

Company Registration No. 5419497

Melrose UK 1 Limited

Annual Report

31 December 2009

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Melrose UK 1 Limited

Report and financial statements 2009

Contents	Page
Officers and professional advisors	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9

Melrose UK 1 Limited

Officers and professional advisors

Year ended 31 December 2009

Directors

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

Melrose UK 1 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 11. The retained profit for the year amounted to £18,926 (year ended 31 December 2008: £38,874).

The directors do not recommend the payment of a dividend for the year (2008: £nil).

Principal activities and review of the business

The principal activity of the company during the year was that of an investment holding company. The directors do not expect any change in this activity in the foreseeable future. The Directors consider the financial position of the company at the year end to be satisfactory.

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 subsidiary undertakings.

The company's credit risk is primarily attributable to its receivables from subsidiary 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.

Directors

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.

Melrose UK 1 Limited

Directors' report (continued)

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



2010

Melrose UK 1 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 Melrose UK 1 Limited

We have audited the financial statements of Melrose UK 1 Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 10. 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 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 Melrose UK 1 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

12 July 2010

Melrose UK 1 Limited

Profit and loss account Year ended 31 December 2009

	Notes	2009 £	2008 £
Group interest receivable		18,926	38,874
Profit on ordinary activities before taxation	2	<u>18,926</u>	<u>38,874</u>
Taxation on profit on ordinary activities	4	-	-
Profit for the year transferred to reserves	8	<u>18,926</u>	<u>38,874</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

1


Melrose UK 1 Limited

Balance sheet 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Investments	5	7,100,000	7,100,000
Current assets			
Debtors amounts falling due within one year	6	655,044	636,118
Net current assets		<u>655,044</u>	<u>636,118</u>
Net assets		<u>7,755,044</u>	<u>7,736,118</u>
Capital and reserves			
Ordinary share capital	7	7,617,805	7,617,805
Profit and loss account	8	137,239	118,313
Shareholders' funds	8	<u>7,755,044</u>	<u>7,736,118</u>

The financial statements of Melrose UK 1 Limited, registered number 5419497, were approved by the Board of Directors on 16 July 2010

Signed on behalf of the Board of Directors



GE Barnes
Director

Melrose UK 1 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 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 400 of the Companies Act 2006 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.

2. Operating profit

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

The auditors' fees of £2,000 (2008: £2,000) for the audit of the company's accounts were borne by another group company in the current and prior year. The company does not have any employees in the current or previous year.

3. Directors' emoluments

The Directors were remunerated by a fellow Group company in the current and previous year.

Melrose UK 1 Limited

Notes to the accounts

Year ended 31 December 2009

4. Taxation on profit on ordinary activities

(a) Analysis of (credit)/charge in year

	2009 £	2008 £
Current tax		
UK corporation tax charge at 28% (2008 28.5%)	-	-

(b) 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%). The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	18,926	38,874
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	5,299	11,079
<i>Effects of</i>		
Group relief claimed for no consideration	(5,299)	(11,079)
	-	-

5. Fixed asset investments

	2009 £	2008 £
Cost and net book value		
As at 1 January 2009 and 31 December 2009	7,100,000	7,100,000

The investment and its place of incorporation is

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

	2009 £	2008 £
Amount owed by ultimate parent undertaking	655,044	636,118

Melrose UK 1 Limited

Notes to the accounts

Year ended 31 December 2009

7. Share capital

	2009 £	2008 £
Authorised		
7,700,000 ordinary shares of £1 each	7,700,000	7,700,000
Allotted, called up and fully paid		
7,617,805 ordinary shares of £1 each	7,617,805	7,617,805

8. Reconciliation of shareholders' funds and movements on reserves

	At 1 January 2009 £	Result for the year £	At 31 December 2009 £
Ordinary share capital	7,617,805	-	7,617,805
Profit and loss account	118,313	18,926	137,239
	<u>7,736,118</u>	<u>18,926</u>	<u>7,755,044</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