

Company Registration No. 04225698

FKI Astraeus Limited

Report and Financial Statements

31 December 2009

TUESDAY



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FKI Astraeus Limited

Report and financial statements 2009

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FKI Astraeus Limited

Report and financial statements 2009

Officers and professional advisers

Directors

S A Peckham
G P Martin
G E Barnes

Secretary

G E Barnes

Registered Office

Precision House
Arden Road
Alcester
Warwickshire
B49 6HN

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
London , United Kingdom

FKI Astraeus Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

Results and dividends

The audited financial statements for the year ended 31 December 2009 are set out on pages 7 to 12. The retained profit for the year amounted to £1,392,000 (nine month period ended 31 December 2008 £7,155,000)

The directors do not recommend the payment of a dividend for the year (nine month period ended 31 December 2008 £nil)

Principal activity and review of the business

The principal activity of the company is to act as an intermediate holding company. The directors do not expect any change in this activity in the foreseeable future.

Going concern

The Directors have considered the going concern assumption given the current economic climate and have reviewed the Company forecasts for the foreseeable future.

After making enquiries and considering the above facts, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Financial risk management and policies

Credit risk

Through its activities the company is exposed to credit risk. The company's principal financial assets are receivables from fellow group undertakings.

The company's credit risk is primarily attributable to its receivables from fellow group undertakings. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available to meet obligations as they fall due, the company ensures regular communication with other group companies.

FKI Astraeus Limited

Directors' report (continued)

Directors and their interests

The directors who served throughout the year ended 31 December 2009 and thereafter are as listed on page 1
No director had any interests in the shares of the company at 31 December 2009

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 throughout the year and at the date of this report

Auditors

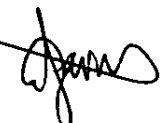
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to continue in office as auditors and will be deemed to be re-appointed after the end of the next "period for appointing auditors" as defined in s485(2) of the Companies Act 2006

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



G E Barnes
Director

16 July 2010

FKI Astraeus Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 judgements 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, 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 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.

Independent auditors' report to the members of FKI Astraeus Limited

We have audited the financial statements of FKI Astraeus Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, 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 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 (APB's) Ethical Standards for Auditors.

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 2009 and of its profit 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 matters 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.

Independent auditors' report to the members of FKI Astraeus 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



Jeremy Black (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

19 July 2010

FKI Astraeus Limited

Profit and loss account Year ended 31 December 2009

		Year ended 31 December 2009 £'000	Nine month period ended 31 December 2008 £'000
Administrative expenses		-	(13)
Operating loss	2	-	(13)
Investment Income		1,334	6,876
Interest receivable	3	58	292
Profit on ordinary activities before taxation		1,392	7,155
Taxation on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation	9	1,392	7,155

There were no recognised gains or losses in either period other than the profit for the financial period shown above, and consequently no statement of total recognised gains and losses has been prepared

All results derive from continuing activities

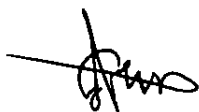
FKI Astraeus Limited

Balance sheet 31 December 2009

	Notes	31 December 2009 £'000	31 December 2008 £'000
Fixed assets			
Investments	5	205,857	205,857
Current assets			
Debtors	6	17,296	15,904
Creditors: amounts falling due within one year	7	(14)	(14)
Net current assets		17,282	15,890
Net assets		<u>223,139</u>	<u>221,747</u>
Capital and reserves			
Called up share capital	8	20,000	20,000
Share premium account	9	119,007	119,007
Profit and loss account	9	84,132	82,740
Shareholders' funds	9	<u>223,139</u>	<u>221,747</u>

The financial statements of FKI Astraeus Limited, registered number 04225698, were approved by the Board of Directors on 16 July 2010

Signed on behalf of the Board of Directors



G E Barnes

Director

FKI Astraeus Limited

Notes to the accounts Year ended 31 December 2009

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current year and preceding period.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and on a going concern basis as outlined in the Directors' Report on page 2.

The company has taken advantage of the exemption from preparing group financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary undertaking of Melrose PLC, which prepares consolidated financial statements which are publicly available.

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, Melrose plc, has prepared consolidated financial statements which include the financial statements of the company and which contain a statement of cash flows.

Investments

Fixed asset investments are stated at cost less provision for any 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 by the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All exchange differences are dealt with in the determination of profit for the financial year.

2. Operating loss

The fees payable to the Company's auditors of £1,000 (2008: £1,000) for the audit of the financial statements were borne by a fellow Group undertaking in both periods.

The directors received no remuneration for their services to the company during the year 31 December 2009 (nine month period ended 31 December 2008: £nil).

There were no staff employed in the year (nine month period ended 31 December 2008: none).

3. Interest receivable

	Year ended 31 December 2009 £'000	Nine month period ended 31 December 2008 £'000
From fellow group undertakings	1,392	7,168

FKI Astraeus Limited

Notes to the accounts Year ended 31 December 2009

4. Tax on profit on ordinary activities

	Year ended 31 December 2009 £'000	Nine month period ended 31 December 2008 £'000
UK corporation tax	-	-

The tax assessed for the year is lower (31 December 2008 lower) than the standard rate of corporation tax in the UK as explained below

	Year ended 31 December 2009 £'000	Nine month period ended 31 December 2008 £'000
Profit on ordinary activities before taxation	1,392	7,155
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (31 December 2008 28%)	390	2,003
Effects of		
Disallowable expenses	-	4
Non taxable income	(373)	(1,925)
Group relief claimed at nil rate	(17)	(82)
Current tax charge for the year/period	-	-

5. Investments

	£'000
Shares at cost or valuation:	
At 1 January 2009 and 31 December 2009	205,857
Provision for impairment:	
At 1 January 2009 and 31 December 2009	-
Net book value	
At 31 December 2008 and 31 December 2009	205,857

The company has subscribed for one £1 A' preference share in Brush Electrical Machines Limited, a fellow group company, which represents 100% of this class of shares. The principal activity of the company is that of an engineering company specialising in the manufacture and sale of electrical machines and the refurbishment of railway locomotives. The business is registered in Great Britain.

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Notes to the accounts Year ended 31 December 2009

6. Debtors

	31 December 2009 £'000	31 December 2008 £'000
Amounts owed by fellow group undertakings	17,296	15,904

7. Creditors, amounts falling due within one year

	31 December 2009 £'000	31 December 2008 £'000
Amounts owed to fellow group undertakings	(14)	(14)

8. Called up share capital

	31 December 2009 £'000	31 December 2008 £'000
Authorised		
100,000,000 ordinary shares of 25p each	25,000	25,000
Allotted, called up and fully paid		
80,000,002 ordinary shares of 25p each	20,000	20,000

9 Reconciliation of shareholders' funds and movement in reserves

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total share- holders' funds £'000
At 1 January 2009	20,000	119,007	82,740	221,747
Profit for the year	-	-	1,392	1,392
At 31 December 2009	20,000	119,007	84,132	223,139

10. Contingent liabilities

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

11. Related party transactions

The Company has taken advantage of the exemption of FRS 8 Related Party Transactions from disclosing transactions with related parties between members of the Melrose PLC Group of Companies

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Notes to the accounts

Year ended 31 December 2009

12. Ultimate parent company

The immediate parent company is FKI Luspartone Sarl which is registered in Luxembourg. The ultimate parent undertaking and controlling party is Melrose PLC which is incorporated in Great Britain and registered in England and Wales.

The largest and smallest of undertakings for which group accounts have been drawn up is that headed by Melrose PLC, incorporated in Great Britain and registered in England and Wales. Copies of Group financial statements can be obtained from Precision House, Arden Road, Alcester, Warwickshire B49 6HN.