed to Alumasc Precision Limited.

All major subsidiary companies are owned directly by the Alumasc Group plc.

6 Debtors

	2010 £000	2009 £000
Other debtors	**519**	442
Prepayments and accrued income	**75**	47
Corporation tax debtor	**127**	509
Deferred tax asset (see note 9)	**–**	91
	721	1,089

7 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Bank overdraft	**4,834**	765
Other creditors	**1,043**	752
Accruals	**192**	338
Amounts due to subsidiary undertakings	**6,288**	5,270
	12,357	7,125

8 Creditors: amounts falling due after more than one year

	2010 £000	2009 £000
Bank overdraft	**–**	1,424
Bank loan	**14,939**	9,907
Amounts due to subsidiary undertakings	**6,800**	6,800
	21,739	18,131

9 Provisions for liabilities

	Deferred tax £000
At 1 July 2009 (see note 6)	91
Deferred tax charge – current year	(64)
Deferred tax charge – prior year	(63)
At 30 June 2010	**(36)**

The deferred tax included in the balance sheet is as follows:

	2010 £000	2009 £000
Accelerated capital allowances	**(36)**	(38)
Losses	**–**	129
	(36)	91

Notes to the Company Financial Statements

For the year ended 30 June 2010

10 Employee benefit expense

Defined benefit schemes

The company participates in the two principal defined benefit schemes, The Alumasc Group Pension Scheme and The Benjamin Priest Group Pension Scheme. Following the closure of The Alumasc Group Pension Scheme to future accrual during the year, neither schemes now have any active members.

The defined benefit schemes maintained by the company are multi-employer schemes. For the purpose of allocating the total assets and liabilities of the schemes between the various group companies, the Directors have used as a basis the existing participating employer or the participating employer at the point of the employee leaving.

The actuarial valuations performed on 1 April 2008 and 6 April 2007 were updated to 30 June 2010 by a qualified independent actuary. The major assumptions used by the actuary were:

	The Alumasc Group 2010 %	**The Benjamin Priest Group 2010 %**	The Alumasc Group 2009 %	The Benjamin Priest Group 2009 %
Discount rate	**5.4**	**5.4**	6.5	6.5
Expected rate of salary increases	**n/a**	**n/a**	3.4	n/a
Expected rate of deferred pension	**3.6**	**4.4**	3.4	3.4
Future pension increases	**3.0**	**2.2**	3.1	3.0
Inflation rate	**3.2**	**3.2**	3.3	3.3
Expected return on plan assets:				
Equities	**7.1**	**7.1**	8.5	8.5
Gilts	**4.1**	**4.1**	4.5	4.5
Bonds	**5.2**	**5.2**	6.5	6.5
Absolute return	**6.2**	**6.2**	–	–
	Years	**Years**	Years	Years
Post retirement mortality:				
Current pensioners at 65 – male	**21.1**	**20.2**	21.7	20.8
Current pensioners at 65 – female	**23.1**	**22.2**	24.2	23.3
Future pensioners at 65 in 2030 – male	**22.6**	**21.7**	23.6	22.6
Future pensioners at 65 in 2030 – female	**24.1**	**23.1**	25.4	24.5

The following information relates to the company's element of the assets and liabilities of the schemes.

The assets in the schemes and the expected rate of return were:

	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
Equities	**1,296**	1,505	1,465	1,687	1,584
Gilts	**438**	691	672	633	618
Bonds	**363**	139	536	394	244
Absolute return fund	**975**	–	–	–	–
Property and cash	**200**	274	–	–	–
Total market value of assets	**3,272**	2,609	2,673	2,714	2,446
Actuarial value of liability	**(3,756)**	(3,081)	(3,623)	(3,555)	(3,572)
Pension liability before taxation	**(484)**	(472)	(950)	(841)	(1,126)
Related deferred tax asset	**136**	132	268	252	338
Net pension liability	**(348)**	(340)	(682)	(589)	(788)

10 Employee benefit expense (continued)

Components of defined benefit cost for the year to 30 June were:

	2009/10 £000	2008/09 £000
Amounts charged to operating profit:		
Current service cost	**32**	54
Amounts charged to other finance costs:		
Expected return on pension scheme assets	**(165)**	(167)
Interest on pension liabilities	**194**	209
Net interest cost	**29**	42
Total profit and loss charge before taxation	**61**	96

Analysis of amounts recognised in statement of total recognised gains and losses:

	2009/10 £000	2008/09 £000
Actual return less expected return on assets	**459**	(331)
Experience (losses)/gains	**(203)**	5
Changes in assumptions	**(446)**	519
Actuarial (loss)/gain to be recognised in statement of total recognised gains and losses	**(190)**	193

Changes in the present value of the defined benefit obligation before taxation are as follows:

	2010 £000	2009 £000
At 1 July	**(3,081)**	(3,623)
Current service cost	**(32)**	(54)
Interest cost	**(194)**	(209)
Benefits paid	**211**	298
Actuarial (loss)/gain	**(649)**	524
Contributions by plan participants	**(11)**	(17)
At 30 June	**(3,756)**	(3,081)

Changes in the fair value of plan assets before taxation are as follows:

	2010 £000	2009 £000
At 1 July	**2,609**	2,673
Expected return on plan assets	**165**	167
Actuarial gain/(loss)	**459**	(331)
Contributions by plan participants	**11**	17
Contribution by employer	**239**	381
Defined benefit actual benefit payments	**(211)**	(298)
At 30 June	**3,272**	2,609

Notes to the Company Financial Statements

For the year ended 30 June 2010

10 Employee benefit expense (continued)

History of experience gains and losses:

	2009/10	2008/09	2007/08	2006/07	2005/06
Difference between expected and actual return on scheme assets:					
– Amount (£000)	**459**	(331)	(325)	88	150
– Percentage of company's allocation of scheme assets (%)	**14**	(12)	(12)	3	6
Experience gains and losses on scheme liabilities:					
– Amount (£000)	**(203)**	5	–	–	(45)
– Percentage of company's allocation of scheme liabilities (%)	**(5)**	0.2	–	–	(1)
Total amount recognised in statement of total recognised gains and losses					
– Amount (£000)	**(190)**	193	(289)	196	173
– Percentage of company's allocation of scheme liabilities (%)	**(5)**	6	(8)	5	5

Defined contribution schemes

During the year £71,000 was charged to the profit and loss account in respect of such schemes (2008/09: £72,000). At 30 June 2010 contributions of £6,000 were outstanding in relation to the month of June 2010 (2008/09: £4,000 in relation to the month of June 2009).

11 Called up share capital

	2010 £000	2009 £000
Authorised:		
54,800,000 (2009: 54,800,000) ordinary shares of 12.5p each	**6,850**	6,850
Allotted, called up and fully paid:		
36,133,558 (2009: 36,133,558) ordinary shares of 12.5p each	**4,517**	4,517

12 Reserves

	Share capital £000	Share premium account £000	Revaluation reserve £000	Merger reserve £000	Capital reserve – own shares £000	Profit and loss account reserve £000	Total £000
At 1 July 2009	4,517	452	2,265	10,606	(178)	30,565	48,227
Share premium costs refund	–	(7)	–	–	–	–	(7)
Retained loss for the year	–	–	–	–	–	(95)	(95)
Dividends	–	–	–	–	–	(3,602)	(3,602)
Share based payments	–	–	–	–	–	44	44
Acquisition of own shares	–	–	–	–	(191)	–	(191)
Actuarial loss on defined benefit pensions net of tax	–	–	–	–	–	(137)	(137)
At 30 June 2010	**4,517**	**445**	**2,265**	**10,606**	**(369)**	**26,775**	**44,239**

The company has not presented its own profit and loss account in accordance with the exemption allowed by Section 408 of the Companies Act 2006. The loss for the year after tax was £95,000 (2009: profit £3,922,000).

Capital reserve – own shares

The capital reserve – own shares relates to 335,171 (2009: 135,171) ordinary own shares held by the company. The market value of shares at 30 June 2010 was £350,253 (2009: £120,000). These are held to help satisfy the exercise of awards under the company's Long Term Incentive Plans. An employee trust holds the shares in its name and shares are awarded to employees on request by the company. The company bears the expenses of the Trust.

Distributable reserves

In connection with the capital reorganisation in 2007, the company reached agreement with the Pension Trustees that £14.0 million of the profit and loss account reserve shown above would be retained as a non-distributable reserve until the group's pension deficits reduced further (as determined by full actuarial valuations). Therefore the directors consider that £14.0 million of the company profit and loss account reserve remains non-distributable, until such time as the 2010 actuarial valuations are finalised and agreed with the Trustees.

13 Share based payments

The company operates two types of share based payment schemes, the main features of each scheme as detailed in the Remuneration Report on pages 33 to 36.

	As at 1 July 2009	Weighted average exercise price (pence)	Granted	Weighted average exercise price (pence)	Exercised	Weighted average exercise price (pence)	Lapsed	Weighted average exercise price (pence)	**As at 30 June 2010**	Weighted average exercise price (pence)
LTIP (i)	394,173	n/a	215,163	n/a	–	n/a	(77,443)	n/a	**531,893**	n/a
ESOS (ii)	47,878	169.9	20,000	1.04	–	–	(8,000)	1.64	**59,878**	1.49

	As at 1 July 2008	Weighted average exercise price (pence)	Granted	Weighted average exercise price (pence)	Exercised	Weighted average exercise price (pence)	Lapsed	Weighted average exercise price (pence)	As at 30 June 2009	Weighted average exercise price (pence)
LTIP (i)	199,163	n/a	248,469	n/a	(12,643)	n/a	(40,816)	n/a	394,173	n/a
ESOS (ii)	47,878	169.9	–	–	–	–	–	–	47,878	169.9

(i) Long term incentive plan
(ii) Executive share option scheme

Notes to the Company Financial Statements

For the year ended 30 June 2010

13 Share based payments (continued)

ESOS

For the share options outstanding at 30 June 2010 the weighted average remaining contractual life is 6.9 years (30 June 2009: 6.28 years). The exercise price of the options outstanding ranges between 104p and 171.2p. No share options are exercisable at 30 June 2010 (30 June 2009: 8,000) with a weighted average option price of £nil (2009: 163.5p).

LTIP

The fair values of awards granted in the year, together with the other inputs into the option pricing model are shown below. The Black-Scholes and the Cox Ross Rubenstein Binomial option pricing models have been used to calculate the fair value of the options and the amount to be expensed in the income statement.

	ESOS		**LTIP**
	Black Scholes 2010	**Black Scholes & Binomial 2010**	Black Scholes & Binomial 2009
Share price at grant date	**101p**	**116.5p**	79p
Exercise price	**104p**	**nil**	nil
Expected volatility	**40%**	**40%**	30%
Expected life (years)	**5**	**3**	3
Risk free rate	**2.0%**	**2.0%**	2.8%
Dividend yield	**10%**	**10%**	10%
Fair value per option	**13p**	**86p**	58p

The expected volatility is based on historical volatility over the last three years. The expected life is the average expected period to exercise. The risk free rate of return is based on the yield on government bonds due to mature on the expected maturity date of the award.

The charge recognised for share based payments in respect of employee services rendered during the year to 30 June 2010 is £25,000 (2008/09: £2,000).

14 Financial commitments

The company had no financial commitments at the year end (2009: £nil).

15 Related party disclosures

The company has taken advantage of the exemption granted by paragraph 3c of FRS 8 not to disclose transactions with other group companies. There were no other related party transactions during the period (2009: nil).

16 Contingent liabilities

The company is party to, together with subsidiary undertakings, cross guarantee banking arrangements in favour of the group's relationship banks. At the year end, subsidiary undertakings had utilised £167,000 (2009: £158,000) of the group's overdraft facilities.

Five Year Summary

	2009/10 £000	2008/09 £000	2007/08 £000	2006/07 £000	2005/06 £000
Income Statement Summary					
Revenue (continuing operations)					
Building products	64,528	78,518	83,799	59,679	55,342
Engineering products	29,438	31,703	44,317	45,565	40,688
Less intercompany	(994)	(1,133)	(2,308)	(1,643)	(1,604)
Total revenue	**92,972**	**109,088**	**125,808**	**103,601**	**94,426**
Underlying operating profit (continuing operations)					
Building products	5,351	9,210	10,720	6,960	6,869
Engineering products	1,261	(1,449)	1,664	1,660	2,269
Unallocated costs	(967)	(1,063)	(1,151)	(1,075)	(1,072)
Underlying operating profit (continuing operations)	**5,645**	**6,698**	**11,233**	**7,545**	**8,066**
Brand amortisation and fair value adjustments	(315)	(252)	(428)	(370)	–
Restructuring costs	(368)	(940)	(465)	–	–
Impairment	–	(2,176)	–	–	–
Profit on property disposals	–	–	1,240	637	242
Share of operating profit in associates	–	–	–	–	23
Operating profit (continuing operations)	**4,962**	**3,330**	**11,580**	**7,812**	**8,331**
Net interest cost on borrowings	(676)	(626)	(1,090)	(811)	(546)
Net pension interest	(908)	(900)	(501)	(400)	(786)
Profit before tax (continuing operations)	3,378	1,804	9,989	6,601	6,999
Profit/(loss) before tax (discontinued)	–	–	–	2,351	(1,497)
Profit before taxation	**3,378**	**1,804**	**9,989**	**8,952**	**5,502**
Taxation	(1,138)	(744)	(2,656)	(2,686)	(1,681)
Profit on ordinary activities after taxation	2,240	1,060	7,333	6,266	3,821
Non-controlling interest	(6)	(8)	(18)	(35)	(16)
Profit for the financial year attributable to equity holders of the parent	**2,234**	**1,052**	**7,315**	**6,231**	**3,805**
Return on sales (underlying)					
Building products	8.3%	11.7%	12.8%	11.7%	12.4%
Engineering products	4.3%	-4.6%	3.8%	3.6%	5.6%
Group	6.1%	6.1%	8.9%	7.3%	8.5%
Underlying profit before tax (continuing operations)	**4,061**	**5,172**	**9,642**	**6,334**	**6,757**
Underlying tax rate	30.4%	30.4%	31.4%	32.7%	31.4%

Five Year Summary (continued)

		2009/10 £000	2008/09 £000	2007/08 £000	2006/07 £000	2005/06 £000
Balance Sheet Summary						
Shareholders' funds		27,743	30,796	30,887	31,392	24,162
Non-controlling interests		33	33	22	38	34
Net debt		9,317	10,318	9,367	12,908	3,372
Pension deficit (net of associated deferred tax asset)		8,371	9,003	14,269	12,644	17,015
Capital invested		45,464	50,150	54,545	56,982	44,583
Return on capital invested (post-tax)	(note a)	8.2%	8.9%	13.9%	13.2%	10.1%
Return on shareholders' funds (post-tax)	(note b)	9.6%	11.6%	21.3%	15.2%	20.5%
Gearing	(note c)	33.5%	33.5%	30.3%	41.1%	13.9%
Group interest cover	(note d)	8.4	10.7	10.3	9.3	14.8
Other Statistics						
Earnings per share (on continuing operations) (pence)		6.2	2.9	20.3	13.2	13.4
Underlying earnings per share (on continuing operations) (pence)	(note e)	7.9	10.0	18.3	12.1	13.0
Total earnings per share (pence)		6.2	2.9	20.3	17.6	10.8
Dividends per share (pence)		10.0	10.0	10.0	9.7	9.3
Order Book at 30 June (continuing operations)						
Building products		15,920	15,001	21,467	19,025	2,913
Engineering products		19,624	13,188	21,586	17,616	20,800
Group		35,544	28,189	43,053	36,641	23,713

Notes

a) Underlying operating profit after tax (calculated using the underlying tax rate) as a percentage of average capital invested
b) Underlying profit after tax (calculated using the underlying tax rate) as a percentage of average shareholders' funds
c) Net borrowings as a percentage of shareholders' funds plus non-controlling interests
d) Underlying operating profit divided by net interest cost on borrowings
e) Underlying earnings per share is calculated as per note 11

Analysis of performance by half year in 2009/10 and 2008/09

	Half year to 31 Dec 2008 £m	Half year to 30 June 2009 £m	**Half year to 31 Dec 2009 £m**	**Half year to 30 June 2010 £m**
Revenue				
Building Products	42.5	36.0	**33.3**	**31.2**
Engineering Products	18.8	12.9	**11.7**	**17.7**
Intercompany	(0.6)	(0.5)	**(0.5)**	**(0.4)**
	60.7	48.4	**44.5**	**48.5**
Underlying operating profit				
Building Products	5.2	4.0	**3.5**	**1.8**
Engineering Products	(0.3)	(1.1)	**(0.3)**	**1.6**
Unallocated	(0.6)	(0.5)	**(0.5)**	**(0.5)**
	4.3	2.4	**2.7**	**2.9**

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of The Alumasc Group plc (the "company") will be held at Founder's Hall, No.1 Cloth Fair, London EC1A 7HT at 10.30 am on Thursday 28 October 2010 for the following purposes:

Ordinary business

1 To receive the reports of the directors and auditors and the accounts for the year ended 30 June 2010

2 To receive the report of the Remuneration Committee for the year ended 30 June 2010

3 To declare a final dividend of 6.75 pence per share

4 To re-elect Jon Pither as a director[123]

5 To re-elect Philip Gwyn as a director[123]

6 To re-elect Paul Hooper as a director

7 To re-elect John McCall as a director[1]

8 To confirm the appointment of KPMG Audit Plc as auditors and to authorise the directors to fix their remuneration

[1]Member of Nomination Committee
[2]Member of Remuneration Committee
[3]Member of Audit Committee

Special business

To consider, and if thought fit, to pass the following Resolutions. Resolution 9 shall be proposed as an Ordinary Resolution and Resolutions 10 and 11 shall be proposed as Special Resolutions.

9 Renewal of directors' authorities to allot shares

That the directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the company to allot shares in the company or to grant rights to subscribe for or to convert any security into shares in the company up to an aggregate nominal amount of £1,542,425 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the company, save that the directors shall be entitled to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or rights to be granted pursuant to any such offers or agreements after this authority had expired; and all unexercised authorities previously granted to the directors are hereby revoked.

10 Disapplication of statutory pre-emption rights

That the directors be and hereby they are empowered pursuant to Section 571 of the Companies Act 2006 to allot equity securities as defined in Section 560(1) of that Act for cash pursuant to the authority conferred by Resolution 9 above as if Section 561(1) of that Act did not apply to any such allotment provided that this power shall be limited to:

(i) the allotment of equity securities in connection with a rights issue or other offer of securities in favour of the holders of ordinary shares on the register of members at such dates as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on such record dates subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depository receipts or any other matter whatever; and

(ii) the allotment (otherwise than pursuant to sub paragraph (i) above) to any person or persons of equity securities up to an aggregate nominal amount of £225,835; and shall expire on the date of expiry of the authority conferred by Resolution 9 above, save that the company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

In respect of an allotment of equity securities by virtue of Section 560(2b) of the Act, the words "pursuant to the authority conferred in Resolution 9 above" shall be deemed to be omitted from the power conferred by this Resolution.

11 Company's authority to purchase its own shares

That the company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of 12.5p each in the company provided that;

(i) the maximum number of ordinary shares hereby authorised to be acquired is such a number as represents 14.9% of the issued share capital of the company on 28 October 2010;

(ii) the minimum price (exclusive of taxes and expenses) which may be paid for such ordinary shares is 12.5p per share;

(iii) the maximum price (exclusive of taxes and expenses) which may be paid for such ordinary shares is an amount equal to 105% of the average of the middle market quotations for ordinary shares (derived from the Daily Official List of the London Stock Exchange Plc) for the five dealing days immediately preceding the day on which such ordinary shares are contracted to be purchased;

Notice of Annual General Meeting

(iv) the authority hereby conferred shall expire on 27 October 2011, or, if earlier, on the date of the next Annual General Meeting of the company except that the expiry of such authority shall not exclude any purchase of ordinary shares made pursuant to a contract concluded before the authority expired and which would or might be executed wholly or partly after its expiration;

(v) this authority supersedes the company's authority to make market purchases granted by Special Resolution passed on 29 October 2009.

By order of the Board

A Magson
Company Secretary
9 September 2010

Registered Office
Burton Latimer
Kettering
Northamptonshire
NN15 5JP
Registered No
1767387

Notes to the Notice of Annual General Meeting

1. Holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the AGM. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the meeting. A proxy need not be a shareholder. More than one proxy can be appointed in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. The box on the Proxy Form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. All Proxy Forms must be signed and, to be effective, must be lodged with the company's registrar Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive not later than 48 hours before the time of the meeting, or in the case of an adjournment 48 hours before the adjourned time.
2. The return of a completed Proxy Form or other such instrument or will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
3. Any person to whom this Notice is sent who is a person nominated under Section 146 of the CA 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
4. Only shareholders whose names appear on the register of members of the company as at 48 hours before the time of the meeting shall be entitled to attend the AGM either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the AGM.
5. The statement of the rights of shareholders in relation to the appointment of proxies in note 1 does not apply to Nominated Persons. The rights described in that note can only be exercised by shareholders of the company.
6. As at 9 September 2010, being the latest practicable date prior to the publication of this document, the company's issued share capital consists of 36,133,558 ordinary shares with voting rights.
7. Copies of the directors' service contracts with the company will be available to members for inspection at the registered office during business hours on any week day (public holidays excepted) and will be available at the place of the Annual General Meeting for fifteen minutes prior to and during the Annual General Meeting

Explanatory notes to Resolutions 4, 5, 6, 7, 9, 10, and 11 to be proposed at the Annual General Meeting

(1) Resolution 4 and 5 – Re-election of Jon Pither and Philip Gwyn

The Board recommends that Jon Pither and Philip Gwyn be re-elected as directors of the company. As they have served on the Board for longer than nine years, and in order to comply with the best practice provisions of the Combined Code, they offer themselves for re-election.

(2) Resolution 6 and 7 – Re-election of Paul Hooper and John McCall

In accordance with the company's Articles of Association one third of the Board should retire annually and seek re-election. At this Annual General Meeting Paul Hooper and John McCall retire by rotation and the Board recommends that Paul Hooper and John McCall be re-elected as directors of the company.

The Board has concluded that the retiring directors are effective, committed to their roles, and subject to shareholder approval, should continue in office.

(3) Resolution 9 – Renewal of directors' authority to allot shares

By virtue of Section 551 of the Companies Act 2006 the directors require the authority of shareholders of the company to allot shares or other relevant securities of the company, Resolution 9 authorises the directors to make allotments of up to an additional 12,339,397 shares (representing approximately 34% of the issued share capital of the company as at 9 September 2010 (including existing commitments under the company's share schemes)). This authority will lapse at the conclusion of the next Annual General Meeting, unless renewed earlier. The directors have no present intention to exercise the authority proposed to be conferred by Resolution 9.

(4) Resolution 10 – Disapplication of statutory pre-emption rights

By virtue of Section 561 of the Companies Act 2006 any issue by the company of equity capital for cash made otherwise than to existing shareholders on a proportional basis requires the consent of the shareholders of the company unless the company has obtained the authority of the shareholders under Section 571 of the Act. The purpose of Resolution 10 is to authorise the directors to allot shares by way of rights or pursuant to an open offer or otherwise than strictly pro rata when they consider it expedient to do so and allows them to issue for cash up to 1,806,677 shares other than on a pre-emptive basis (representing 5% of the issued share capital of the company as at 9 September 2010).

(5) Resolution 11 – company's authority to purchase its own shares

The directors consider it desirable that the company should have the authority to make market purchases of its own shares. The purpose of Resolution 11 is to authorise the directors generally to purchase up to 14.9% of the issued share capital of the company as at 28 October 2010. The directors will only exercise the authority granted by Resolution 11 (if passed) if to do so would result in an increase in earnings per share and is in the best interests of shareholders generally.

The Alumasc Group – Major Brands and Operating Locations

Building Products

Energy Management

Solar Shading
Levolux Limited
Forward Drive
Harrow
Middlesex HA3 8NT
Tel: +44 (0) 20 8863 9111
Fax: +44 (0) 20 8863 8760
Email: info@levolux.com
Web: www.levolux.com

Levolux AT Limited
24 Eastville Close
Eastern Avenue
Gloucester GL4 3SJ
Tel: +44 (0) 1452 500007
Fax: +44 (0) 1452 527496
Email: info@levolux.com
Web: www.levolux.com

Green Roofing
Blackdown Horticultural Consultants
Street Ash Nursery
Combe St. Nicholas
Chard
Somerset TA20 3HZ
Tel: +44 (0) 1460 234582
Fax: +44 (0) 845 760267
Email: enquiries@greenroof.co.uk
Web: www.greenroof.co.uk

ZinCo
Alumasc Exterior Building Products
White House Works
Bold Road
Sutton
St Helens
Merseyside WA9 4JG
Tel: +44 (0) 1744 648400
Fax: +44 (0) 1744 648401
Email: info@alumasc-exteriors.co.uk
Web: www.alumasc-exteriors.co.uk

Waterproofing & Exterior Wall Insulation
Alumasc Exterior Building Products
White House Works
Bold Road
Sutton
St Helens
Merseyside WA9 4JG
Tel: +44 (0) 1744 648400
Fax: +44 (0) 1744 648401
Email: info@alumasc-exteriors.co.uk
Web: www.alumasc-exteriors.co.uk

Roofing Services Support Systems
Roof-Pro Systems
PO Box No 505
Kempston
Beds MK42 7LQ
Tel: +44 (0) 1234 843790
Fax: +44 (0) 1234 856259
Email: info@roof-pro.co.uk
Web: www.roof-pro.co.uk

Water Management

Engineered Access Covers
Elkington Gatic
Hammond House
Holmestone Road
Poulton Close
Dover
Kent CT17 0UF
Tel: +44 (0) 1304 203545
Fax: +44 (0) 1304 215001
Email: acp@gatic.com
Web: www.gatic.com

Gatic Slotdrain
Elkington Gatic
Hammond House
Holmestone Road
Poulton Close
Dover
Kent CT17 0UF
Tel: +44 (0) 1304 203545
Fax: +44 (0) 1304 215001
Email: acp@gatic.com
Web: www.slotdrain.com

Rainwater & drainage systems
Alumasc Exterior Building Products
White House Works
Bold Road
Sutton
St Helens
Merseyside WA9 4JG
Tel: +44 (0) 1744 648400
Fax: +44 (0) 1744 648401
Email: info@alumasc-exteriors.co.uk
Web: www.alumasc-exteriors.co.uk

Housebuilding Products
Timloc
Rawcliffe Road
Goole
East Yorkshire DN14 6UQ
Tel: +44 (0) 1405 765567
Fax: +44 (0) 1405 720479
Email: sales@timloc.co.uk
Web: www.timloc.co.uk

Pendock Interior Casing Systems
Alumasc Interior Building Products
Halesfield 19
Telford
Shropshire TF7 4QT
Tel: +44 (0) 1952 580590
Fax: +44 (0) 1952 587805
Email: sales@alumascinteriors.com
Web: www.pendock.co.uk

Scaffolding Products
Scaffold & Construction Products
Unit 1
Station Court
Girton Road
Cannock
Staffordshire WS11 0EJ
Tel: +44 (0) 1543 467800
Fax: +44 (0) 1543 467993
Email: acp@scpburton.co.uk
Web: www.scp-props.co.uk

Engineering Products

Alumasc Precision

Alumasc Precision Components
Burton Latimer
Kettering
Northants NN15 5JP
Tel: +44 (0) 1536 383849
Fax: +44 (0) 1536 723835
Email: info@alumascprecision.co.uk
Web: www.alumasc-precision.co.uk

Dyson Diecasting
Second Avenue
Bletchley
Milton Keynes MK1 1EA
Tel: +44 (0) 1908 279200
Fax: +44 (0) 1908 279201
Email: info@alumascprecision.co.uk
Web: www.dyson-diecasting.co.uk

Alumasc Dispense

Alumasc Dispense
Unit 3 Acan Business Park
Garrard Way
Telford Industrial Estate
Kettering
Northants NN16 8TD
General Enquiries:
Tel: +44 (0) 1536 311888
Fax: +44 (0) 1536 311880
Sales Enquiries:
Tel: +44 (0) 1536 311860
Email: sales@alumascdispense.com
Web: www.alumascdispense.com

Design & production
www.ckdcorp.co.uk

Print
www.thecolourhouse.com

Printed on Revive 50:50. This paper comes from sustainable forests and is fully recyclable and biodegradable. Made from 25% post-consumer waste, 25% pre-consumer waste and 50% virgin wood fibre. The paper mill and the printer are accredited with the ISO 14001 environmental management standard. The printer is also carbon neutral.

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