

Company's Registered Number 457763

PREDART LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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COMPANIES HOUSE

PREDART LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R N Amey (formerly Carr)
V A George

SECRETARY

J P Gorman (appointed 31 March 2011)

REGISTERED OFFICE

9 The Square
Stockley Park
Uxbridge
Middlesex
UB11 1FW

BANKERS

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
UB8 1EX

PREDART LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements of the company for the year ended 31 December 2010

Principal activities

The company acts as agent for Cape Industrial Services Limited (company number 3337119, registered in England and Wales)

Review of the business and future developments

The company has not traded during the year but receives interest on group loans. The directors do not expect the company to trade in the foreseeable future.

The directors of Cape plc manage the group's risks at a group level. For this reason, the company's directors believe that discussion of the group's risks and analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of the group, which include those of the company, and the development, performance and position of the company, are discussed in the Directors' Report in the group's annual report and accounts which does not form part of this report.

Results and dividends

The directors do not recommend the payment of a dividend (2009 £nil)

The loss for the year of £2,193,000 (2009 profit of £21,000) has been transferred to reserves.

Directors and directors' interests

The following persons served as directors during the year and up to the date of this report:

R N Amey (formerly Carr)
V A George

The directors had no beneficial interests in the shares of the company and were not remunerated for their services.

Qualifying third party indemnity provisions

As permitted by the Companies Act 2006, all directors are covered by indemnities from the ultimate parent undertaking. The directors are indemnified in respect of proceedings which may be brought by third parties and such indemnification was in place throughout the year and up to the date of approval of these accounts. Neither these indemnifications nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

The company has not made any qualifying indemnity provisions.

PREDART LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

Financial risk management

The company's financial risk management for cash flow and fair value interest rate risk, liquidity risk and capital management is managed by Cape plc. Details of the Group's policy in each of these areas are disclosed in the financial report and accounts of Cape plc.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 and 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. Relevant information is defined as information needed by the company's auditors in connection with preparing their report. Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty 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.

Independent Auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



R N Amey
Director

8 September 2011

PREDART LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PREDART LIMITED

We have audited the financial statements of Predart Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PREDART LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PREDART LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Dashwood (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

9th September 2011

PREDART LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000	2009 £000
Administration expenses		(2,300)	-
Interest receivable and similar income	2	11	47
(Loss)/profit on ordinary activities before taxation	3	(2,289)	47
Tax credit/(charge) on (loss)/profit on ordinary activities	4	96	(26)
(Loss)/profit for the year	9	(2,193)	21

The results above all relate to continuing operations

There were no recognised gains or losses in the year other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented

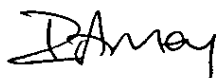
There is no difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the years stated above and their historical cost equivalents

The notes on pages 8 to 14 form part of these financial statements

PREDART LIMITED**BALANCE SHEET****AT 31 DECEMBER 2010**

	Note	2010 £000	2009 £000
Current assets			
Debtors Amounts falling due after more than one year	5	249	2,538
Creditors Amounts falling due within one year	6	-	(96)
Net assets		249	2,442
Capital and reserves			
Equity			
Called up share capital	8	414	414
Share premium account	9	223	223
Other reserves	9	561	561
Profit and loss account	9	(949)	1,244
Shareholders' funds	10	249	2,442

The financial statements were approved by the board of directors on 6 September 2011 and were signed on its behalf by



R N Amey
Director

The notes on pages 8 to 14 form part of these financial statements

PREDART LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2010****1. Accounting policies****a) Basis of Accounting**

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

b) Current taxation

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

c) Deferred taxation

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, tax in the future. Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted, or where there are deferred tax liabilities against which the assets can be recovered. 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.

d) Cash flow statement

Since the company is a wholly owned subsidiary and the cash flows of the company are included in the consolidated cash flow statement of Cape plc, the company is exempt under the terms of FRS 1 (Revised 1996) from publishing a cash flow statement.

2. Interest receivable and similar income

	2010 £000	2009 £000
Interest receivable from parent company	11	47

3. (Loss)/profit on ordinary activities before taxation

Included in administration expenses is the impact of the write off an inter-group loan of £2,300,000.

All expenses including auditor's remuneration incurred by the company have been borne by the parent company. There were no employees of the company during the year (2009: nil). The directors were not remunerated for their services to the company during the year (2009: £nil).

PREDART LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2010****4. Tax (credit)/charge on (loss)/profit on ordinary activities**

	2010	2009
	£000	£000
United Kingdom		
- Corporation tax at 28% (2009 28%)	-	13
- Adjustment in respect of prior years	(96)	13
Tax (credit)/charge on (loss)/profit on ordinary activities	(96)	26

The tax (credit)/charge for the year is lower (2009 higher) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010	2009
	£000	£000
(Loss)/profit on ordinary activities before tax	(2,289)	47
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	(641)	13
Effects of:		
Write-off of inter-group loan	644	-
Adjustments in respect of previous periods	(96)	13
Group relief claims	(3)	-
Current tax (credit)/charge for the year	(96)	26

PREDART LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2010****5. Debtors: Amounts falling due after more than one year**

	2010 £000	2009 £000
Amounts owed by parent company	249	2,538

The amounts owed by parent company will be repaid as and when agreed between the applicable parties. Interest is received on the balance based on the average UK LIBOR interest rate for the year.

6. Creditors: Amounts falling due within one year

	2010 £000	2009 £000
Group tax relief payable	-	83
Corporation tax payable	-	13
	-	96

7. Deferred tax

There is no potential liability to deferred taxation arising on timing differences between the treatment of items for financial statements and taxation purposes at 31 December 2010 (2009: £nil).

8. Called up share capital

	2010 £000	2009 £000
Allotted and fully paid		
1,656,000 (2009: 1,656,000) ordinary shares of 25p each	414	414

PREDART LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2010****9. Reserves**

	Share premium account £000	Other reserves £000	Profit and loss account £000	Total £000
At 1 January 2009	223	561	1,223	2,007
Profit for the year	-	-	21	21
At 31 December 2009	223	561	1,244	2,028
At 1 January 2010	223	561	1,244	2,028
Loss for the year	-	-	(2,193)	(2,193)
At 31 December 2010	223	561	(949)	(165)

10. Reconciliation of movements in shareholders funds

	2010 £000	2009 £000
(Loss)/profit on ordinary activities after taxation	(2,193)	21
Net (decrease)/increase to shareholders' funds	(2,193)	21
Shareholders' funds at 1 January	2,442	2,421
Shareholders' funds at 31 December	249	2,442

11 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', from disclosing transactions with other group companies on the grounds that it is a wholly owned subsidiary of Cape plc whose accounts are publicly available

PREDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

12. Contingent liability

Under a group registration, the company is jointly and severally liable for Value Added Tax due by the parent company. At 31 December 2010 this contingent liability amounted to £6,631,000 (2009 £6,244,000)

13. The Scheme of Arrangement

On 14 June 2006, the Scheme became effective and binding upon Cape plc and the following 12 of its wholly owned subsidiaries

Cape Building Products Limited
Cape Calsil Systems Limited
Cape Contracts International Limited
Cape Durasteel Limited
Cape East Limited
Cape Industrial Services Limited
Cape Industries Limited
Cape Insulation Limited
Cape Specialist Coatings Limited
Predart Limited
Somewatch Limited
Somewin Limited

The detailed terms of the Scheme are set out in the Scheme itself (a copy of which has been filed with the Registrar of Companies), the Articles of Association of Cape plc and Cape Claim Services Limited ("CCS") and a number of other ancillary agreements. The effect of the Scheme as a whole can be summarised as follows

- (a) While Scheme creditors retain their rights against Scheme companies, and may bring proceedings against Scheme companies for declaratory relief to determine whether they have a claim and, if so, of what amount, their rights, subject as provided in sub paragraphs (k) and (m) below are only enforceable against CCS under the terms of the Scheme guarantee,
- (b) CCS was funded in the first instance with a sum of £40 million which represented what was considered to be a sufficient sum to discharge CCS's liabilities to Scheme creditors which become payable over at least eight years from 1 January 2006,
- (c) Every three years there is an assessment of the projected Scheme claims against Scheme companies payable by CCS over the following nine years, by reference to which the Funding Requirement, is established,
- (d) The use of Scheme funds is restricted to the payment of established Scheme claims and Scheme creditor costs,
- (e) In the event that an assessment reveals a shortfall between the Scheme assets and the Funding Requirement, the Company will top up CCS's funding over the following three years provided that sufficient cash is available, Cape's obligation being limited to 70 per cent of the Cape Group's consolidated adjusted operational cash flow (including, for example, adjustments to take account of acquisitions, an element of capital expenditure and repayment of borrowing facilities),

PREDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

13. The Scheme of Arrangement (continued)

- (f) Should the Company not be able to meet its top up obligation in any one year, it will be required to make good the shortfall in the next year, again subject to sufficient cash being available,
- (g) Alongside the Funding Requirement there is the Scheme Funding Requirement which will be assessed every year by reference to projected Scheme claims against Scheme companies payable by CCS over the next six years,
- (h) If at any time the ratio of the Scheme assets to the Scheme Funding Requirement (the Scheme Funding Percentage) falls below 60 per cent, CCS will have the ability to reduce the percentage (the Payment Percentage) of each established claim which it pays to Scheme creditors until such time as the Scheme Funding Percentage is restored to 60 per cent,
- (i) Cape is permitted to pay dividends provided that at the time of payment (i) the Scheme Funding Percentage in relation to the last preceding financial year was certified to be not less than 110%, (ii) the Directors of Cape certify that they anticipate that the Scheme Funding Percentage for the current and following financial year will be not less than 110% and (iii) the Payment Percentage has not at any time within the previous 40 business days been below 100%. Any distribution which Cape proposes to make to its shareholders may not, without the consent of the Scheme Shareholder, exceed the greater of (i) 50% of the consolidated operating profits of the Group for the last preceding financial year and (ii) the aggregate of any permitted dividends made in the preceding financial year. This restriction therefore places a cap on the amount of dividends that the Company may pay in any one year,
- (j) There have been established special voting shares (the Scheme Shares) in CCS and Cape plc which are held by an independent third party (the Scheme Shareholder) on trust for Scheme creditors. The Scheme Shares have special rights which are designed to enable the Scheme Shareholder to protect the interests of Scheme creditors,
- (k) In the case of certain Scheme creditors (Recourse Scheme Creditors), who are those Scheme creditors whose claims are in whole or in part the subject of a contract of insurance (Recourse Scheme Claims) their rights to enforce their Recourse Scheme Claims against a relevant Scheme company will revive in certain circumstances. These circumstances are where the relevant Scheme company is insolvent or where there has been a specified reduction in the Payment Percentage and if the Scheme creditor was able to bring about the insolvency of the relevant Scheme company he would be able to recover greater compensation from the FSCS ("Financial Services Compensation Scheme") or, in certain circumstances, from a solvent insurer than is available from CCS at that time under the Scheme. There will be a specified reduction if either (i) the Payment Percentage has been reduced below 100 per cent but above 50 per cent and the Scheme creditor has not been paid in full after 12 months or (ii) the Payment Percentage is reduced to 50 per cent or below,
- (l) Each Scheme company will agree to hold on trust for any Scheme creditor concerned the proceeds of any policy of insurance (or any compensation received from the FSCS) referable to that Scheme claim,
- (m) The restriction described in sub paragraph (a) above will not apply to proceedings to enforce the right to conferred under sub-paragraph (l) above, and
- (n) There are provisions contained in two reimbursement agreements which preserve certain rights of proof by CCS and Cape plc respectively in any insolvency of Cape plc or any of the other Scheme companies

PREDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

14. Ultimate parent undertaking

During the period until 17 June 2011, the Company's immediate and ultimate parent undertaking was Cape plc, a company registered in England and Wales ("Old Cape"), which represented both the smallest and largest group in which the results of the company were consolidated. Copies of the annual report and accounts of Old Cape can be obtained from The Company Secretary, 9 The Square, Stockley Park, Uxbridge, Middlesex, UB11 1FW.

On 17 June 2011, Old Cape was acquired by Cape plc, a company registered in Jersey, which now represents both the smallest and largest group in which the results of the company are consolidated. Copies of the annual report and accounts of Cape plc will be available in due course from The Company Secretary, Cape plc, 47 Esplanade, St Helier, Jersey JE1 0BD.