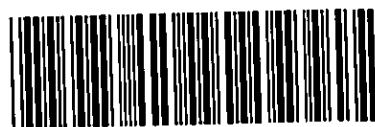


Expamet International Limited
Annual report
for the year ended 31 December 2006

Registered Number 152305

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Expamet International Limited
Annual report
for the year ended 31 December 2006
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Expamet International Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements of the company for the year ended 31 December 2006

Principal activity

The principal activity of the company is the management of its trading subsidiaries

Review of business and future developments

Expamet International Limited is an investment holding company. During the year Expamet International Limited's subsidiary The Expanded Metal Company Limited was renamed Expamet Building Products Limited. On 1 November 2006 Expamet International Limited disposed of its subsidiary Sorst Streckmetall GmbH. Expamet Building Products Limited (formerly The Expanded Metal Company Limited) also disposed of its Industrial business. Its subsidiaries Cwmbran Manufacturing Limited (formerly IG Limited) and Finglas Manufacturing Limited (formerly Acier Building Components Limited) also disposed of their business and assets (the manufacture and sale of lintels).

The company retains its interest in the Metpost Garden Products business and the Expamet Building Products business through its shareholding in Expamet Building Products Limited (formerly The Expanded Metal Company Limited).

Results and dividends

The company's profit for the financial year is £5,877,000 (2005: £5,990,000). The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2006 (2005: £Nil).

Directors and their interests

The directors who held office during the year are given below:

A Maynard

A Thompson

Donations

During the year, the company made charitable donations amounting to £1,000 (2005: £1,000). No political donations were made during the year.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

Expamet International Limited

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

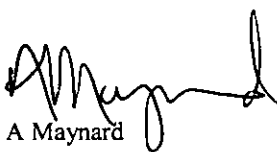
So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the directors duly to exercise due care, skill and diligence) that he ought to have taken in his duty as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

Elective resolutions have been passed to dispense with obligations to appoint auditors annually.

On behalf of the Board



A Maynard
Director

1 June 2007

Expamet International Limited

Independent auditors' report to the members of Expamet International Limited

We have audited the financial statements of Expamet International Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

7 June 2007

Expamet International Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Administrative expenses		(1,167)	(1,762)
Operating loss	1	(1,167)	(1,762)
Income from fixed asset investments		-	342
Amount written off investments		-	(6,329)
Profit on sale of subsidiaries	6	7,096	13,612
Profit on ordinary activities before interest and taxation		5,929	5,863
Interest receivable and similar income		103	329
Interest payable and similar charges	3	(61)	(202)
Profit on ordinary activities before taxation		5,971	5,990
Tax on profit on ordinary activities	4	(94)	-
Profit for the financial year	11	5,877	5,990

All of the above relate entirely to continuing operations

The company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains or losses has been presented

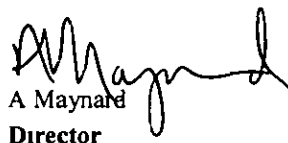
There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

Expamet International Limited

Balance sheet as at 31 December 2006

	Note	2006	2005
		£'000	£'000
Fixed assets			
Tangible assets	5	3,700	48
Investments	6	15,264	16,556
		18,964	16,604
Current assets			
Debtors	7	42,012	35,069
Cash at bank and in hand		1,500	3,538
		43,512	38,607
Creditors - amounts falling due within one year			
Other creditors	8	(10,383)	(6,332)
Loans and other borrowings	9	(946)	(3,609)
Net current assets		32,183	28,666
Net assets		51,147	45,270
Capital and reserves			
Called up equity share capital	10	16,036	16,036
Share premium account	11	623	623
Profit and loss account	11	34,488	28,611
Equity shareholder's funds	12	51,147	45,270

The financial statements on pages 4 to 14 were approved by the board of directors on 1 June 2007 and were signed on its behalf by


A Maynard
Director

Expamet International Limited

Statement of accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Consolidated accounts

These financial statements present information about the company as an individual undertaking and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its ultimate parent, Clifton House Acquisition Limited, a company registered in England and Wales.

Foreign currency

Transactions in foreign currencies during the year are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities expressed in foreign currency are translated into sterling at rates ruling at the year end and translation differences are dealt with in the profit and loss account, except for those assets and liabilities covered by forward currency contracts where the contracted rate is used.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of tangible fixed assets over their expected useful lives. Plant and equipment is depreciated over a period between 3 and 20 years. Land and buildings have not been depreciated since they are held for resale and have been disposed of after the year end.

Leased assets

Operating lease rentals are charged to the profit and loss account as they fall due.

Pensions

The company participates in the Expamet International Limited Group Pension Plan. This is a money purchase type plan and costs are charged as incurred.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Clifton House Acquisition Limited and is included in the consolidated financial statements of Clifton House Acquisition Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Clifton House Acquisition Limited group or investees of the Clifton House Acquisition Limited group.

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Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investments

Investments held as fixed assets are stated at cost less provision for impairment. The directors perform impairment reviews annually.

Expamet International Limited

Notes to the financial statements for the year ended 31 December 2006

1 Operating loss

The operating loss is stated after charging

	2006 £'000	2005 £'000
Depreciation of tangible fixed assets	38	11
Operating lease charges		
- other	37	46
Auditors' remuneration		
- audit services - company	2	2
- audit services - associated companies	27	49
- non-audit services - taxation	5	5
- non-audit services - other	23	280

2 Staff costs and directors' emoluments

	2006 £'000	2005 £'000
Staff costs		
Wages and salaries	236	199
Social security costs	21	21
Pension costs	4	8
	261	228

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

	2006 Number	2005 Number
By activity		
Administration	3	3

Aggregate directors' emoluments were £Nil (2005 £Nil)

Expamet International Limited

3 Interest payable and similar charges

	2006	2005
	£'000	£'000
Interest payable on bank loans and overdrafts	61	147
Interest payable to group undertakings	-	55
	61	202

4 Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	2006	2005
	£'000	£'000
Current tax		
United Kingdom corporation tax	135	-
Adjustments in respect of previous years	(41)	-
Total current tax	94	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred taxation	-	-
Tax on profit on ordinary activities	94	-

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2006	2005
	£'000	£'000
Profit on ordinary activities before tax	5,971	5,990
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	1,791	1,797
<i>Effects of</i>		
Accelerated capital allowances and other timing differences	(14)	541
Expenses not deductible for tax purposes	(26)	-
Permanent differences – profit on disposal of subsidiaries and investment write down	(2,128)	(2,185)
Other permanent differences	512	(153)
Adjustments in respect of previous years	(41)	-
Current tax charge for year	94	-

Expamet International Limited

(c) Factors that may affect future tax charges

There are no factors that are expected to significantly affect the taxation charge in future years

5 Tangible fixed assets

	Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2006	-	267	267
Additions	3,700	-	3,700
Disposals	-	(257)	(257)
At 31 December 2006	3,700	10	3,710
Accumulated depreciation			
At 1 January 2006	-	219	219
Charge for the year	-	38	38
Disposals	-	(247)	(247)
At 31 December 2006	-	10	10
Net book amount			
At 31 December 2006	3,700	-	3,700
At 31 December 2005	-	48	48

The freehold land and buildings of £3,700,000 were held for resale and therefore are not being depreciated

Expamet International Limited

6 Investments and disposal of business

Fixed asset investments

Cost	£'000
At 1 January 2006	22,885
Disposal of Sorst Streckmetall GmbH	(1,292)
At 31 December 2006	21,593
Impairment At 1 January 2006 and 31 December 2006	(6,329)
Net book amount	
At 31 December 2006	15,264
At 31 December 2005	16,556

The directors believe that the book value of the investments is not less than the value of the underlying net assets

On 1 November 2006 the company disposed of the entire share capital of Sorst Streckmetall GmbH. The details of the disposal are given below

	2006 £'000
Consideration received	8,264
Investment written off	(1,292)
Disposal costs	(531)
Profit on disposal of Sorst Streckmetall GmbH	6,441
Returns from escrow and adjustments to costs relating to the disposal of the Olaer group in 2005	655
Profit on disposal	7,096

The Olaer group was disposed of during 2005. Funds have been returned from the Escrow account during 2006 which were not recognised in the prior year due to uncertainty of receipt.

Details of the company's remaining interests in its principal subsidiary undertakings are as follows

Subsidiary undertakings	Principal activities	Country of incorporation
Expamet Building Products Limited (formerly The Expanded Metal Company Limited)	(a)	United Kingdom
Cwmbran Manufacturing Limited (formerly IG Limited)	(b)	United Kingdom
Finglas Manufacturing Limited (formerly Acier Building Products Limited)	(b)	The Republic of Ireland

Expamet International Limited

Cwmbran Manufacturing Limited and Expamet Building Products Limited are directly owned Finglas Manufacturing Limited is a subsidiary of Cwmbran Manufacturing Limited 100% of the share capital and voting rights are held by the group

All companies operate principally in the country of incorporation

The principal activity is designated as follows

- (a) Building products
- (b) Non-trading

7 Debtors

	2006	2005
	£'000	£'000
Other debtors	-	130
Other taxation and social security costs	16	-
Prepayments and accrued income	92	99
Amounts owed by group undertakings	41,904	34,840
	42,012	35,069

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

8 Creditors - amounts falling due within one year - other creditors

	2006	2005
	£'000	£'000
Trade creditors	30	98
Amounts owed to group undertakings	10,027	5,544
Taxation and social security costs	-	2
Accruals	326	688
	10,383	6,332

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

Expamet International Limited

9 Creditors - amounts falling due within one year - loans and other borrowings

	2006 £'000	2005 £'000
Bank overdrafts	946	3,609
Maturity of debt		
In one year or less, or on demand	946	3,609
	946	3,609

At 31 December 2006 bank loans and overdrafts totalling £946,000 (2005 £3,609,000) were secured by fixed charges over certain bank deposits. Overdrafts are set-off against cash balances of other group companies. Where there is insufficient cash to offset the overdraft, interest is charged on the net balance at 1% above LIBOR.

10 Called up equity share capital

	2006 £'000	2005 £'000
Authorised		
85,600,000 ordinary shares of £0.25 each (2005 85,600,000)	21,400	21,400
Allotted and fully paid		
64,144,071 ordinary shares of £0.25 each (2005 64,144,071)	16,036	16,036

11 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2006	623	28,611
Retained profit for the financial year	-	5,877
At 31 December 2006	623	34,488

Expamet International Limited

12 Reconciliation of movement in equity shareholder's funds

	2006 £'000	2005 £'000
Profit for the year	5,877	5,990
Opening equity shareholder's funds	45,270	39,280
Closing equity shareholder's funds	51,147	45,270

13 Financial commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases for plant and machinery expiring as follows

	2006 £'000	2005 £'000
Between two and five years	-	46

14 Pension costs

The company operates a defined contribution scheme in the UK. Contributions paid during the year were £4,000 (2005 £8,000). At 31 December 2006, an amount of £Nil (2005 £Nil) was accrued.

15 Subsequent events

On 5 February 2007 the company sold the freehold property at its net book value of £3,700,000.

16 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Clifton House Acquisition Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Clifton House Acquisition Limited consolidated financial statements can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.