

Linread Limited
Annual report
for the year ended 31 December 2006

Registered Number 207655



Linread Limited

Directors' report for the year ended 31 December 2006

The Directors present their annual report and the audited financial statements for the year ended 31 December 2006

Business review and principal activities

The Company is a wholly owned subsidiary of Melrose PLC and operates as part of the Group's Aerospace OEM Segment

The Company's principal activities are the manufacture/stockist and sale of a wide range of hot and cold forged parts and machined special fasteners and other precision components to the Aerospace industry predominantly in the UK and Europe. There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

As shown in the Company's profit and loss account on page 8, the Company's sales have increased by 8% over the prior 17 month year and profit after tax has similarly improved from a loss of £3,841,000 to a profit of £867,000.

The balance sheet on page 9 of the financial statements shows that the Company's financial position at the year end is, in both net assets and cash terms, consistent with the prior year. Details of amounts owed to/from the parent company are shown in notes 13 and 14 on pages 17 and 18.

Details of significant events since the balance sheet date are contained in note 22 to the financial statements on page 21.

The Melrose Group manages its operations on a divisional basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Aerospace OEM Segment of Melrose PLC, which includes the Company, is discussed in the group's Annual Report which does not form part of this Report.

Principal risks and uncertainties

Competitive pressure in the UK is a continuing risk for the Company, which could result in it losing sales to its key competitors. The Company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers.

The Company makes purchases and sales in Europe that are made in Euros and it is therefore exposed to the movement in the Euro to pound exchange rate. The Company also purchases raw materials and makes sales in US \$ and is consequently exposed to the movement in £/\$ exchange rates. The Group's treasury function takes out contracts to manage this risk at a group level.

The Company is financed by a fixed rate loan from its parent and has no third party debt. It therefore has no interest rate exposure.

Group risks are discussed in the Group's Annual Report and do not form part of this Report.

Linread Limited

Directors' report for the year ended 31 December 2006 (continued)

Environment

The Company recognizes the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities

Initiatives designed to minimize the company's impact on the environment include improvements to Energy Efficiency, reductions in CO2 emissions, re-cycling and waste reduction. Specific measures include a new solvent plant and a Safe-Tainer system that fully bunds solvents to prevent spillage on handling, disposal and transportation

The company operates a formal Environmental Management System, certified to ISO 14001

Employees

Details of the number of employees and related costs can be found in note 7 to the financial statements on page 14

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and correspondence. Employees and their representatives are consulted regularly on a wide range of matters affecting their interests

Dividend and transfers to reserves

The trading profit for the year after taxation transferred from reserves amounted to £867,000 (17 month period to 31 December 2005 loss of £4,227,000). The Company paid a dividend of £2,000,000 (2005 nil)

Directors and their interests

The Directors who held office during the year were

G P Martin
R McDonald (resigned 9 March 2006)
G Barnes (appointed 9 March 2006)
R Stark (appointed 5 May 2006)
S A Peckham (appointed 1 November 2006)

None of the Directors hold any beneficial interest in shares in the Company

Linread Limited

Directors' report for the year ended 31 December 2006 (continued)

The interests of GP Martin and SA Peckham in shares in the ultimate holding company, Melrose PLC, are disclosed in the accounts of that company. The other Directors' interests in the shares of Melrose PLC are

	At 31 December 2006		At 31 December 2005 ²	
	Ordinary Shares of £0 0001	Convertible B Shares of £1 00 ¹	Ordinary Shares of £0 0001	Convertible B Shares of £1 00
G Barnes	Nil	Nil	Nil	Nil
R Stark	15,000	Nil	15,000	Nil

Note ¹ The arrangements for conversion of the Convertible B Shares can be found in the Annual Report of Melrose PLC

Note ² Or date of appointment if later

The Directors have the benefit of 'qualifying third party indemnity provisions' for the purposes of sections 309a to 309c of the Companies Act 1985

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/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 s234ZA of the Companies Act 1985

Deloitte and Touche LLP are the auditors of the company

Statement of Directors' responsibilities

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). 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Linread Limited

Directors' report for the year ended 31 December 2006 (continued)

Statement of Directors' responsibilities (continued)

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



R Stark
Director

27 March 2007

Linread Limited

Independent auditors' report to the members of Linread Limited

We have audited the financial statements of Linread Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. 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 whether 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.

Linread Limited

Independent auditors' report to the members of Linread 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 2006 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 & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

28 March 2007

Linread Limited

Profit and loss account for the year ended 31 December 2006

		Year ended 31 December 2006	17 month period ended 31 December 2005
	<i>Note</i>	£'000	£'000
Turnover	2	25,657	23,740
Cost of sales		(20,079)	(19,080)
Gross profit		<u>5,578</u>	<u>4,660</u>
Distribution costs		(1,440)	(1,212)
Administrative expenses		(3,280)	(2,858)
Exceptional items	5	-	(4,458)
Operating profit / (loss)		<u>858</u>	<u>(3,868)</u>
Interest receivable	3	22	27
Interest payable	4	(13)	-
Profit / (loss) on ordinary activities before taxation	5	<u>867</u>	<u>(3,841)</u>
Tax on profit / (loss) on ordinary activities	8	-	(386)
Profit / (loss) for the period		<u><u>867</u></u>	<u><u>(4,227)</u></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

Linread Limited

Balance sheet as at 31 December 2006

		2006	2005
	<i>Note</i>	£'000	£'000
Fixed assets			
Tangible assets	10	3,181	3,304
Investments	11	256	291
		<u>3,437</u>	<u>3,595</u>
Current assets			
Stocks	12	6,484	7,415
Debtors amounts falling due within one year	13	5,550	5,123
Cash at bank and in hand		-	-
		<u>12,034</u>	<u>12,538</u>
Creditors amounts falling due within one year	14	(7,857)	(6,598)
Net current assets		<u>4,177</u>	<u>5,940</u>
Total assets less current liabilities		7,614	9,535
Provision for liabilities	15	(2,547)	(3,335)
		<u>5,067</u>	<u>6,200</u>
Capital and reserves			
Called up share capital	17	3,096	3,096
Share premium account	17	789	789
Other reserves	17	232	232
Profit and loss account	17	950	2,083
Equity shareholders' funds		<u>5,067</u>	<u>6,200</u>

The financial statements on pages 8 to 21 were approved by the Board of Directors on 26 March 2007 and were signed on its behalf by



R Stark
Director

Linread Limited

Notes to the financial statements for the year ended 31 December 2006

1 Principal accounting policies

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

Basis of preparation

These financial statements have been prepared, under the historical cost convention, and in accordance with applicable accounting standards.

Tangible fixed assets

Fixed assets are shown at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:

Freehold land	Nil
Freehold buildings	Over 50 years
Plant and machinery, and office equipment	Between 3 and 12 years

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.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises materials, labour and appropriate overhead expenses. Provisions are made as necessary for slow moving and obsolete stock.

Leased assets

The cost of operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

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.

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Notes to the financial statements for the year ended 31 December 2006

1 Principal accounting policies (continued)

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. Deferred tax is measured on a non-discounted basis.

Pension costs

The Company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme. In addition, the Company makes contributions to a closed scheme. These contributions are charged to the profit and loss account in accordance with a deed of guarantee (see note 18).

Foreign currency

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Profits and losses on exchange arising in the normal course of trading and realised exchange differences arising on the conversion of foreign currency assets and liabilities are dealt with in the profit and loss account.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the value of goods and services supplied.

Key estimation techniques

The key estimation techniques, other than those already disclosed above, are as follows:

a) **Bad debt provisions**

Provision for bad debts is made against specific balances that are considered by the company to be irrecoverable or where there may exist a risk that a debtor balance may not be fully recovered. Depending on the customer profile, the specific provision is supplemented by a general amount to take into account the risk profile of the customers with whom the group trades.

b) **Stock obsolescence provisions**

Provision is made for obsolete stock based on the ageing profile of stock held and takes into consideration material that can be re-used within the production process.

Linread Limited

Notes to the financial statements for the year ended 31 December 2006

2 Turnover

All of the Company's trade originates within the United Kingdom

	17 month period ended 31 December	
	2006	2005
	£'000	£'000
Turnover may be analysed by geographical destination as follows:		
Europe	22,673	20,549
North America	2,453	2,145
Other	531	1,046
	<u>25,657</u>	<u>23,740</u>

The Company's continuing activities are in a single market segment, therefore no analysis is presented

3 Interest receivable

	17 month period ended 31 December	
	2006	2005
	£'000	£'000
Group interest receivable on US\$ bonds	22	27
	<u>22</u>	<u>27</u>

4 Interest payable

	17 month period ended 31 December	
	2006	2005
	£'000	£'000
Group interest payable to Melrose Management Resources Ltd	13	-
	<u>13</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2006

5 Profit / (loss) on ordinary activities before taxation

Profit / (loss) on ordinary activities before taxation is stated after charging/(crediting)

	2006	17 month period ended 31 December 2005
	£'000	£'000
Depreciation of owned assets	821	1,844
Depreciation of assets held under finance leases	-	1
Profit on disposal of fixed assets	80	(5)
Hire of plant and machinery	31	2
Rent of plant and machinery – operating leases	15	68
Rent of buildings – operating leases	401	564
Research and development expenditure	-	144
Auditors' remuneration – audit fees including expenses*	23	29
Exceptional item		
Onerous contract provision – relates to the release of a provision for losses arising from a long term supply arrangement	-	(4,458)

* There are no payments to the auditors for non-audit services

6 Annual commitments under operating leases

	Plant and machinery		Land and buildings	
	2006	2005	2006	2005
Expiring:	£'000	£'000	£'000	£'000
Within one year	15	3	-	-
In two to five years	-	41	-	-
Over five years	-	-	401	398
	<u>15</u>	<u>44</u>	<u>401</u>	<u>398</u>

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Notes to the financial statements for the year ended 31 December 2006

7 Staff costs

	17 month period ended 31 December	
	2006	2005
	£'000	£'000
Average number of employees by activity		
Staff	79	67
Works	277	213
	<u>356</u>	<u>280</u>

	17 month period ended 31 December	
	2006	2005
	£'000	£'000
Wages and salaries	8,016	8,556
Social security costs	400	727
Other pension costs (note 18)	933	388
	<u>9,349</u>	<u>9,671</u>

The Directors received no remuneration for services to this Company

8 Taxation on profit on ordinary activities

	17 month period ended 31 December	
	2006	2005
	£'000	£'000
(a) Analysis of (credit)/charge in year		
Current tax		
UK Corporation tax at 30% (2005 30%)	-	-
Adjustment in respect of previous period	-	386
Total current tax (note (b))	<u>-</u>	<u>386</u>

Linread Limited

Notes to the financial statements for the year ended 31 December 2006

8 Taxation on profit on ordinary activities

(b) Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2006 £'000	17 month period ended 31 December 2005 £'000
Profit on ordinary activities before tax	867	(3,841)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	260	(1,152)
Disallowed expenses and non taxable income	11	11
Capital allowances for period in excess of depreciation	(126)	(43)
Use of brought forward tax losses	(138)	-
Short term timing differences	-	1,001
Group relief (claimed) / surrendered (at nil tax rate)	(7)	183
Adjustments in respect of prior periods	-	386
Current tax credit for year (note (a))	-	386

(c) Factors that may affect future tax charges

	2006 £'000	17 month period ended 31 December 2005 £'000
Deferred tax asset not recognised in the balance sheet at 30%		
Depreciation in excess of capital allowances	204	330
Other timing differences	4	1,685
Excess tax losses	1,043	-
	1,251	2,015

Linread Limited

Notes to the financial statements for the year ended 31 December 2006

9 Dividends paid

An interim dividend of £2,000,000 (2005 £Nil) was paid to Melrose UK Holdings Limited in respect of the year ended 31 December 2006

10 Tangible fixed assets

	Land and buildings £'000	Plant and other equipment £'000	Total £'000
Cost			
At 1 January 2006	606	15,026	15,632
Additions	40	659	699
Disposals	-	(251)	(251)
At 31 December 2006	<u>646</u>	<u>15,434</u>	<u>16,080</u>
Depreciation			
At 1 January 2006	409	11,919	12,328
Charge for period	44	777	821
Disposals	-	(250)	(250)
At 31 December 2006	<u>453</u>	<u>12,446</u>	<u>12,899</u>
Net book value at 31 December 2006	<u>193</u>	<u>2,988</u>	<u>3,181</u>
Net book value at 31 December 2005	<u>197</u>	<u>3,107</u>	<u>3,304</u>

	2006 £'000	2005 £'000
Included in plant and machinery above is a net book value of assets held under finance leases of	-	8

The net book value of buildings comprises

Freehold	-	-
Long leasehold	193	197
	<u>193</u>	<u>197</u>

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Notes to the financial statements for the year ended 31 December 2006

11 Fixed asset investments

	£'000
At 1 January 2006	291
Foreign exchange loss	(35)
At 31 December 2006	<u>256</u>
Net book value at 31 December 2006	<u>256</u>
Net book value at 31 December 2005	<u>291</u>

Investments comprise 2.5% of the share capital of Technical Airborne Components Industries SPRL, a company incorporated in Belgium (book value £284) together with 500 US\$1,000 bonds issued by this company

12 Stocks

	2006	2005
	£'000	£'000
Raw materials and consumables	1,031	1,284
Work in progress	2,575	3,303
Finished goods	2,878	2,828
	<u>6,484</u>	<u>7,415</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

13 Debtors: amounts falling due within one year

	2006	2005
	£'000	£'000
Trade debtors	4,756	4,225
Amounts owed to Group undertakings	541	536
Prepayments and accrued income	253	362
	<u>5,550</u>	<u>5,123</u>

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Notes to the financial statements for the year ended 31 December 2006

14 Creditors: amounts falling due within one year

	2006	2005
	£'000	£'000
Trade creditors	2,709	2,556
Amounts owed to fellow subsidiary undertakings	3,231	568
Corporation tax	-	-
Other taxation and social security	467	382
Other creditors	272	214
Accruals and deferred income	443	199
Bank overdraft (unsecured)	735	2,679
	<u>7,857</u>	<u>6,598</u>

15 Provisions for liabilities

	2006	2005
	£'000	£'000
Opening provision	3,335	-
Charge to profit and loss	-	4,458
Utilised	(788)	(1,123)
	<u>2,547</u>	<u>3,335</u>

The closing provision relates to anticipated future losses in respect of an onerous trading contract

16 Share capital

Ordinary Shares of £0.25 each	Authorised		Allotted, called up and fully paid	
	No of shares	£'000	No of shares	£'000
At 1 January 2006 and 31 December 2006	<u>20,000,000</u>	<u>5,000</u>	<u>12,384,036</u>	<u>3,096</u>

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Notes to the financial statements for the year ended 31 December 2006

17 Reconciliation of shareholders' funds and movements on reserves

	Share capital	Share premium account	Other reserves	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
At 1 January 2006	3,096	789	232	2,083	6,200
Profit for the year	-	-	-	867	867
Dividend paid	-	-	-	(2,000)	(2,000)
At 31 December 2006	<u>3,096</u>	<u>789</u>	<u>232</u>	<u>950</u>	<u>5,067</u>

18 Pensions

The Company is a participating employer in the McKechnie Pension Plan which is now closed. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

Contributions to the scheme for the period were £873,000 (2005 £317,451) and the agreed contribution rate for year to December 2007 is £1,164,000.

As stated in the Melrose PLC financial statements for the year ended 31 December 2006, the full actuarial valuation at 31 December 2005 was updated to 31 December 2006 by a qualified actuary and showed that the market value of the scheme's assets was £83.0m and that the actuarial value of these assets represented 65% of the benefits that had accrued to members.

The assets in the scheme and the expected rates of return at 31 December 2006 were

	Long term rate of return expected	Value £m
Equities	7.4%	61.4
Debt instruments	4.9%	10.0
Other costs	4.4%	11.6
Total market value of assets		<u>83.0</u>
Present value of scheme liabilities		<u>(128.4)</u>
Deficit in scheme		<u>(45.4)</u>

Linread Limited

Notes to the financial statements for the year ended 31 December 2006

18 Pensions (continued)

The figures shown above were calculated on the basis of the following assumptions

Discount rate	5.1%
Rate of increase in salaries	3.4%
Rate of increase in pensions in payment	2.9%
Inflation assumption	2.9%

On 21 April 2005, Melrose PLC entered into a deed of guarantee with McKechnie Pension Trust Limited, the trustee of the McKechnie Pension Plan, pursuant to which Melrose PLC guaranteed the obligations of the Participating Employers, to contribute £5 million to the McKechnie Pension Plan for each of the five Plan Years (as defined in the McKechnie Pension Plan) from 6 April 2005 until 6 April 2009 (the "Guaranteed Contributions") Melrose PLC has agreed to indemnify the trustee against all costs, losses or liabilities resulting from the failure by the Participating Employers to make the Guaranteed Contributions

In addition, the Company participates in the McKechnie 2005 Pension Scheme The McKechnie 2005 Pension Scheme is a trust based defined contribution pension scheme established under the provisions of Chapter I, Part XIV of the Income and Corporation Taxes Act 1988 The scheme is administered and managed by Scottish Life The trustee of the scheme is McKechnie Pension Trust (Alcester) Limited

19 Capital commitments including items to be leased

	2006	2005
	£'000	£'000
Capital commitments not provided for in the Financial Statements		
In respect of contract places and agreements made	457	48
	<u>457</u>	<u>48</u>

20 Related party transactions

Advantage has been taken of the exemption available under Financial Reporting Standard Number 8 to dispense with the requirement to disclose transactions with fellow subsidiaries, 90% or more of whose voting rights are held within the Group and which are included in the consolidated financial statements of Melrose PLC

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Notes to the financial statements for the year ended 31 December 2006

21 Parent undertaking

The immediate parent undertaking is Melrose UK Holdings Limited, registered in England and Wales. The ultimate parent and controlling undertaking is Melrose PLC.

The results of the company are included in the group accounts Melrose PLC, a company incorporated in England and Wales. Copies of the Group Financial Statements can be obtained from Precision House, Arden Road, Alcester, Warks, B49 6HN.

22 Significant events post balance sheet date

There are no significant events occurring after 31 December 2006.