

Melrose UK 1 Limited
Annual report
for the year ended 31 December 2008

Registered Number 5419497

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Melrose UK 1 Limited

Directors' report for the year ended 31 December 2008

The Directors present their annual report and the audited financial statements for the year ended 31 December 2008. The Company has elected not to present additional directors' report disclosures as permitted by the small company exemptions of section 246(4) of the Companies Act 1985.

Principal activities and review of business

The Company's principal activity during the year was that of an investment holding company.

The Directors consider the financial position of the Company at the year end to be satisfactory. The Company will continue to act as a holding company.

Going concern

The directors have considered the going concern assumption given the current economic climate. Accordingly, the directors have reviewed the company forecasts and considered the financial commitment from the ultimate parent company.

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

Results and dividends

The profit for the year after taxation added to reserves amounted to £38,874 (2007: £35,576). The Directors do not recommend the payment of an ordinary dividend (2007: £nil).

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.

Melrose UK 1 Limited

Directors' report for the year ended 31 December 2008 (continued)

Directors

The Directors who held office during the year were:

G P Martin

A G Peart (resigned 07.03.08)

S A Peckham (resigned 07.03.08)

G E Barnes

None of the directors hold any beneficial interest in shares in the Company.

The Directors have the benefit of 'qualifying third party indemnity provisions' for the purposes of sections 309a to 309c of the Companies Act 1985. These were in force throughout the year and at the date of this report.

Auditors

Each of the Directors at the date of approval of this annual 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 ought to have taken as a Director in order to make himself 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 been re-appointed as auditors of the Company.

Melrose UK 1 Limited

Directors' report for the year ended 31 December 2008 (continued)

Statement of Directors' responsibilities

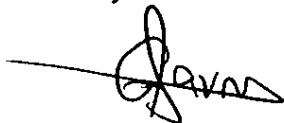
The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

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 judgments 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.

By order of the Board



GE Barnes
Director

16 Oct 2009

Melrose UK 1 Limited

Independent auditors' report to the members of Melrose UK 1 Limited

We have audited the financial statements of Melrose UK 1 Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the 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 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 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.

Melrose UK 1 Limited

Independent auditors' report to the members of Melrose UK 1 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 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.



Deloitte LLP

Chartered Accountants and Registered Auditors

London, UK

16th October 2009

Melrose UK 1 Limited

Profit and loss account for the year ended 31 December 2008

		Year ended 31 December 2008	Year ended 31 December 2007
	Note	£	£
Group interest receivable		38,874	35,576
Group interest payable		-	-
Profit on ordinary activities before taxation	2	<u>38,874</u>	<u>35,576</u>
Taxation on profit on ordinary activities	4	-	-
Profit for the year transferred to reserves	8	<u>38,874</u>	<u>35,576</u>

There are no recognised gains or losses other than those included in the profit and loss account above, therefore no statement of total recognised gains and losses is presented.


All results derive from continuing activities.

Melrose UK 1 Limited

Balance sheet as at 31 December 2008

		31 December 2008	31 December 2007
	Notes	£	£
Fixed assets			
Investments	5	7,100,000	7,100,000
Current assets			
Debtors: amounts falling due within one year	6	636,118	597,244
Net current assets		<u>636,118</u>	<u>597,244</u>
Total assets less current liabilities		<u>7,736,118</u>	<u>7,697,244</u>
 Capital and reserves			
Ordinary share capital	7	7,617,805	7,617,805
Profit and loss account	8	118,313	79,439
Shareholders' funds		<u>7,736,118</u>	<u>7,697,244</u>

The financial statements on pages 7 to 12 were approved by the Board of Directors on 16/10/09 and were signed on its behalf by:


GE Barnes
Director

Melrose UK 1 Limited

Notes to the financial statements for the year ended 31 December 2008

1 Principal accounting policies

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

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable UK law and accounting standards, and on a going concern basis as described in the directors' report on page 2.

As permitted under Section 228 of the Companies Act 1985 no Group accounts have been prepared.

Cash flow statement

The Company is a wholly owned subsidiary of Melrose PLC and is included in the consolidated financial statements of Melrose PLC which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised) "Cash Flow Statements".

Investments

Investments in subsidiary undertakings are stated at cost of acquisition (including any incidental cost of acquisition) together with the amount of any loans advanced to those undertakings. Current asset investments are stated at the lower of cost and net realisable value.

Where, in the opinion of the Directors, there has been an impairment in the value of the investments, appropriate provisions are made for impairment and charged to the profit and loss account.

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 substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is provided in accordance with FRS 19 'Accounting for Deferred Taxation', at the rate ruling on the balance sheet date on all timing differences that arise from the recognition of income and expenditure in differing periods for taxation and accounting purposes.

Melrose UK 1 Limited

Notes to the financial statements for the year ended 31 December 2008

2 Operating profit

There was no operating profit in the current or previous period.

The audit fee of £2,000 (2007: £2,000) for the audit of the financial statements was borne by a fellow Group company.

The company does not have any employees in the current or previous period.

3 Directors' emoluments

The Directors are remunerated by a fellow Group company.

4 Taxation on profit on ordinary activities

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Profit on ordinary activities before tax	38,874	35,576
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	11,079	10,673
<i>Effects of:</i>		
Group relief (at nil tax rate)	(11,079)	(10,673)
	-	-

Melrose UK 1 Limited

Notes to the financial statements for the year ended 31 December 2008

5 Fixed asset investments

	Shares in subsidiaries £
Cost and net book value	
As at 1 January 2008 and 31 December 2008	<u>7,100,000</u>

The investments and their place of incorporation are:-

Melrose UK 1A Limited – 100% (Great Britain)

The principal activity of the above entity is to act as an investment holding company.

In the opinion of the Directors, the value is not less than the amount at which it is stated in the balance sheet.

6 Debtors

	2008 £	2007 £
Amount owed by ultimate parent undertaking	636,118	597,244
	<u>636,118</u>	<u>597,244</u>

7 Share capital

Ordinary shares of £1 each	Authorised		Allotted, called up and fully paid	
	No of Shares	£	No of Shares	£
At 1 January 2008 and 31 December 2008	<u>7,700,000</u>	<u>7,700,000</u>	<u>7,617,805</u>	<u>7,617,805</u>

Melrose UK 1 Limited

Notes to the financial statements for the year ended 31 December 2008

8 Reconciliation of shareholders' funds and movements on reserves

	1 January 2008 £	Profit for the year £	31 December 2008 £
Ordinary share capital	7,617,805	-	7,617,805
Profit and loss account	79,439	38,874	118,313
	<u>7,697,244</u>	<u>38,874</u>	<u>7,736,118</u>

9 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.

10 Parent undertaking

The immediate and ultimate parent company 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.