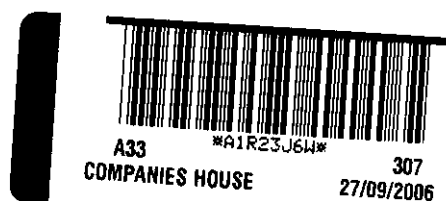


Expamet U.K. Limited
Annual report
for the year ended 31 December 2005

Registered Number 197900



Expamet U.K. Limited

Annual report

for the year ended 31 December 2005

Contents

Directors' report for the year ended 31 December 2005	1
Independent auditors' report to the members of Expamet U.K. Limited.....	2
Profit and loss account for the year ended 31 December 2005.....	3
Balance sheet as at 31 December 2005.....	4
Accounting policies	5
Notes to the financial statements for the year ended 31 December 2005	6

Expamet U.K. Limited

Directors' report for the year ended 31 December 2005

The directors present their report and audited financial statements of the company for the year ended 31 December 2005.

Principal activity, review of the business and future developments

The company does not trade.

Results and dividends

The company's profit and loss account is set out on page 3. The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2005 (2004: £Nil).

Directors and their interests

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

M Taylor	(Resigned 8 June 2005)
R H Wilson	(Resigned 31 December 2005)
A Maynard	(Appointed 8 June 2005)
A Thompson	(Appointed 31 December 2005)

The interests of R H Wilson, M Taylor, A Maynard and A Thompson who are also directors of the ultimate parent company, Clifton House Acquisition Limited, are shown in the annual report of that company.

Statement of director's responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

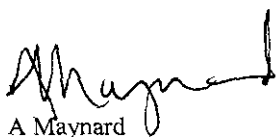
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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.

Auditors

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

On behalf of the Board



A Maynard
Director

31 March 2006

Expamet U.K. Limited

Independent auditors' report to the members of Expamet U.K. Limited

We have audited the financial statements of Expamet U.K. Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' report is not consistent with the financial statements, if 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

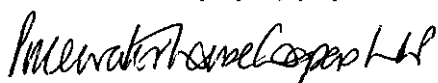
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Newcastle upon Tyne

31 March 2006

Expamet U.K. Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		175	55
Operating loss	1	(175)	(55)
Interest payable and similar charges	3	(5)	(5)
Loss on ordinary activities before taxation		(180)	(60)
Tax on loss on ordinary activities	4	(64)	-
Loss on ordinary activities after taxation	9	(244)	(60)

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

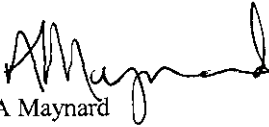
There are no material differences between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

Expamet U.K. Limited

Balance sheet as at 31 December 2005

	Note	2005 £'000	2004 £'000
Current assets			
Debtors – falling due after more than one year	5	3,470	3,640
Debtors – falling due within one	5	70	58
		3,540	3,698
Creditors – Amounts falling due within one year	6	-	(50)
Net current assets		3,540	3,648
Provisions for liabilities and charges	7	(255)	(119)
Net assets		3,285	3,529
Capital and reserves			
Called up share capital	8	198	198
Profit and loss account	9	3,087	3,331
Total shareholder's funds	10	3,285	3,529
Analysis of shareholder's funds			
Equity		3,219	3,463
Non-equity		66	66
		3,285	3,529

The financial statements on pages 3 to 10 were approved by the board of directors on 31 March 2006 and were signed on their behalf by:


A Maynard
Director

Expamet U.K. Limited

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. The principal accounting policies, which have been applied consistently, are set out below.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Expamet International 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.

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.

Operating leases

Operating lease rentals are charged to the profit and loss account as they fall due. Onerous leases are provided where a leased property is vacant for the estimated vacant period plus any anticipated under-recovery thereafter, or for the full length of the lease where a leased property is sub-let at an under-recovery rate.

Expamet U.K. Limited

Notes to the financial statements for the year ended 31 December 2005

1 Operating loss

The operating loss is stated after charging:

	2005	2004
	£'000	£'000
Provision against onerous leases	175	55

2 Directors' emoluments

Aggregate emoluments were £Nil (2004: £Nil).

3 Interest payable and similar charges

	2005	2004
	£'000	£'000
Unwinding of discounts on provisions	5	5

4 Tax on loss on ordinary activities

(a) Analysis of tax charge for the period

	2005	2004
	£'000	£'000
Current tax:		
United Kingdom corporation tax at 30% (2004: 30%)	64	-
Adjustment in respect of previous years	-	-
Total current tax	64	-
Deferred taxation:		
Origination and reversal of timing differences	-	-
	64	-

Expamet U.K. Limited

(b) Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(180)	(60)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	(54)	(18)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	13	18
Accelerated capital allowances and other timing differences	41	-
Permanent differences	64	-
Current tax charge for the period	64	-

(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 Debtors

	2005 £'000	2004 £'000
Due within one year:		
Other debtors	70	58
	70	58
Due after more than one year:		
Amounts owed by group undertakings	3,470	3,640
	3,540	3,698

Expamet U.K. Limited

6 Creditors – Amounts falling due within one year

	2005	2004
	£'000	£'000
Bank loans and overdrafts	-	42
Other creditors	-	8
	-	50

Bank loans and overdrafts are payable on demand.

7 Provisions for liabilities and charges

	Onerous lease provision £'000
At 1 January 2005	119
Charge to the profit and loss account	175
Unwinding of discount added to interest payable	5
Utilised during the year	(44)
At 31 December 2005	255

The company has vacant leasehold properties. Full provision has been made for the remaining period of the lease commitments which is up to 2014.

Future cash flows are discounted using Government bond rates at the year end.

Expamet U.K. Limited

8 Called up share capital

	2005 £'000	2004 £'000
Authorised		
140,000 ordinary shares of £1 each (2004: 140,000)	140	140
66,000 4.2% cumulative preference shares of £1 each (2004: 66,000)	66	66
	206	206
Allotted and fully paid		
132,000 ordinary shares of £1 each (2004: 132,000)	132	132
66,000 4.2% cumulative preference shares of £1 each (2004: 66,000)	66	66
	198	198

The cumulative preference shareholders have the right to a cumulative preference dividend payable half yearly on 30 June and 31 December, ranking pari passu with other preference shares but ahead of all other classes of shares or stock. On winding up the preference shares rank pari passu with other preference shares but ahead of all other classes of shares or stock. The preference shares do not carry any voting rights other than at a meeting called for the wind up of the company or when dividends are in arrears and remain unpaid.

The directors have received confirmation from the preference shareholders that they have waived their rights to dividends up to 31 December 2005 to the extent not already paid.

9 Profit and loss account

	2005 £'000
At 1 January 2005	3,331
Loss for the financial year	(244)
At 31 December 2005	3,087

Expamet U.K. Limited

10 Reconciliation of movements in shareholder's funds

	2005	2004
	£'000	£'000
Loss for the year	(244)	(60)
Net reduction in equity shareholder's funds	(244)	(60)
Opening shareholder's funds	3,529	3,589
Closing shareholder's funds	3,285	3,529

11 Contingent liabilities

Lloyds TSB Bank PLC has a right of set-off between balances held by the company and other UK fellow subsidiaries of Clifton House Acquisition Limited, with a maximum exposure equal to the entire cash balance of the company.

12 Ultimate parent undertaking

The immediate parent undertaking is Expamet International Limited.

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.