

NOTES ON THE ACCOUNTS

for the year ended 31st March 2010

19 Investment in associate

	2010 £ million	2009 £ million
At beginning of year	5.8	3.7
Group's share of profit of associate for the year	1.7	2.0
Group's share of associate's cash flow hedging movement	0.2	(0.2)
Dividends paid	(0.6)	–
Dissolution of associate	(5.4)	–
Exchange adjustments	1.7	0.3
At end of year	3.4	5.8

The group's associate is AGR Matthey, which is a partnership operating in Australia in which the group has a 20% interest. An agreement between the partners of AGR Matthey to dissolve the partnership became effective on 29th March 2010. As part of this dissolution the group acquired a metal products business (note 40) and a 20% ownership of a plot of land from AGR Matthey. This dissolution results in a charge of £4.4 million. This charge is excluded from underlying profit before tax.

Some residual current assets and liabilities have been left in the partnership whilst they are converted into cash, at which point they will be distributed to the partners. The group's 20% share of these net assets forms the group's remaining investment in associate.

Summarised financial information in respect of the group's associate is:

	2010 £ million	2009 £ million
Total assets	42.8	53.5
Total liabilities	(25.8)	(30.6)
Net assets	17.0	22.9
Total revenue	24.6	34.3
Total profit for the year	8.6	10.0

20 Non-current available-for-sale investments

	2010 £ million	2009 £ million
Unquoted investments	7.5	6.3

21 Inventories

	Group		Parent company	
	2010 £ million	2009 £ million	2010 £ million	2009 £ million
Raw materials and consumables	97.7	96.6	21.5	20.7
Work in progress	115.9	85.3	46.5	54.6
Finished goods and goods for resale	176.5	189.8	33.2	38.7
	390.1	371.7	101.2	114.0

The group also holds customers' materials in the process of refining and fabrication and for other reasons.

22 Construction contracts

	2010 £ million	2009 £ million
Contract revenue recognised	49.5	48.5
Contracts in progress at the year end:		
Costs incurred plus recognised profits less recognised losses to date	44.9	48.3
Amount of advances received	36.0	24.1