

Company Registration No. 04287995

Hamsard 2386 Limited

Report and Financial Statements

Nine month period ended 31 December 2008

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COMPANIES HOUSE

Hamsard 2386 Limited

Report and financial statements 2008

Officers and professional advisers

Directors

R P Graham-Adriani

N Bamford (Resigned 1 July 2008)

S A Peckham (Appointed 1 July 2008)

G P Martin (Appointed 1 July 2008)

G E Barnes (Appointed 1 July 2008)

Secretary

GE Barnes

Registered Office

Precision House

Arden Road

Alcester

Warkwickshire

B49 6HN

Auditors

Deloitte LLP

Chartered Accountants

London

Hamsard 2386 Limited

Directors' report (continued)

The directors present their annual report and the audited financial statements for the nine month period ended 31 December 2008.

Results and dividends

The audited financial statements for the nine month period ended 31 December 2008 are set out on pages 7 to 13. The retained profit for the nine month period after taxation amounted to £4,891,000 (year ended 31 March 2008: profit of £11,387,000) and has been transferred to the profit and loss account reserve.

The directors do not recommend the payment of a dividend for the nine month period.

Principal activity and review of the business

The company's principal activity remained that of a finance company. The Company receives interest on loans to other group undertakings. The Directors do not expect any change to the principal activity of this Company in the foreseeable future.

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

The presentational currency of the company changed from US Dollars to Sterling with effect from the date of acquisition.

The company also changed its year end from 31 March to 31 December, hence the statutory accounts for Hamsard 2386 Limited are for the nine months to 31 December 2008.

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 other group companies.

The Company's credit risk is primarily attributable to its receivables from group companies. 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 cashflows.

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.

Hamsard 2386 Limited

Directors' report (continued)

Directors and their interests

The directors who served during the nine month period ended 31 December 2008 and thereafter are as listed on page 1. No director had any interests in the shares of the company at 31 December 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 1985. Such qualifying third party indemnity provision was in force during the year.

Auditors

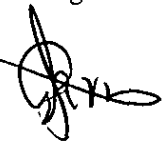
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



G E Barnes
Director

16 Oct 2009

Hamsard 2386 Limited

Statement of directors' responsibilities

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). 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 judgements 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 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 financial statements of Hamsard 2386 Limited for the nine month period ended 31 December 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 11. 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 law and United Kingdom 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 judgements 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.

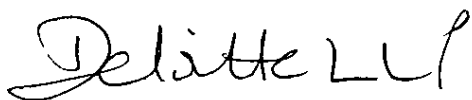
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 December 2008 and of its profit for the period 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.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Deloitte LLP
Chartered Accountants and Registered Auditors
London, UK

25th October 2009

Hamsard 2386 Limited

Profit and loss account

Nine month period ended 31 December 2008

		Nine month period ended 31 December 2008 £'000	Year ended 31 March' 2008 £'000
	Note		
Administration expenses		-	-
Operating loss	3	-	-
Interest receivable	4	4,891	11,387
Profit on ordinary activities before taxation		4,891	11,387
Tax on profit on ordinary activities	5	-	-
Retained profit for the financial period	8	4,891	11,387

All results derive from continuing operations.

¹ Comparative period figures have been restated following a change in presentational currency from US Dollars to Sterling with effect from 1 July 2008 (see note 1).

Hamsard 2386 Limited

Statement of total recognised gains and losses Nine month period ended 31 December 2008

	Nine month period ended 31 December 2008 £'000	Year ended 31 March 2008 £'000
Profit for the period	4,891	11,387
Exchange gain on retranslated foreign currency loans and related interest	73,075	(2,273)
Total recognised gains relating to the period	77,964	9,114

Hamsard 2386 Limited

Balance Sheet

Nine month period ended 31 December 2008

	Note	31 December 2008 £'000	31 March ¹ 2008 £'000
Current assets			
Debtors	6	276,921	198,957
Net assets		<u>276,921</u>	<u>198,957</u>
Capital and reserves			
Called up share capital	7	237,598	237,598
Profit and loss account	8	39,323	(38,641)
Shareholder's funds	8	<u>276,921</u>	<u>198,957</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

16/10/09

2009.



GE Barnes

Director

¹ Comparative period figures have been restated following a change in presentational currency from US Dollars to Sterling with effect from 1 July 2008 (see note 1).

Company no.
04287995

Hamsard 2386 Limited

Notes to the accounts

Nine month period ended 31 December 2008

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable United Kingdom law and accounting standards, and on a going concern basis as discussed in the Director's Report on page 2.

These financial statements are presented in Sterling following a change in the Group's presentational currency from US Dollars to Sterling with effect from 1 July 2008. This decision was based upon the preference of the directors as a result of the Melrose Group acquisition at this date. This decision has not affected the functional currency of the company which is still US Dollars.

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.

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets denominated in foreign currencies are recognised in the statement of total recognised gains and losses.

2. Directors' emoluments

The Directors were remunerated by other Group companies in the current and prior period.

3. Operating loss

The fees payable to the Company's auditors of £1,370 (year ended 31 March 2008: £1,006) for the audit of the financial statements were borne by a fellow Group undertaking in both periods.

The Company did not have any employees in the current or prior period.

Hamsard 2386 Limited

Notes to the accounts

Nine month period ended 31 December 2008

4. Interest receivable and similar income

	Nine month period ended 31 December 2008 £'000	Year ended 31 March 2008 £'000
From group undertakings	4,891	11,387

5. Tax on profit on ordinary activities

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

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

	Nine month period ended 31 December 2008 £'000	Year ended 31 March 2008 £'000
Profit on ordinary activities before taxation	4,891	11,387
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (31 March 2008: 30%)	1,369	3,416
Effects of: Group relief claimed for nil consideration	(1,369)	(3,416)
Tax charge for the period	-	-

Hamsard 2386 Limited

Notes to the accounts

Nine month period ended 31 December 2008

6. Debtors

	31 December 2008 £'000	31 March 2008 £'000
Amounts owed by fellow group undertakings	276,921	181,118
Amounts owed by parent undertaking	-	17,839
	<u>276,921</u>	<u>198,957</u>

7. Called up share capital

	31 December 2008 £'000	31 March 2008 £'000
Authorised		
10,000,000,000 ordinary shares of US\$100 each	684,898,895	503,183,758
1 deferred share of US\$1 each	-	-
	<u>-</u>	<u>-</u>
Allotted, called up and fully paid		
3,945,065 ordinary shares of US\$100 each	237,598	237,598
	<u>237,598</u>	<u>237,598</u>

8. Reconciliation of shareholders' funds and movement in reserves

	Share capital £'000	Profit and loss account £'000	Total share- holders' funds £'000
At 1 April 2007	237,598	(47,755)	189,843
Retained profit for the financial year	-	11,387	11,387
Exchange loss on retranslation of foreign currency loans and related interest	-	(2,273)	(2,273)
	<u>-</u>	<u>(2,273)</u>	<u>(2,273)</u>
At 31 March 2008	237,598	(38,641)	198,957
Retained profit for the financial period	-	4,891	4,891
Exchange gain on retranslation of foreign currency loans and related interest	-	73,075	73,075
	<u>-</u>	<u>73,075</u>	<u>73,075</u>
At 31 December 2008	<u>237,598</u>	<u>39,323</u>	<u>276,921</u>

9. Contingent liabilities

The Company has provided unlimited and multilateral guarantees in respect of the bank loans and overdrafts of its ultimate parent undertaking, Melrose PLC and certain fellow subsidiaries. The net liabilities outstanding under these guarantees at the balance sheet date were £718.2 million.

Hamsard 2386 Limited

Notes to the accounts

Nine month period ended 31 December 2008

10 Related party transactions

The company is a wholly owned subsidiary of Melrose 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 Melrose group.

11. Ultimate parent company

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. The immediate parent undertaking is Hamsard 2291 Limited.

The directors regard Melrose 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 period ended 31 December 2008. The group into which the results of the company are consolidated is that headed by Melrose PLC. Copies of the financial statements are available from the Company Secretary, Melrose PLC, Precision House, Arden Road, Alcester, Warks, B49 6HN.