

Hamsard 2386 Limited

Report and Financial Statements

31 March 2007



Hamsard 2386 Limited

Registered No 04287995

Directors

R P Graham-Adrian
N Bamford

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
Leicestershire
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 retained profit for the year after taxation amounted to US\$20,209,000 (2006 US\$2,229,000) 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 company's principal activity remained that of a finance company.

The company has not traded during the year but receives interest from loan arrangements with other group undertakings.

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

28 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 Hamsard 2386 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 Hamsard 2386 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 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

31st August 2007

Profit and loss account

for the year ended 31 March 2007

	Notes	2007 US\$000	2006 US\$000
Interest receivable	3	20,209	2,229
Profit on ordinary activities before taxation		<u>20,209</u>	<u>2,229</u>
Tax on profit on ordinary activities	4	–	–
Retained profit for the financial year	7	<u>20,209</u>	<u>2,229</u>

Statement of total recognised gains and losses

There were no recognised gains and losses for the year 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

	Notes	2007 US\$000	2006 US\$000
Current assets			
Debtors	5	372,567	352,358
Net assets		<u>372,567</u>	<u>352,358</u>
Capital and reserves			
Called up share capital	6	349,506	349,506
Profit and loss account	7	23,061	2,852
Shareholders' funds - equity	7	<u>372,567</u>	<u>352,358</u>

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



N Bamford

Director

Date

28 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 United Kingdom 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

Foreign currencies

The company's functional currency is the US dollar. Transactions denominated in other currencies are translated into dollars at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into dollars at the exchange rate ruling on the balance sheet date. The resulting exchange differences are included in the profit and loss account for the year.

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 R Graham-Adriani 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 US\$000	2006 US\$000
From group undertakings	20,209	2,229

Notes to the financial statements

at 31 March 2007

4. Tax on profit on ordinary activities

	2007 US\$000	2006 US\$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 US\$000	2006 US\$000
Profit on ordinary activities before taxation	20,209	2,229
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	6,063	668
Effects of Group relief from parent for nil consideration	(6,063)	(668)
Current tax charge for the year	-	-

5. Debtors

	2007 US\$000	2006 US\$000
Amounts owed by fellow subsidiary undertaking	356,084	352,358
Amounts owed by parent undertaking	16,483	-
	372,567	352,358

Notes to the financial statements

at 31 March 2007

6. Share capital

	2007		2006	
	US\$000		US\$000	
<i>Authorised</i>				
10 million ordinary shares of US\$100 each		1,000,000		1,000,000
One deferred share of US\$1		-		-
		<u> </u>		<u> </u>
	2007	2006	2007	2006
	No	No	US\$000	US\$000
<i>Allotted</i>				
Ordinary shares of US\$100 each	3,495,065	3,495,065	349,506	349,506
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2007	2006	2007	2006
	No	No	US\$000	US\$000
<i>Called up and fully paid</i>				
Ordinary shares of US\$100 each	3,495,065	3,495,065	349,506	349,506
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. Reconciliation of shareholders' funds and movement on reserves

	<i>Share Capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	US\$000	US\$000	US\$000
At 1 April 2006	349,506	2,852	352,358
Retained profit for the financial year	-	20,209	20,209
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2007	349,506	23,061	372,567
	<u> </u>	<u> </u>	<u> </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 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

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

FKI plc is the parent undertaking of the largest group of which Hamsard 2386 Limited is a member and for which group financial statements are drawn up. 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