

# **FKI Helios Limited**

## **Report and Financial Statements**

31 March 2007

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# FKI Helios Limited

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Registered No 04225689

## **Directors**

N Bamford  
A Ventrella

## **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 the audited financial statements for the year ended 31 March 2007

### Results and dividends

The audited financial statements for the year ended 31 March 2007 are set out on pages 6 to 10. The profit for the year after taxation amounted to £1,716,000 (2006 £4,344,000) 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 activity and review of the business

The principal activity of the company is to act as a company issuing inter-group funding loans.

The company does not trade but receives interest from loans to other companies within the FKI group. The directors do not expect the company to commence trading in the foreseeable future.

### Directors and their interests

The directors who served during the year ended 31 March 2007 and thereafter are as listed on page 1.

No director had any interests in the shares of the company at 31 March 2007.

### Directors' liabilities

FKI plc, 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 1985. 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



N Bamford  
Director

Date 9 August 2007

## **Statement of directors' responsibilities in relation to 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 FKI Helios Limited**

We have audited the company's financial statements for the year ended 31 March 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 10. 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 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 FKI Helios 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 2007 and of its profit 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

*10th August 2007*

## Profit and loss account

for the year ended 31 March 2007

	Notes	2007 £'000	2006 £'000
Foreign exchange (losses)/gains		(2,436)	1,180
<b>Operating (loss)/profit</b>		<b>(2,436)</b>	<b>1,180</b>
Interest receivable	3	4,152	3,164
<b>Profit on ordinary activities before taxation</b>		<b>1,716</b>	<b>4,344</b>
Tax on profit on ordinary activities	4	–	–
<b>Retained profit for the financial year</b>		<b>1,716</b>	<b>4,344</b>

## Statement of total recognised gains and losses

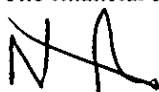
There were no recognised gains or losses other than the profit for the financial year and accordingly no statement of total recognised gains and losses has been prepared

**Balance sheet**

at 31 March 2007

	<i>Notes</i>	<i>2007</i> <i>£'000</i>	<i>2006</i> <i>£'000</i>
<b><i>Current assets</i></b>			
Debtors	5	97,793	96,077
<b><i>Net assets</i></b>		<u>97,793</u>	<u>96,077</u>
<b><i>Capital and reserves</i></b>			
Called up share capital	6	80,000	80,000
Share premium	7	11,489	11,489
Profit and loss account	7	6,304	4,588
<b><i>Equity shareholders' funds</i></b>	7	<u>97,793</u>	<u>96,077</u>

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


N Bamford  
Director

Date 9 August 2007



## Notes to the financial statements

at 31 March 2007

### 1. Accounting policies

#### Basis of preparation

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

#### Statement of cash flows

Under the provisions of FRS 1 "Cash flow statements (Revised 1996)", the company has not prepared a statement of cash flows because its 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

#### 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 by the balance sheet date

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

The directors received no remuneration for their services to the company during the year (2006 £nil) The emoluments of N Bamford and A Ventrella have been borne by FKI plc, the ultimate parent undertaking 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 2007 and 31 March 2006

There were no staff employed other than directors (2006 none)

The audit fee in 2006 and 2007 was borne by the parent undertaking

### 3. Interest receivable

	2007 £'000	2006 £'000
From fellow group undertakings	4,152	3,164

## Notes to the financial statements

at 31 March 2007

### 4. Tax on profit on ordinary activities

	2007 £000	2006 £000
UK corporation tax	—	—

The tax assessed for the year is lower than the standard rate of corporation tax in the UK as explained below

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	1,716	4,344
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	515	1,303
Effects of Group relief from parent for nil consideration	(515)	(1,303)
Current tax charge for the year	—	—

### 5. Debtors

	2007 £'000	2006 £'000
Amounts owed by fellow group undertakings	97,793	96,077

### 6. Share capital

	2007 £'000	2006 £'000
<i>Authorised</i>		
100,000,000 ordinary shares of £1 each	100,000	100,000
<i>Allotted, called up and fully paid</i>		
80,000,000 ordinary shares of £1 each	80,000	80,000

## Notes to the financial statements

at 31 March 2007

### 7. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 April 2006	80,000	11,489	4,588	96,077
Retained profit for the financial year	–	–	1,716	1,716
At 31 March 2007	<u>80,000</u>	<u>11,489</u>	<u>6,304</u>	<u>97,793</u>

### 8. Contingent liabilities

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

### 9. Related party transactions

The company is a wholly owned subsidiary of FKI plc, the consolidated financial statements 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

### 10. 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

The only group into which the results of the company are consolidated is that headed by FKI plc. Copies of the financial statements of FKI plc are available from the Company Secretary, FKI plc, Falcon Works, PO Box 7713, Meadow Lane, Loughborough, Leicestershire, LE11 1ZF