

Registered No 04145638

Hamsard 2273 Limited

Report and Financial Statements

31 March 2008

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COMPANIES HOUSE

Hamsard 2273 Limited

Registered No 04145638

Directors

N Bamford (Resigned 1 July 2008)

A Ventrella

S A Peckham (Appointed 1 July 2008)

G P Martin (Appointed 1 July 2008)

G E Barnes (Appointed 1 July 2008)

Secretary

A Ventrella

Auditors

Ernst & Young LLP

City Gate West

Toll House Hill

Nottingham

NG1 5FY

Registered Office

Falcon Works,

PO Box 7713,

Meadow Lane,

Loughborough,

LE11 1ZF

Directors' report

The directors present their report and audited financial statements for the year ended 31 March 2008

Results and dividends

The audited financial statements for the year ended 31 March 2008 are set out on pages 6 to 11. The retained loss for the year amounted to £17,627,000 (2007 profit of £407,000) and has been transferred to the profit and loss account reserve.

The directors do not recommend the payment of a dividend for the year.

Principal activities and review of the business

The principal activity of the company is to act as an intermediate holding company.

The company does not trade and only incurs interest from group loan arrangements and foreign exchange retranslation movements.

The directors do not think that the company will commence trading in the foreseeable future.

Directors and their interests

The directors who served during the year ended 31 March 2008 and thereafter are as listed on page 1.

No director had any interests in the shares of the company at 31 March 2008.

Directors' liabilities

The ultimate parent undertaking has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year.

Auditors

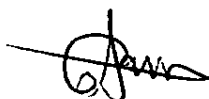
A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



G E Barnes
Director

5/9/08

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 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 which 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.

Independent auditors' report

to the members of Hamsard 2273 Limited

We have audited the company's financial statements for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 12. 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 Annual Report and the financial statements in accordance with applicable United Kingdom law and 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.

Independent auditors' report

to the members of Hamsard 2273 Limited (continued)

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 March 2008 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

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Nottingham

10 September 2008

Profit and loss account

for the year ended 31 March 2008

	<i>Notes</i>	<i>2008</i> <i>£000</i>	<i>2007</i> <i>£000</i>
Exchange (loss)/gain		(15,374)	2,113
Interest payable and similar charges	3	(2,253)	(1,706)
(Loss)/profit on ordinary activities before taxation		(17,627)	407
Tax on (loss)/profit on ordinary activities	4	-	-
Retained (loss)/profit for the financial year	9	(17,627)	407

Statement of total recognised gains and losses


There were no recognised gains or losses other than the (loss)/profit for the financial year and consequently no statement of total recognised gains and losses has been prepared

Balance sheet

at 31 March 2008

	<i>Notes</i>	<i>2008 £000</i>	<i>2007 £000</i>
Fixed assets			
Investments	5	27,383	27,383
Current assets			
Debtors	6	8,486	8,052
Creditors: amounts falling due within one year	7	(53,987)	(35,926)
Net current liabilities		(45,501)	(27,874)
Net liabilities		(18,118)	(491)
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	(18,118)	(491)
Equity shareholders' deficit	9	(18,118)	(491)

The financial statements were approved by the Board and signed on its behalf by



G P Martin
Director

5/9/08

Notes to the financial statements

at 31 March 2008

1. Accounting policies

Basis of preparation

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

Going concern

The financial statements indicate that the company has net current liabilities. The directors have prepared the financial statements on a going concern basis since the ultimate parent undertaking has indicated that it will continue to give financial support to the company for the foreseeable future, to enable the company to meet its debts as they fall due.

Group financial statements

The company has not prepared group financial statements as it is exempt from the requirement to do so by section 228 of the Companies Act 1985, as it is a subsidiary undertaking of FKI plc, a company incorporated in Great Britain and is included in the consolidated financial statements of that company.

Statement of cash flows

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from preparing a statement of cash flows on the grounds that the company's ultimate parent undertaking, FKI plc, has prepared consolidated financial statements which include the financial statements of the company and which contain a statement of cash flows.

Investments

Investments are stated at their cost at the time of acquisition less provision for impairment.

Taxation

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract.

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 with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount on the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

2. Directors' emoluments, staff costs and auditors' remuneration

The directors received no remuneration for their services to the company during the year (2007: £nil). The emoluments of N Bamford and A Ventrella have been borne by FKI plc. The directors of the company are also directors of a number of the companies within the FKI group. The directors' services to the company do not occupy a significant amount of their time. As such, the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 March 2008 and 31 March 2007.

There were no staff employed other than directors (2007: none).

The audit fee in 2007 and 2008 was borne by the parent undertaking.

Notes to the financial statements

at 31 March 2008

3. Interest payable and similar charges

	2008 £000	2007 £000
To fellow group undertakings	2,253	1,706

4. Tax on (loss)/profit on ordinary activities

	2008 £000	2007 £000
Corporation tax	-	-

The tax assessed for the year is higher (2007 – lower) lower than the standard rate of corporation tax in the UK as explained below

	2008 £000	2007 £000
(Loss)/profit on ordinary activities before taxation	(17,627)	407
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 30%)	(5,288)	122
Effects of Group relief surrendered/(claimed) for nil consideration	5,288	(122)
Tax charge for the year	-	-

5. Investments

Investment in subsidiary undertakings

	£000
Cost and net book value At 1 April 2007 and 31 March 2008	27,383

Details of the subsidiaries at 31 March 2008 are as follows

Name	Nature of business	Country of incorporation
Hamsard 2686	Investment company	UK

All investments in subsidiaries are wholly and directly owned

Notes to the financial statements

at 31 March 2008

6. Debtors

	2008 £000	2007 £000
Amounts owed by fellow group undertakings	8,486	8,052

7. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amounts due to fellow group undertakings	53,987	35,926

8. Share capital

	2008 £	2007 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
One ordinary share of £1	1	1

9. Reconciliation of shareholders' deficit and movements on reserves

	Share Capital £000	Profit and loss account £000	Total £000
At 1 April 2006	-	(898)	(898)
Profit for the financial year	-	407	407
At 31 March 2007	-	(491)	(491)
Loss for the financial year	-	(17,627)	(17,627)
At 31 March 2008	-	(18,118)	(18,118)

10. Contingent liabilities

As part of a group debt arrangement the company has entered into a multilateral cross guarantee in respect of group borrowings

Notes to the financial statements

at 31 March 2008

11. Related party transactions

The company is an indirect wholly owned subsidiary of FKI plc, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the FKI group.

12. Ultimate parent undertaking

The directors regard FKI plc, a company incorporated in Great Britain and registered in England and Wales, as the company's ultimate parent undertaking and controlling party for the year ended 31 March 2008. The group into which the results of the company are consolidated is that headed by FKI plc. Copies of the financial statements are available from the Company Secretary, FKI plc, Falcon Works, PO Box 7713 Meadow Lane, Loughborough, Leicestershire LE11 1ZF.

On the 1 July 2008 FKI plc was purchased by Melrose Plc, a company incorporated in Great Britain and registered in England and Wales, which the directors regard as the company's ultimate parent undertaking and controlling party from that date.