

Company Registration No. 210166

Magnetto-Topy Wheels (UK) Limited

Report and Financial Statements

30 June 2008

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Magnetto-Topy Wheels (UK) Limited

Report and financial statements 2008

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Magnetto-Topy Wheels (UK) Limited

Report and financial statements 2008

Directors

A. V. Gordon
G.A.Peru
D.A.J.Fry

Secretary

D. A. J. Fry

Registered Office

Holbrook Lane
Coventry
CV6 4QZ

Auditors

Deloitte LLP
Chartered Accountants
Birmingham, United Kingdom

Magnetto-Topy Wheels (UK) Limited

Report and financial statements 2008

Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 2008.

Principal activities

The principal activity of the company during the period was the manufacture, sale and distribution of automotive steel wheels.

Following the decision in the prior period to cease trading and transfer production to its sister companies in mainland Europe, the company has continued its programme of realising its assets. This has been achieved either through the production process or by dismantling and selling assets to other manufacturing organisations both within and outside of the CLN group. During this time the company continued to make sales of wheels on an agency basis until December 2008. The ultimate parent company, CLN SpA has decided to take the company through a member's voluntary liquidation process early in 2009.

As explained above and in note 1, the company has ceased to trade and it is the directors' intention to liquidate the company. The financial statements have been prepared on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

Results and dividends

The loss for the year ended 30 June 2008 before tax amounted to £541,000 (2007: £2,541,000) and after tax a loss of £ 223,000 (2007: £2,638,000).

The financial statements show that the company has a net liabilities position at the balance sheet date. Magnetto Wheels SpA, the parent company, has confirmed that a sufficient amount of current intercompany debt will be waived in order to rectify this position and therefore enable the company to meet its liabilities as they fall due.

As the company has ceased to trade the directors do not consider there to be any further key performance indicators against which they measure the performance of the company.

The directors do not recommend the payment of a dividend (2007: £nil)

Directors

The directors who served the company during the year were as follows:

G. Perris-Magnetto (Italian)	(resigned 18 February 2008)
A. Rodella (Italian)	(resigned 18 February 2008)
L. Bessone (Italian)	(resigned 18 February 2008)
G. Ohkubo (Japanese)	(resigned 18 February 2008)
M. Oto (Japanese)	(resigned 18 February 2008)
A. V. Gordon	(appointed 18 February 2008)
G. A. Peru	(appointed 18 February 2008)
D. A. J. Fry	(appointed 18 February 2008)

Magnetto-Topy Wheels (UK) Limited

Report and financial statements 2008

Directors report (continued)

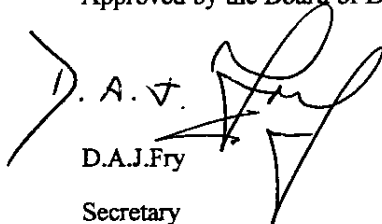
Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he ought to have taken as a 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.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved by the Board of Directors and signed on behalf of the Board;


D.A.J. Fry
Secretary

Magnetto-Topy Wheels (UK) Limited

Report and financial statements 2008

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. 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 these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Independent auditors' report to the members of Magnetto-Topy Wheels (UK) Limited

We have audited the financial statements of Magnetto-Topy Wheels (UK) Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

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).

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

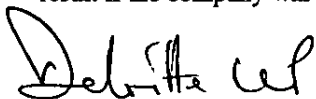
In our opinion:

- 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 30 June 2008 and of its loss for the period 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.

Independent auditors' report to the members of Magnetto-Topy Wheels (UK) Limited (continued)

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company has net liabilities at the balance sheet date and is reliant on support from the parent company in order to meet its liabilities as they fall due. The directors' intention is to take the company through a members voluntary liquidation and, to facilitate this, they will require the parent company to waive sufficient amounts of intercompany debt in order to rectify the net liabilities position. The financial statements do not include any adjustments that may result if the company was unable to continue as a going concern.



Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham, United Kingdom

23 February 2009

Magnetto-Topy Wheels (UK) Limited

Profit and Loss account Year ended 30 June 2008

		Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
	Note		
Turnover	2	1,277	14,565
Cost of sales		(577)	(12,605)
Gross profit		700	1,960
Administrative expenses (including exceptional items of £333,000 (2007: £1,747,000))		(1,761)	(5,165)
Operating loss	3	(1,061)	(3,205)
Profit on disposal of fixed assets	3	627	1,006
Interest receivable and similar income	5	9	-
Interest payable and similar charges	6	(116)	(342)
Loss on ordinary activities before taxation		(541)	(2,541)
Tax on loss on ordinary activities	7	318	(97)
Retained loss for the financial period		(223)	(2,638)

All activities derive from discontinued operations.

There are no recognised gains or losses other than the loss for each year; accordingly no statement of total recognised gains or losses is presented.

Magnetto-Topy Wheels (UK) Limited

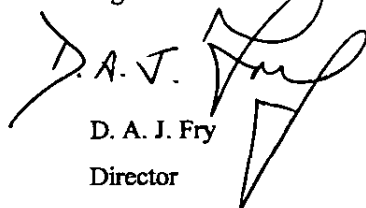
Balance Sheet 30 June 2008

	Note	30 June 2008 £000	30 June 2007 £000
Fixed assets	8	1,091	3,532
Current assets			
Stocks	9	-	445
Debtors	10	690	3,467
Cash at bank and in hand		61	-
		751	3,912
Creditors: amounts falling due within one year	11	(1,999)	(4,372)
Net current liabilities		(1,248)	(460)
Total assets less current liabilities		(157)	3,072
Creditors: amounts falling due after more than one year	12	-	(2,688)
Provisions for liabilities	13	-	(318)
Net (liabilities)/assets		(157)	66
Capital and reserves			
Called up share capital	16	1,363	1,363
Share premium account	17	2,737	2,737
Profit and loss account	17	(4,257)	(4,034)
Total shareholders' funds	17	(157)	66

These financial statements were approved by the Board of Directors on

20TH FEBRUARY 2009.

Signed on behalf of the Board of Directors


D. A. J. Fry
Director

Magnetto-Topy Wheels (UK) Limited

Cash flow statement Year ended 30 June 2008

		Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
	Note		
Net cash inflow/(outflow) from operating activities	(i)	1,676	(3,393)
Returns on investments and servicing of finance	(ii)	(107)	(342)
Capital expenditure and financial investment	(ii)	3,069	3,155
		<hr/>	<hr/>
Cash inflow/(outflow) before financing		4,638	(580)
Financing	(ii)	(4,438)	196
		<hr/>	<hr/>
Increase/(decrease) in cash in the period		200	(384)
		<hr/>	<hr/>

		Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
	Note		
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash		200	(384)
Cash outflow from decrease in bank loans		1,750	1,354
Cash outflow/ (inflow) from (decrease)/ increase in long-term amounts owed to group companies		2,688	(1,550)
		<hr/>	<hr/>
Change in net debt	(iii)	4,638	(580)
		<hr/>	<hr/>
Net debt at 1 July 2007		(4,577)	(3,997)
		<hr/>	<hr/>
Net debt at 30 June 2008		61	(4,577)
		<hr/>	<hr/>

Magnetto-Topy Wheels (UK) Limited

Notes to the cash flow statement Year ended 30 June 2008

(i) Reconciliation of operating loss to net cash inflow from operating activities	Year ended	18 months ended
	30 June 2008 £000	30 June 2007 £000
Operating loss	(1,061)	(3,205)
Depreciation	-	859
Decrease in stocks	445	1,218
(Increase)/ decrease in debtors	2,777	(482)
Decrease in creditors	(485)	(1,783)
Net cash inflow from operating activities	<u>1,676</u>	<u>(3,393)</u>
(ii) Analysis of cash flows for headings netted in the cash flow statement	Year ended	18 months ended
	30 June 2008 £000	30 June 2007 £000
Returns on investments and servicing of finance		
Interest received	9	-
Interest paid	(116)	(342)
	<u>(107)</u>	<u>(342)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(174)	(53)
Receipts from sales of tangible fixed assets	3,243	3,208
	<u>3,069</u>	<u>3,155</u>
Financing		
Repayment of bank loans	(1,750)	(1,354)
Issue / (repayment) of long-term amounts from / to group companies	(2,688)	1,550
	<u>(4,438)</u>	<u>196</u>

Magnetto-Topy Wheels (UK) Limited

Notes to the cash flow statement Year ended 30 June 2008

(iii) Analysis of net debt

	At 1 July 2007 £000	Cash Flows £000	At 30 June 2008 £000
Cash at bank and in hand	-	61	61
Overdraft	(139)	139	-
Debt due within one year	(1,750)	1,750	-
Debt due after one year	(2,688)	2,688	-
	<u>(4,577)</u>	<u>4,638</u>	<u>61</u>

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements

Year ended 30 June 2008

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the year and the preceding year.

Basis of preparation

The financial statements are prepared under the historical cost convention.

Following the decision in the prior period to cease trading and transfer production to its sister companies in mainland Europe, the company has continued its programme of realising its assets. During this time the company continued to make sales of wheels on an agency basis until December 2008. The company has now ceased to trade and it is the directors' intention to liquidate the company. The financial statements have been prepared on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Financial support

The directors believe that continuing financial support will be made available, if required, from the parent company in order for the company to meet its liabilities as they fall due. The financial statements show that the company has a net liabilities position at the balance sheet date. Magnetto Wheels SpA, the parent company, has confirmed that a sufficient amount of current intercompany debt will be waived in order to rectify this position and therefore enable the company to meet its liabilities as they fall due.

Fixed assets

All fixed assets are initially recorded at cost.

Impairment reviews are undertaken if there are indications that the carrying values may not be recoverable. The discount rate used is the company's pre-tax weighted average cost of capital.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold Property	- Over the period of the lease
Plant & Machinery	- 7.5% to 35%
Leasehold Improvements	- 10% to 20%

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	- purchase cost on a first-in, first-out basis
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided for at amounts expected to be paid (recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation 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:

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements (continued)

Year ended 30 June 2008

1. Accounting policies (continued)

Taxation (continued)

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.

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.

Deferred taxation is measured on a non-discounted basis.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction, or if hedged at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales related taxes.

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
United Kingdom	76	12,435
Rest of world	1,201	2,130
	<u>1,277</u>	<u>14,565</u>

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements (continued)

Year ended 30 June 2008

3. Operating loss

This is stated after charging/ (crediting):

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Depreciation and amounts written off tangible fixed assets		
- owned assets	-	832
- leased assets	-	27
Foreign exchange loss	617	27
Writeback of bad and doubtful debts	(38)	-
Operating lease rentals - plant and machinery	14	90
Exceptional items - business reorganisation costs	333	1,747
	<u>333</u>	<u>1,747</u>

As a direct consequence of ceasing all operational activities early in 2007 and the continued winding down of the business, the company incurred business reorganisation costs of £333,000 (2007: £1,747,000). This principally involved the disconnection and dismantling of all production machinery and the clearing, cleaning and preparation of the site for sale (£206,000) and employee redundancy / termination costs (£127,000).

Loss on ordinary activities before taxation is stated after crediting profit on disposal of fixed assets of £627,000 (2007: £1,006,000) which have been generated by the company through the sale of assets to other manufacturing organisations both within and outside of the CLN group as part of its programme of realisation.

The analysis of auditors' remuneration is as follows:

Fees payable to the company's auditor for the audit of the company's annual financial statements

Fees payable to the company's auditor and their associates for other services to the group

- Tax services

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements	18	41
Fees payable to the company's auditor and their associates for other services to the group		
- Tax services	8	10
	<u>8</u>	<u>10</u>

4. Staff costs

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Wages and salaries	292	2,737
Social security costs	32	265
Staff pension contributions (note 12)	16	177
	<u>340</u>	<u>3,179</u>

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements (continued) Year ended 30 June 2008

4. Staff costs (continued)

The monthly average number of employees (including directors) during the year was as follows:

	2008 No.	2007 No.
Production staff	1	50
Administrative staff	5	20
Marketing	-	1
	<u>6</u>	<u>71</u>

The directors did not receive any remuneration for services in respect of this company.

5. Interest receivable and similar income

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Bank interest receivable	<u>9</u>	<u>-</u>

6. Interest payable

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Bank interest payable	<u>116</u>	<u>342</u>

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements (continued) Year ended 30 June 2008

7. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax (credit)/ charge is made up as follows:

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
<i>Current Tax:</i>		
UK corporation tax	-	-
Total current tax charge (note 7(b))	-	-
<i>Deferred Tax:</i>		
Origination and reversal of timing differences	(246)	122
Adjustment in recoverable amount of prior period deferred tax asset	(72)	-
Adjustment in respect of prior years	-	2
Adjustment in respect of rate change	-	(26)
Tax on loss on ordinary activities	(318)	98

(b) Factors affecting tax charge for the current period

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK: 28% (2007: 30%)

The differences are explained below:

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Loss on ordinary activities before taxation	(541)	(2,541)
Tax at 28% (2007: 30%) thereon	(151)	(762)
Effects of :-		
Expenses not deductible for tax purposes	21	163
Indexation allowance on disposal of long lease on property	(162)	-
Capital allowances in excess of depreciation	8	(120)
Tax losses arising in the period	284	723
Short term timing differences	-	(4)
Total current tax charge for period	-	-

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements (continued)

Year ended 30 June 2008

7. Tax on loss on ordinary activities (continued)

The company has losses carried forward for taxation purposes of approximately £3,659,000. No deferred tax asset has been recognised due to the proposed member's voluntary liquidation.

With effect from 1 April 2008, the full rate of corporation tax decreased from 30% to 28%.

8. Tangible fixed assets

	Leasehold Property £000	Plant & Machinery £000	Total £000
Cost			
At 1 July 2007	2,783	3,171	5,954
Additions	-	174	174
Disposals	(2,783)	(78)	(2,861)
At 30 June 2008	-	3,267	3,267
Accumulated depreciation			
At 1 July 2007	210	2,212	2,422
Disposals	(210)	(36)	(246)
At 30 June 2008	-	2,176	2,176
Net book value			
At 30 June 2008	-	1,091	1,091
At 30 June 2007	2,573	959	3,532

9. Stocks

	2008 £000	2007 £000
Finished goods and goods for resale	-	445

10. Debtors

Amounts falling due within one year:	2008 £000	2007 £000
Trade debtors	106	2,454
Amounts owed by group undertakings	484	772
Other debtors	13	143
Prepayments and accrued income	87	98
	690	3,467

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements (continued) Year ended 30 June 2008

11. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank loans and overdrafts	-	1,889
Trade creditors	68	425
Amounts owed to group undertakings	1,562	1,916
Other taxes and social security	20	142
Accruals and deferred income	349	-
	<u>1,999</u>	<u>4,372</u>

12. Creditors: amounts falling due after more than one year

	2008 £000	2007 £000
Amounts owed to group undertakings	<u>-</u>	<u>2,688</u>

13. Provisions for liabilities

Movement on deferred taxation balance in the period

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Opening balance at 1 July 2007	318	220
(Credit)/ charge to profit and loss account	(318)	96
Rate change	-	2
	<u>-</u>	<u>318</u>
Closing balance at 30 June 2008	<u>-</u>	<u>318</u>

Analysis of Deferred Tax balance

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Losses	(260)	(70)
Capital allowances in excess of depreciation	260	389
Short term timing differences	-	(1)
	<u>-</u>	<u>318</u>
Provision for deferred taxation	<u>-</u>	<u>318</u>

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements (continued) Year ended 30 June 2008

13. Provisions for liabilities (continued)

Analysis of unprovided deferred tax balance

	Year ended 30 June 2008 £000	18 months ended 30 June 2007 £000
Losses	765	715

The company has losses carried forward for taxation purposes of approximately £3,659,000. No deferred tax asset has been recognised due to the proposed member's voluntary liquidation.

14. Pensions

A group Personal Pension Scheme (defined contribution scheme) was established with effect from 1 September 2000 and insurance policies taken out to provide death in service and long term disability cover.

The company's contributions for pension and related costs were £16,000 (2007: £177,000).

15. Related party transactions

During the year the company made sales of £1,411,000 (2007: ££1,168,000) and purchases of £96,000 (2007: £2,657,000) with the C.L.N SpA Group of Companies.

16. Share capital

	2008 £000	2007 £000
Authorised		
Ordinary shares of £1 each	2,000	2,000
	<hr/>	<hr/>
	2008 £000	2007 £000
Authorised, called up and fully paid		
Ordinary shares of £1 each	1,363	1,363
	<hr/>	<hr/>

Magnetto-Topy Wheels (UK) Limited

Notes to the financial statements (continued)

Year ended 30 June 2008

17. Reconciliation of reserves and movement in shareholders' funds

	Share capital	Share premium account	Profit and loss account	Total
	£000	£000	£000	£000
At 1 January 2006	1,363	2,737	(1,396)	2,704
Retained loss for the year	-	-	(2,638)	(2,638)
At 30 June 2007	<u>1,363</u>	<u>2,737</u>	<u>(4,034)</u>	<u>66</u>
At 1 July 2007	1,363	2,737	(4,034)	66
Retained loss for the year	-	-	(223)	(223)
At 30 June 2008	<u>1,363</u>	<u>2,737</u>	<u>(4,257)</u>	<u>(157)</u>

18. Ultimate parent company

The Directors regard CLN SpA, a company incorporated in Italy, as the ultimate parent company and the ultimate controlling party. The address of the ultimate parent company is CLN SpA, 10040 Caselette (Torino), Corso Susa, 13/15 Turin. Magnetto Wheels SpA (formerly Fergat SpA), a company incorporated in Italy, is the immediate parent company. The financial statements of both the ultimate and immediate parent company are not publicly available.