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FKI BHE
(Company Number FC24929)

Registration number 35026

Black Heath Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2013

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Black Heath Limited Company Information

Directors	G E Barnes M J Richards G P Martin
Company secretary	G E Barnes
Registered office	PO Box 25 Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3AP

Black Heath Limited

Strategic Report for the Year Ended 31 December 2013

The Directors present their strategic report for the year ended 31 December 2013

Principal activity

The Company's principal activity is to act as an intermediate holding company. The Directors do not expect any change in this activity in the foreseeable future.

Fair review of the business

The operating loss for the year ended 31 December 2013 was US\$12,000 (year ended 31 December 2012: loss of US\$10,000). The retained loss for the year ended 31 December 2013 was US\$12,000 (year ended 31 December 2012: loss of US\$10,000).

The Directors do not recommend the payment of a dividend in the year (year ended 31 December 2012: US\$ nil).

The Company considers its key performance indicators to be in line with those of Melrose Industries PLC as disclosed in the Strategic Report of the 2013 Annual Report.

The members of the Company have resolved to waive the requirement to have these accounts audited under part XVI section 256 of the Guernsey Companies Law, 2008.

Principal risks and uncertainties

The Company's activities expose it to a number of financial risks including liquidity risk.

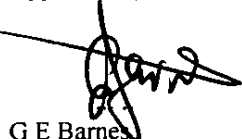
Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company ensures regular communication with other Group companies.

Going concern

The Directors have considered the going concern assumption given the current uncertain economic climate and the net current liabilities of the Company, and have reviewed the Company forecast and considered the financial commitment from the ultimate parent company, which has been confirmed in writing, 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.

Approved by the Board on 13 June 2014 and signed on its behalf by



G E Barnes
Company secretary and director

Black Heath Limited
Directors' Report for the Year Ended 31 December 2013

The Directors present their report and the unaudited financial statements for the year ended 31 December 2013

Directors of the company

The directors who held office during the year were as follows

G E Barnes - Company secretary and director

M J Richards (appointed 22 August 2013)

G P Martin

S A Peckham (resigned 21 June 2013)

Dividends

The Directors do not recommend the payment of a dividend in the year (year ended 31 December 2012 £nil)

Directors' indemnities

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.

Approved by the Board on 13 June 2014 and signed on its behalf by



G E Barnes
Company secretary and director

Black Heath Limited

Statement of Directors' Responsibilities

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 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 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 Guernsey Companies Law, 2008. 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.

Black Heath Limited
Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 US\$ 000	2012 US\$ 000
Administrative expenses		<u>(12)</u>	<u>(10)</u>
Operating loss		<u>(12)</u>	<u>(10)</u>
Loss on ordinary activities before taxation		(12)	(10)
Tax on loss on ordinary activities		-	-
Loss for the financial year	7	<u><u>(12)</u></u>	<u><u>(10)</u></u>

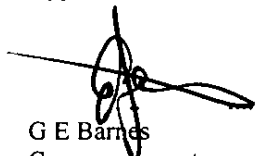
The above results derive from continuing operations

The company has no recognised gains or losses for the year other than the results above

Black Heath Limited
(Registration number: 35026)
Balance Sheet as at 31 December 2013

	Note	2013 US\$ 000	2012 US\$ 000
Fixed assets			
Investments	4	610,016	610,016
Creditors Amounts falling due within one year	5	<u>(48)</u>	<u>(36)</u>
Net assets		<u>609,968</u>	<u>609,980</u>
Capital and reserves			
Called up share capital	6	610,000	610,000
Share premium reserve	7	50	50
Profit and loss account	7	<u>(82)</u>	<u>(70)</u>
Shareholders' funds	8	<u>609,968</u>	<u>609,980</u>

Approved and authorised for issue by the Board on 13 June 2014 and signed on its behalf by



G E Barnes
Company secretary and director

Black Heath Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently.

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with Guernsey Companies law 2008 and accounting standards, and on a going concern basis as described in the Strategic report.

The Company is managed and controlled in the UK and is therefore deemed for UK Company law purposes to have a UK branch and is obliged to file these accounts with Companies House. The Company was incorporated in Guernsey and under Guernsey Company law it is necessary to file an annual return with the Guernsey authorities. The Company is exposed to Guernsey taxation at the standard Company rate of 0%.

Exemption from preparing a cash flow statement

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Going concern

The Directors have considered the going concern assumption given the current uncertain economic climate and the net current liabilities of the Company, and have reviewed the Company forecast and considered the financial commitment from the ultimate parent company, which has been confirmed in writing, 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.

Impairment

Fixed assets (including investments) are reviewed for impairment when changes in circumstances or events indicate that the carrying value of the fixed assets may not be recoverable. An impairment loss is recognised where the recoverable amount is less than the carrying value.

Fixed asset investments

The Company's investments in shares in Group companies are stated at cost less provision for impairments in value. Income received from investments is credited to the Profit and Loss account on a receivables basis.

Black Heath Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

1 Accounting policies (continued)

Taxation

Current tax, including Guernsey 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 tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the Balance Sheet date there is a binding agreement to sell the revalued asset and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is measured on a non-discounted basis

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account

Black Heath Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

2 Particulars of employees

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

3 Directors' remuneration

The Directors received no remuneration for their services to the Company during the year (year ended 31 December 2012 £nil) The Directors of the Company who served during the year were also Directors of a number of the companies within the Melrose Group and as such remuneration of directors is borne by a fellow company

4 Investments

	2013 US\$ 000	2012 US\$ 000
Shares in group undertakings and participating interests	<u>610,016</u>	<u>610,016</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings US\$ 000	Total US\$ 000
Cost		
At 1 January 2013	<u>610,016</u>	<u>610,016</u>
At 31 December 2013	<u>610,016</u>	<u>610,016</u>
Net book value		
At 31 December 2013	<u>610,016</u>	<u>610,016</u>
At 31 December 2012	<u>610,016</u>	<u>610,016</u>

Black Heath Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

4 Investments (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Country of incorporation	Holding	Proportion held	Principal activity
Subsidiary undertakings				
Hamsard 2246	Great Britain	Ordinary	100%	Dormant

5 Creditors: Amounts falling due within one year

	2013	2012
	US\$ 000	US\$ 000
Amounts owed to group undertakings	<u>48</u>	<u>36</u>

6 Share capital

Allotted, called up and fully paid shares

		2013		2012
	No.	US\$000	No.	US\$000
Ordinary shares of USD1 each	610,000,000	610,000	610,000,000	610,000
Ordinary shares of £1 each	2	-	2	-
	-	-	-	-
	<u>610,000,002</u>	<u>610,000</u>	<u>610,000,002</u>	<u>610,000</u>

7 Reserves

	Share premium account	Profit and loss account	Total
	US\$ 000	US\$ 000	US\$ 000
At 1 January 2013	50	(70)	(20)
Loss for the year	-	(12)	(12)
At 31 December 2013	<u>50</u>	<u>(82)</u>	<u>(32)</u>

Black Heath Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

8 Reconciliation of movement in shareholders' funds

	2013 US\$ 000	2012 US\$ 000
Loss attributable to the members of the company	<u>(12)</u>	<u>(10)</u>
Shareholders' funds at 1 January	<u>609,980</u>	<u>609,990</u>
Shareholders' funds at 31 December	<u><u>609,968</u></u>	<u><u>609,980</u></u>

9 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

10 Control

The immediate parent company is FKI Limited, which is incorporated in England and Wales

The ultimate parent company and controlling party is Melrose Industries PLC, which is incorporated in England and Wales

The smallest and largest group in which results of the Company are consolidated is that headed by Melrose Industries PLC Consolidated financial statements are available from the 11th Floor, Colmore Plaza, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT