

Expamet U.K. Limited
Annual report
for the year ended 31 December 2006

Registered Number 197900

WEDNESDAY



APQUKSPK

A23

05/09/2007

438

COMPANIES HOUSE

Expamet U.K. Limited

Annual report

for the year ended 31 December 2006

Contents

Directors' report for the year ended 31 December 2006	1
Independent auditors' report to the members of Expamet U K Limited	3
Profit and loss account for the year ended 31 December 2006	4
Balance sheet as at 31 December 2006	5
Statement of accounting policies	6
Notes to the financial statements for the year ended 31 December 2006	7

Expamet U.K. Limited

Directors' report for the year ended 31 December 2006

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

Principal activity, review of the business and future developments

The company's principal activity is management of leasehold properties. The company has various lease obligations and rental income on properties. The principal risks are re-letting vacant properties, properties where the sublease is not coterminous with the head lease, the strength of covenant of tenants and the level of dilapidations. The company is endeavouring to settle certain lease obligations.

Results and dividends

The company's profit and loss account is set out on page 4. 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

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.

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.

Expamet U.K. Limited

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

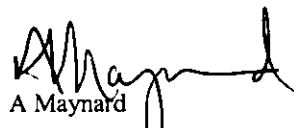
So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

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 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 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 loss 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 U.K. Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Administrative expenses		(1,394)	(175)
Operating loss	1	(1,394)	(175)
Interest payable and similar charges	3	(14)	(5)
Loss on ordinary activities before taxation		(1,408)	(180)
Tax on loss on ordinary activities	4	(62)	(64)
Loss on ordinary activities after taxation	10	(1,470)	(244)

All of the above relate entirely to continuing operations

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

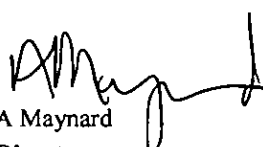
There are no material differences between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

Expamet U.K. Limited

Balance sheet as at 31 December 2006

	Note	2006	As restated 2005
		£'000	£'000
Current assets			
Debtors	5	3,333	3,540
Cash at bank and in hand		5	-
		3,338	3,540
Creditors - amounts falling due within one year	6	(23)	-
Net current assets		3,315	3,540
Creditors - amounts falling due after more than one year	7	(66)	(66)
Provisions for liabilities and charges	8	(1,500)	(255)
Net assets		1,749	3,219
Capital and reserves			
Called up equity share capital	9	132	132
Profit and loss account	10	1,617	3,087
Equity shareholder's funds	11	1,749	3,219

The financial statements on pages 4 to 11 were approved by the board of directors on 1 June 2007 and were signed on their behalf by


 A Maynard
 Director

Expamet U.K. 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.

Changes in accounting policies

The company has adopted FRS 25 "Financial instruments: disclosure and presentation" in these financial statements.

The effect of the change in accounting policy to adopt the presentation requirements of FRS 25 was to reclassify preference shares of £66,000 (2005: £66,000) from equity to liabilities.

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.

Onerous leases

The company has vacant leasehold properties. Full provision has been made based on the expected surrender premium of the leases.

Expamet U.K. Limited

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

1 Operating loss

The operating loss is stated after charging

	2006	2005
	£'000	£'000
Provision for onerous lease commitments	1,372	175

The auditors' remuneration has been borne by Expamet International Limited and not recharged to the company

2 Employees and directors' emoluments

The company had no employees during the year (2005 Nil)

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

3 Interest payable and similar charges

	2006	2005
	£'000	£'000
Unwinding of discounts on provisions	14	5

Expamet U.K. Limited

4 Tax on loss on ordinary activities

(a) Analysis of tax charge for the year

	2006 £'000	2005 £'000
Current tax:		
United Kingdom corporation tax	62	64
Total current tax	62	64
Deferred taxation:		
Origination and reversal of timing differences	-	-
Total deferred taxation	-	-
Tax on loss on ordinary activities	62	64

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2005 higher) than the standard rate of corporation tax in the UK. The differences are explained below

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	(1,408)	(180)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	(422)	(54)
<i>Effects of</i>		
Expenses not deductible for tax purposes	422	13
Accelerated capital allowances and other timing differences	-	41
Permanent differences	62	64
Current tax charge for the year	62	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

Expamet U.K. Limited

5 Debtors

	2006	2005
	£'000	£'000
Other debtors	175	70
Amounts owed by group undertakings	3,158	3,470
	3,333	3,540

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

6 Creditors - amounts falling due within one year

	2006	2005
	£'000	£'000
Other creditors	23	-

7 Creditors - amounts falling due after more than one year

	2006	As restated 2005
	£'000	£'000
66,000 4 2% cumulative preference shares of £1 each (2005 66,000)	66	66

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 2006 to the extent not already paid.

Expamet U.K. Limited

8 Provisions for liabilities and charges

	Onerous lease provision £'000
At 1 January 2006	255
Charge to the profit and loss account	1,372
Unwinding of discount added to interest payable	14
Utilised during the year	(141)
At 31 December 2006	1,500

The company has vacant leasehold properties. Full provision has been made based on the expected surrender premium of the leases.

9 Called up equity share capital

	2006 £'000	2005 £'000
Authorised		
140,000 ordinary shares of £1 each (2005 140,000)	140	140
Allotted and fully paid		
132,000 ordinary shares of £1 each (2005 132,000)	132	132

10 Profit and loss account

	2006 £'000
At 1 January 2006	3,087
Loss for the financial year	(1,470)
At 31 December 2006	1,617

Expamet U.K. Limited

11 Reconciliation of movements in equity shareholder's funds

	2006	2005
	£'000	£'000
Opening equity shareholder's funds as previously reported	3,285	3,529
Adjustment to reclassify preference shares as liabilities under FRS 25	(66)	(66)
Opening shareholder's funds as restated	3,219	3,463
Loss for the year	(1,470)	(244)
Closing equity shareholder's funds	1,749	3,219

12 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

13 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