

Company No: 3318

YARM ROAD INTERNATIONAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009
TOGETHER WITH THE REPORT OF THE SOLE DIRECTOR

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YARM ROAD INTERNATIONAL LIMITED

(Company number 3318)

DIRECTOR'S REPORT

The Sole Director presents his report and the financial statements for the year ended 31 December 2009.

Activity and Prospects

The Company has ceased trading. The Company was dormant throughout the year ended 31 December 2009.

The Company is a member of the TH Global group of companies. The Group is engaged in a work-out process and is reducing its operating activities. The work-out is a financial and organisational restructuring aimed at: (i) achieving viable long term solutions for its remaining businesses and (ii) resolving outstanding disputes and liabilities, in the best interest of creditors and shareholders under the existing circumstances. At the date of approval of these financial statements, the Group has attained its ambition to divest itself of its operating businesses. The Group continues in its other objective to wind up residual liabilities and responsibilities arising out of past activities, transactions, events and circumstances as soon as practicable.

The Company ceased to trade in May 2000. In May 2000 the Kvaerner Group completed the sale of its steel fabrication and bridge building business to its management, which sale included the trade and certain assets of the Company. Since May 2000, the Company has not operated or controlled any business activities.

The Company's remaining residual liability is claims by former employees alleging that they have suffered bodily injury as a result of industrial disease caused during the course of the claimant's employment with the Company. Claims do not arise until many years after the relevant employment ceased (- medical conditions may not develop until much later). The Company's historic insurance policies and a third party indemnity arrangement provide insurance and other financial cover for claims.

Balance Sheet and Dividend

The Balance Sheet of the Company appears on page 2.

The Company has a deficit on its profit and loss account. Consequently, no dividend can be paid.

Director

Rufus Laycock was the Sole Director throughout the year and continues in office at the date of this report.

Rufus Laycock

Rufus Laycock
Sole Director

Date: 6 January 2010

Registered Office:
151 St. Vincent Street,
Glasgow G2 5NJ

YARM ROAD INTERNATIONAL LIMITED

(Company number 3318)

Balance Sheet at 31 December 2009

	<u>Notes</u>	<u>2009</u> <u>£000's</u>	<u>2008</u> <u>£000's</u>
CURRENT ASSETS			
Debtors	2	9,320	9,320
		<u>9,320</u>	<u>9,320</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	3	(158)	(158)
		<u>(158)</u>	<u>(158)</u>
NET CURRENT ASSETS		9,162	9,162
NET ASSETS		<u>9,162</u>	<u>9,162</u>
CAPITAL AND RESERVES			
Called up share capital	4	21,750	21,750
Profit and loss account		<u>(12,588)</u>	<u>(12,588)</u>
Equity shareholder's funds		<u>9,162</u>	<u>9,162</u>

The notes on pages 3 and 4 form an integral part of these financial statements.

For the year ended 31 December 2009 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 (the "Act") relating to dormant companies.

The sole member has not required the Company to obtain an audit of its accounts for the year ended 31 December 2009 in accordance with section 476 of the Act.

The Sole Director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting periods and the preparation of accounts.

The Company did not act as an agent for any person during the year ended 31 December 2009.

These financial statements were approved by the Sole Director on 6 January 2010.

Rufus Laycock

Rufus Laycock
Sole Director

YARM ROAD INTERNATIONAL LIMITED

(Company number 3318)

Notes to the Financial Statements for the year ended 31 December 2009

1. Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and reflect the fact that the Company did not trade during the year.

The Company has ceased to trade. The Company was dormant throughout the year ended 31 December 2009. The Company's remaining residual liability which involves no expenditure (or income) on the part of the Company is explained in the Director's Report. Any expenses have been met by fellow subsidiary undertakings. It is not envisaged that the Company will trade in the foreseeable future.

The Company is engaged in a work out process together with the other members of the TH Global Group. The purpose and activity of the work-out is explained in the Director's Report.

At the date of approval of these financial statements it is the opinion of the Sole Director of the Company that it is in the best interests of creditors of the Company for there to be a work-out process, involving seeking agreement with creditors in relation to outstanding borrowings, disputes, liabilities and legacy issues and based on the current expectation that the disputes and liabilities are capable of being resolved through a negotiated settlement process out of the funds, cash flows and assets realisations available based on all known factors. Group Management explores a range of appropriate strategic and financial alternatives to achieve its objective, which includes obtaining agreement to compromise indebtedness.

The Sole Director of the Company recognises and reports that the work-out is subject to significant issues indicating material uncertainties and risks which may cause significant doubt on the Group's ability to continue as a going concern if actual results were to differ materially from those anticipated. These uncertainties relate to:

- whether the outcome of a number of existing claims including insurance claims (incurred and incurred but not reported), industrial injury claims and overseas taxation claims will be as estimated;
- whether the settlement consideration in relation to the Group's outstanding liabilities will be within the expected range and timing; and
- whether the actual consideration received upon disposal of the remaining Group's assets will be as estimated.

In preparing these financial statements, the Sole Director has taken into account Group Management's best estimates to forecast cash movements over the next 12 months from the date of these accounts. These estimates and forecasts indicate that the Group has the ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business. However, these estimates are based on assumptions including values and timing of expected liabilities settlement, claims outcome and assets disposal and therefore subject to the material uncertainties aforementioned.

Given the above there is a material uncertainty in relation to intercompany receivables because of the complex web of intercompany indebtedness subsisting in the TH Global Group such that the actual recovery may be significantly less than the reported balance in part due to the uncertainty regarding the settlement of the Group's obligations. No provision has been made in the financial statements in relation to this uncertainty. The carrying values of receivables from Group companies having a net deficiency of assets are assessed individually at year-end and a provision is booked against them where appropriate.

YARM ROAD INTERNATIONAL LIMITED

(Company number 3318)

Notes to the Financial Statements for the year ended 31 December 2009 (continued)

2. Debtors

	<u>2009</u> <u>£000's</u>	<u>2008</u> <u>£000's</u>
Amounts falling due within one year:		
Amount owed by group undertakings	<u>9,320</u>	<u>9,320</u>

3. Creditors

	<u>2009</u> <u>£000's</u>	<u>2008</u> <u>£000's</u>
Amounts falling due within one year:		
Amounts owed to group undertakings	<u>158</u>	<u>158</u>

4. Called up share capital

	<u>2009</u> <u>£000's</u>	<u>2008</u> <u>£000's</u>
Authorised:		
Equity share capital 21,750,000 ordinary shares of £1 each	<u>21,750</u>	<u>21,750</u>
Allotted, called up and fully paid:		
Equity share capital 21,750,000 ordinary shares of £1 each	<u>21,750</u>	<u>21,750</u>

5. Ultimate parent company and ultimate controlling party

The Company's immediate parent company is Yarm Road Limited, incorporate in England and Wales

The smallest and largest group in which the results of the Company were consolidated is that headed by Medaura BV, a private company incorporated in The Netherlands. The consolidated financial statements of Medaura BV are available to the public and may be obtained from the Chamber of Commerce at Kamer van Koophandel, De Ruterkade 5, 1013 AA Amsterdam or from the Company Secretary, TH Global Limited, Surrey House, 36-44 High Street, Redhill, Surrey RH1 1RH, UK.

The Glacier Trust, established under the laws of Guernsey, is regarded as the ultimate controlling party of the Company.