

Linatex UK Holding Limited
(Registered Number: 05563484)

Directors' Report and Accounts

31 December 2008

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Linatex UK Holding Limited

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Linatex UK Holding Limited

Directors' Report for the year ended 31 December 2008

The directors submit their report and financial statements for the year ended 31 December 2008.

Directors

The directors of the Company who served during the period were as follows:

N Bloy
M Octoman
Tan Chow Yin
B Cooke

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Principal activities and business review

The Company is an investment company and as such is at risk of the investment being impaired. This risk is monitored by comparing forecasted to actual results during the year.

Linatex UK Holding Limited

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

Results and Dividends

The Company has losses for the year of £92,000 (31 Dec 2007: Loss £30,000). The state of affairs of the Company at 31 December 2008 are set out in the annexed accounts.

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

Directors' interests

The directors (and their families) had no beneficial interests in the share capital of the Company at any time during the period.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Charitable Donations

The Company did not make any charitable donations for the period ended 31 December 2008. The Company did not make any political donations.

The Directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Bruce Cooke
Director

22 APR 2009

Registered Office:
Wilkinson House
Galway Road
Blackbushe Business Park
Yateley, GU46 6GE

Independent Auditors' Report to the Members of Linatex UK Holding Limited

We have audited the financial statements of Linatex UK Holding Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. 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 auditor's 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1.

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss 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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London EC4Y 8BB
United Kingdom

22 April 2009

Linatex UK Holding Limited

Profit and Loss Account

For the year ended 31 December 2008

		2008	2007
		£'000	£'000
	Note		
Interest payable and similar charges	3	(92)	(30)
Loss on ordinary activities before taxation		(92)	(30)
Taxation on ordinary activities	4	-	-
Loss on ordinary activities after taxation		(92)	(30)
Retained loss for the financial year		(92)	(30)

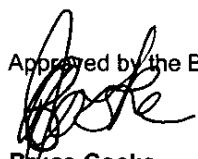
The notes on pages 7 to 10 form part of these financial statements.

Linatex UK Holding Limited

Balance Sheet as at 31 December 2008

		2008 £'000	2007 £'000
	Note		
Current assets			
Investment in subsidiaries	5	815	547
Current liabilities			
Creditors: amounts falling due within one year	6	(975)	(615)
Net current liabilities		(160)	(68)
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	(160)	(68)
Shareholders' deficit – Equity Interest	9	(160)	(68)

Approved by the Board on



Bruce Cooke
Director

22 APRIL 2009

The notes on pages 7 to 10 form part of these financial statements.

Linatex UK Holding Limited

Statement of Total Recognised Gains and Losses for the year ended 31 December 2008

	2008	2007
	£'000	£000
Loss for the financial year	(92)	(30)
Net exchange differences on the retranslation of net investments and related borrowings	-	(3)
At 31 December	(92)	(33)

Linatex UK Holding Limited

Notes to the Accounts – 31 December 2008

1 Accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles and applicable accounting standards.

- (b) Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities are translated into sterling at the rate of exchange ruling at the relevant balance sheet date; any exchange differences arising on translation of an investment denominated in a foreign currency and associated foreign currency borrowing thereon are included in the translation reserve. Any other exchange differences on assets and liabilities arising thereon are included in the profit and loss account.

2 Operating expenses

Auditors' remuneration and expenses were borne by Linatex Limited, the Company's immediate parent undertaking.

The emoluments of all the directors were borne by the Company's parent undertaking Linatex Limited and Navis Asia Partners Limited, being the companies for which they performed substantially all of their executive duties.

There were no employees of the company during the year (2007 – Nil).

3 Interest payable and similar charges

	2008 £'000	2007 £'000
Interest due to group undertakings	(52)	(33)
Foreign exchange	(40)	3
Interest payable and similar charges	(92)	(30)

4 Taxation on profit on ordinary activities

	2008 £'000	2007 £'000
Current tax		
UK corporation tax on profit for the period	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax (charge)/credit on profit on ordinary activities	-	-

Linatex UK Holding Limited

Notes to the Accounts – 31 December 2008 (continued)

4 Taxation on profit on ordinary activities (continued)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £'000	2007 £'000
Loss on ordinary activities before tax	(92)	(30)
Profit on ordinary activities multiplied by standard rate in the UK 28.5% (2007 – 30%)	26	9
Effects of:		
Expenses not deductible for tax purposes	(11)	-
Income not subject to tax	-	1
Current year tax losses not recognised	(15)	(10)
Current year tax (charge)/credit for the period	nil	nil

A deferred tax asset of £34,513 (2007: £19,000) has not been recognised in the accounts on the basis that given the current loss-making position of the Company, the recoverability of the asset is uncertain. Where it is expected that there will be suitable taxable profits in the future from which the underlying timing differences can be deducted, the deferred tax asset will be recognised.

5 Investments in subsidiaries

	2008 £'000	2007 £'000
Shares in subsidiary undertakings		
Balance at the beginning of the period	547	556
Additions	42	-
Effects of foreign exchange on investments denominated in a foreign currency	226	(9)
At 31 December	815	547

Principal investments in subsidiary undertakings are as follows:

Name of Subsidiary Undertaking	Nature of Business	Country of Incorporation	Proportion of Equity Held
Linatex Corporation of America Inc	Rubber Engineers	United States of America	100%

In the opinion of the directors, the value of investments is not less than the value at which they are included in the balance sheet.

Linatex UK Holding Limited

Notes to the Accounts – 31 December 2008 (continued)

6 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts due to group undertakings	975	615

7 Called up share capital

	Authorised		Issued & fully paid	
	2008 £	2007 £	2008 £	2007 £
Ordinary shares of £1 each	100	100	2	2

8 Profit and Loss Account

	Profit and Loss account £'000
Balance at the beginning of the period	(68)
Loss for the year	(92)
Balance at 31 December 2008	(160)

Linatex UK Holding Limited

Notes to the Accounts – 31 December 2008 (continued)

9 Reconciliation of movement in shareholders' deficit

	2008	2007
	£'000	£'000
Loss for financial year	(92)	(30)
Net effects of foreign exchange on foreign currency denominated investments and associated foreign currency borrowings	-	(3)
Net increase in shareholders' deficit	(92)	(33)
Opening shareholders' deficit	(68)	(35)
Closing shareholders' deficit	(160)	(68)

10 Parent and ultimate parent undertakings

The Company's immediate parent undertaking throughout the accounting period was Linatex Limited and its ultimate parent company is Navis Asia Fund IV L.P. The Company has taken advantage of the exemption to prepare group accounts provided in s228A of the Company Act 1985.

Linatex (H.K.) Limited, incorporated in Hong Kong is the smallest and largest group to consolidate the financial statements of the Company. Copies of the consolidated financial statements for Linatex (H.K.) Limited, may be obtained from Linatex Limited at Wilkinson House, Galway Road, Blackbushe Business Park, Yateley, Hants. GU46 6GE.

11 Financial support from parent undertaking

The Company has been informed that it is the intention of Linatex Limited to provide the financial support necessary to meet its current liabilities as they fall due.

12 Related party transactions

As the Company is a wholly owned subsidiary, advantage has been taken of the exemption afforded by FRS8 not to disclose any related party transactions with other members of the Group or its associates and joint ventures.

13 Cash flow statement

The ultimate parent undertaking has presented in its consolidated financial statements a group cash flow statement drawn up in accordance with the provisions of Financial Reporting Standard 1 (FRS1 restated). Accordingly the Company has taken advantage of the exemption under FRS1 to dispense with presenting its own cash flow statement.