

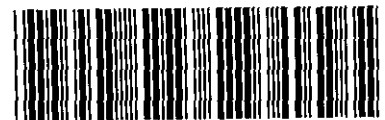
Advanced Composite Components Limited

**Directors' report and financial
statements**

Registered number 01275395

31 March 2006

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Contents

Directors' report	1 - 2
Statement of directors' responsibilities	3
Independent auditors' report to the members of Advanced Composite Components Limited	4
Profit and loss account	5
Balance sheet	5
Notes	6 - 7

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2006.

Principal activities

The company did not trade during the year.

Dividend

The directors do not recommend the payment of a dividend (2005: *nil*).

Directors

The directors who held office during the period were as follows:

CS Snowdon

RJK Beaumont

AB Moss

AM Moore

J Mabbitt

M Malitskie

E Ghavam-Shahidi

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the parent company, as recorded in the register of directors' share and debenture interests

	Beneficial interest in shares	Conditional rights to shares	Performance related share options	SAYE Scheme options
AB Moore				
At start of year	13,500	-	-	3,250
Rights adjusted in year*	-	-	-	338
Acquired in year	6,000	-	-	-
At end of year	19,500	-	-	3,588
AB Moss				
At start of year	7,664	5,438	139,222	4,954
Granted in year	-	-	-	2,524
Lapsed in year	-	-	(46,503)	-
Rights adjusted in year*	-	-	9,669	516
Exercised/vested	5,470	(1,950)	-	(5,470)
Acquired in year	5,066	11,947	-	-
At end of year	18,200	15,435	102,388	2,524

Directors' report (continued)

	Beneficial interest in shares	Conditional rights to shares	Performance related share options	SAYE Scheme options
JP Mabbitt				
At start of year	-	-	-	3,250
Rights adjusted in year*	-	-	-	338
At end of year	-	-	-	3,588
M Malitskie				
At start of year	2,750	-	-	3,250
Acquired in year	1,222	-	-	-
Rights adjusted in year*	-	-	-	338
At end of year	3,972	-	-	3,588
E Shahidi				
At start of year	5,000	-	-	3,250
Rights adjusted in year*	-	-	-	338
Acquired in year	2,222	-	-	-
At end of year	7,222	-	-	3,588

* adjustments made to reflect the rights issue undertaken by Umeco plc in December 2005.

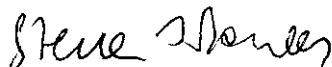
The interests of CJ Snowdon and RJK Beaumont in the shares of the ultimate holding company, Umeco plc, are disclosed in the directors' report of that company.

None of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution resolving not to reappoint auditors is to be proposed at the forthcoming Annual General Meeting.

By order of the board



S Bowers
Secretary

Concorde House
24 Warwick New Road
Leamington Spa
Warwickshire
CV32 5JG

24 November 2006

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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;
- 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.

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of Advanced Composite Components Limited

We have audited the financial statements of Advanced Composite Components Limited for the year to 31 March 2006 which comprise the Balance Sheet, and the related notes. 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 auditor's 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants
Registered Auditor
Birmingham

25 January 2007

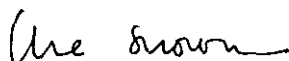
Profit and loss account

The company has not traded during either the current period or preceding year, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss.

Balance sheet as at 31 March 2006

	Note	2006 £000	2005 £000
Fixed assets			
Investments	2	51	51
Creditors: amounts falling due within one year	3	(741)	(741)
Net liabilities		(690)	(690)
Capital and reserves			
Called up share capital	4	100	100
Profit and loss account		(790)	(790)
Equity shareholders' deficit		(690)	(690)

These financial statements were approved by the board of directors on 24 November 2006 and were signed on its behalf by:



CJ Snowdon
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Going concern

The directors of the parent company have indicated that they will continue to support the company for the foreseeable future.

Consolidated financial statements

The company is exempt from the requirement to prepare group accounts in accordance with S228 of the Companies Act 1985. These financial statements present information about the company as an individual undertaking and not about the group.

The results of this company and those of its subsidiaries are included within the financial statements of the ultimate parent undertaking.

Investments

Fixed asset investments are shown at cost less provisions for permanent diminution in value.

2 Fixed asset investments

Shares in group undertakings	Shareholding	2006	2005
<i>Ordinary shares of £1 each</i>	<i>%</i>	<i>£000</i>	<i>£000</i>
Advanced Composite Technology Limited	100	51	51
Advanced Composite Materials Limited	100	-	-
Advanced Composite Engineering Limited	100	-	-
		<hr/>	<hr/>
		51	51
		<hr/>	<hr/>

All subsidiaries are incorporated in Great Britain and are dormant.

Full provision has been made for any loss in the value of investments in subsidiary undertakings where the diminution in value is considered to be permanent.

3 Creditors: amounts falling due within one year

	2006	2005
	<i>£000</i>	<i>£000</i>
Amounts owed to group undertakings	741	741
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Notes *(continued)*

4 Called up share capital

	2006	2005
	£000	£000
<i>Authorised, allotted, called up and fully paid</i>		
100,000 ordinary shares of £1 each	100	100
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5 Contingent liabilities

There is a cross guarantee between all group companies in relation to the bank borrowing of each company. At 31 March 2006, the outstanding liability under this guarantee was £Nil (2005: £Nil).

6 Ultimate parent undertaking

The ultimate parent undertaking at the year end was Umeco plc, a company incorporated in Great Britain.

Copies of the financial statements of the ultimate parent undertaking can be obtained from the address on page 2.